

碧桂園服務控股有限公司

Country Garden Services Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6098

2024

INTERIM REPORT



Serving you a better life

服務成就美好生活



Serving you a better life

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Binhuai (*President*)
Mr. Xiao Hua
Mr. Guo Zhanjun (*resigned on 3 April 2024*)

Non-executive Director

Ms. Yang Huiyan (*Chairman*)

Independent Non-executive Directors

Mr. Mei Wenjue
Mr. Rui Meng
Mr. Chen Weiru
Mr. Zhao Jun (*appointed on 3 April 2024*)

AUDIT COMMITTEE

Mr. Rui Meng (*Chairman*)
Mr. Mei Wenjue
Mr. Chen Weiru
Mr. Zhao Jun (*appointed on 3 April 2024*)

REMUNERATION COMMITTEE

Mr. Chen Weiru (*Chairman*)
Ms. Yang Huiyan
Mr. Mei Wenjue

NOMINATION COMMITTEE

Ms. Yang Huiyan (*Chairman*)
Mr. Rui Meng
Mr. Chen Weiru
Mr. Zhao Jun (*appointed on 3 April 2024*)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Xu Binhuai (*Chairman*)
Mr. Xiao Hua
Ms. Yang Huiyan (*appointed on 3 April 2024*)
Mr. Chen Weiru (*appointed on 3 April 2024*)
Mr. Zhao Jun (*appointed on 3 April 2024*)
Mr. Guo Zhanjun (*resigned on 3 April 2024*)

DEBT RECOVERY COMMITTEE*

Mr. Xu Binhuai (*Chairman*) (*appointed on 22 August 2024*)
Mr. Xiao Hua (*appointed on 22 August 2024*)
Mr. Rui Meng (*appointed on 22 August 2024*)

JOINT COMPANY SECRETARIES

Mr. Chen Dilin (*appointed on 3 April 2024*)
Mr. Leung Chong Shun (*Solicitor in Hong Kong*)
Mr. Huang Peng (*resigned on 3 April 2024*)

AUTHORISED REPRESENTATIVES

Mr. Xu Binhuai
Mr. Chen Dilin (*appointed on 3 April 2024*)
Mr. Huang Peng (*resigned on 3 April 2024*)

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

4th Floor, Ruttonjee House
Ruttonjee Centre
11 Duddell Street
Central
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

West Building of Country Garden Office
Beijiao Town
Shunde District, Foshan
Guangdong Province
PRC

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22nd Floor, Prince's Building, Central, Hong Kong

* The other two members are core management personnel of the Company



LEGAL ADVISERS

As to Hong Kong laws:

WOO KWAN LEE & LO

26/F, Jardine House, 1 Connaught Place, Central
Hong Kong

DENTONS HONG KONG LLP

Suite 3201, Jardine House, 1 Connaught Place, Central
Hong Kong

As to PRC laws:

DeHeng Law Offices (Shenzhen)

11/F, Section B, Anlian Plaza, No. 4018 Jintian Road
Futian District, Shenzhen, PRC

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Industrial and Commercial Bank of China (Asia) Limited

The Hongkong and Shanghai Banking Corporation Limited

COMPANY WEBSITE

www.bgyfw.com

STOCK CODE

6098

LISTING DATE

19 June 2018

AWARDS AND HONOURS



No.	Honours	Awarding entity
1	2024 TOP 100 Property Management Companies in China	Beijing China Index Academy
2	2024 TOP 1 in TOP 100 Property Management Companies in China in terms of Comprehensive Strength	Beijing Zhongwu Zhihui Information Technology Co., Ltd.
3	2024 TOP 1 of Property Management Companies in China in terms of Comprehensive Strength	YIHAN, YIHAN Property Management Research
4	2024 Top 100 Leading Property Management Companies in China in terms of Customer Satisfaction	Beijing China Index Academy
5	2024 TOP 10 of the TOP 100 Property Management Companies in China in terms of Service Scale	Beijing China Index Academy
6	2024 TOP 10 of the TOP 100 Property Management Companies in China in terms of Business Performance	Beijing China Index Academy
7	2024 Annual Property Management Companies with Sense of Social Responsibility in China	Beijing China Index Academy
8	2024 Outstanding ESG Development of China Property Management Companies	Beijing China Index Academy
9	2024 Outstanding Companies for Residential Property Services in China	Beijing China Index Academy
10	2024 Outstanding Companies for Commercial Property Services in China	Beijing China Index Academy
11	2024 Best Employer in Property Management Industry in China	Beijing China Index Academy
12	2024 Leading Property Management Companies in China in terms of Marketisation of Business	Beijing China Index Academy
13	2024 Leading Property Management Companies in China in terms of Technology Empowerment	Beijing China Index Academy
14	2024 Leading Companies for Smart City Service in China	Beijing China Index Academy
15	2024 Top 100 China Property Management Companies by Brand Value	CRIC Property Management, China Property Management Research Institution
16	2024 TOP 20 Companies for Park Property Services in China	CRIC Property Management, China Property Management Research Institution
17	2024 TOP 30 Branded Property Management Companies in Southern China	CRIC Property Management, China Property Management Research Institution
18	2024 TOP 20 Companies for City Services in China	CRIC Property Management, China Property Management Research Institution
19	2024 TOP 10 Leading Listed Property Management Companies in China in terms of Management Scale	CRIC Property Management, CRIC (Shanghai) Information Technology Co. Ltd.
20	2024 TOP 10 Leading Listed Property Management Companies in China in terms of Profit Scale	CRIC Property Management, CRIC (Shanghai) Information Technology Co. Ltd.
21	2024 TOP 20 Listed Property Management Companies in China	CRIC Property Management, CRIC (Shanghai) Information Technology Co. Ltd.
22	2024 TOP 10 Leading Listed Companies of Property Management Companies in China in terms of ESG Sustainability	CRIC Property Management, CRIC (Shanghai) Information Technology Co. Ltd.
23	2024 China's Model Property Service Companies for Red Property	YIHAN, YIHAN Property Management Research
24	2024 China's Model Property Service Companies for Characteristic Property (Community Value-added Services)	YIHAN, YIHAN Property Management Research
25	2024 China's Model Property Service Companies for Commercial Center Property	YIHAN, YIHAN Property Management Research
26	2024 China's Model Property Service Companies for Public Property	YIHAN, YIHAN Property Management Research
27	2024 China's Model Property Service Companies for City Services	YIHAN, YIHAN Property Management Research
28	2024 China's Model Property Management Companies for Industrial Park	YIHAN, YIHAN Property Management Research
29	2024 Leading Property Management Companies in Southern China in terms of Competitiveness	YIHAN, YIHAN Property Management Research
30	2024 Leading Property Management Companies in Central China in terms of Competitiveness	YIHAN, YIHAN Property Management Research



CHAIRMAN'S STATEMENT



Dear Shareholders,

The board (the “**Board**”) of directors (the “**Directors**”) of the Company respectfully and diligently reports that for the six months ended 30 June 2024 (the “**Period**”), the Company and its subsidiaries (the “**Group**” or “**we**”) recorded a revenue of approximately RMB21,046.2 million, with a gross profit of approximately RMB4,453.4 million, a net profit of approximately RMB1,545.6 million, and profit attributable to the owners of the Company of approximately RMB1,440.4 million. The basic earnings per share were approximately RMB43.09 cents.

In the first half of the year, China’s economy saw continued recovery as a result of the continued effects of macroeconomic policies. The Chinese government has successively issued relevant policies, unleashing the potential of service consumption, which provided strong support for high-quality economic development and also brought a new round of benefits to the property management industry. Against this background, we maintained our strategic composure, upheld long-termism, focused on residential properties, strengthened our professional capabilities, returned to the original intention of service quality, and developed digitalisation, AIoT and property cleaning robots to empower our business, and promoted organic growth; at the same time, we promoted the incubation of strategic businesses, optimised and iterated our business model, and proactively innovated, in order to strive to achieve our long-term goals.



We deeply recognize that employees are the creators of excellent services and our most valuable assets. We firmly believe that embedding the concept of “prioritizing employees” into our corporate culture is not only the key to improving service quality, but also an important way to stimulate employees’ potential and maximize their value. We are committed to promoting a corporate culture of respect and fairness. We listen to the voices and suggestions of our frontline employees and conduct employee happiness surveys to improve employees’ satisfaction in a targeted manner. At the same time, we built a talent portrait of key positions to empower talents and support the achievement of the talent leadership strategy. In addition, we have launched an employee share option scheme to stimulate the potential and creativity of our team.

Customer satisfaction is the important foundation of our sustainable development. We focused on improving service quality, adhered to our core principles, consolidated property management services as the fundamentals of our business, and continuously upgraded the quality of our services so as to build a bond of deep trust between us and our property owners and further deepening our “customer-oriented” service concept, aiming to continuously optimize, innovate and broaden the property owners’ channels of expression, in order to gain insights into the real needs of our customers. We actively built our corporate official WeChat channel to improve the efficiency of communication with our customers. In the first half of the year, we added more than 8.7 million new customers through WeCom. Through the official channel of WeCom, we invited customers to participate in opinion surveys to enhance our service quality more effectively. On the one hand, customers who participate in the surveys can provide their feedback through surveys in a timely manner and monitor our services; on the other hand, based on the comprehensive, authentic and rapid collection of customer opinions, we can address customer demands in a more targeted and faster manner. With reference to the findings of the surveys, we continued to promote our tier service management system and digital operations, dedicating to improving customer experience. We rolled out and deepened the implementations of 639 projects in 32 cities in the first half of the year, achieving significant improvements in service and operational effectiveness. The launch of digitalisation of cleaning has boosted cleaning satisfaction by an average of 5.6 percentage points. By promoting the digitalisation of elevators, we achieved the launch of 138,000 lifts nationwide to ensure the safety of lift operation. We continued to invest in community renewal. In the first half of the year, we invested a total of RMB270 million, covering 1,569 projects, to brighten up customers’ living experience through the intelligent transformation of security facilities, upgrading of elevator systems, and refurbishment of pavements and playground facilities in parks.

By actively responding to the Chinese government’s call to develop the “property services + lifestyle services” model, we have further extended the boundaries of community services and expanded new categories of value-added services. We insist on taking the actual needs of “employees, property owners and customers” as the starting point, and have built an efficient operating model in which basic services and value-added services promote each other and operate in a closed loop. Starting from the perspective of meeting the daily needs of residents, we have been cooperating with a number of partners in the ecological chain to continuously explore and develop the boundaries of community services such as near-field retail, community charging and community insurance in a bid to enrich the content of community services and uplift the quality of life of residents.

As technological innovation in the property management industry continues to advance in depth, the Company further focuses on technological empowerment with “humanity + technology” as the core of digital transformation. We continued to deepen the construction of IoT platform and security assurance system to enhance customer experience, operational efficiency and our own security assurance capabilities. We actively embraced technological innovation, deeply explored the pain points of the industry, and adopted new measures in digital operations to advance industry progress and empower new lifestyles, thereby achieving dual improvements in service quality and industry competitiveness. Our self-developed property cleaning robot, “No. 0 Resident (零號居民)”, has achieved a significant breakthrough. We have already piloted it in our projects and plan to mass produce it for application in community services in the next year.

As an important link in solving the problems of grassroots social governance, we insisted on fulfilling the mission and responsibility of “red properties” with practical actions. We united all forces around the Party organizations to solve the “urgent, difficult and pressing” problems of the people, thus becoming a powerful “steering wheel” for grassroots governments to carry out their work. We focused on property services under the guidance of Party building, and through building “red communities”, we actively explored new models of community co-governance so as to develop a more efficient and inclusive social governance system.



CHAIRMAN'S STATEMENT

We upgraded our sustainability strategy and started a new chapter in the Group's long-term sustainable development to drive the industry towards a healthier and more sustainable direction. We actively responded to the construction requirements of "Four Goods (good housing, good neighborhoods, good communities and good urban areas)" put forward by the Ministry of Housing and Urban-Rural Development of the People's Republic of China, and closely integrated with the United Nations' sustainable development goals. We integrated into the international mainstream sustainable development information disclosure and assessment standard systems and used advanced assessment tools to deepen the understanding and practice of the three dimensions of Environmental, Social and Governance. Through close cooperation with industry experts, we jointly explored and achieved sustainable development of the property management industry. We designed and developed a sustainable residential neighbourhood system and plan to commence its implementation in the second half of the year.

Looking forward, we are confident in the development and prospects of the property management industry. CG Services will, as always, remain true to its original aspiration of providing property management services. CG Services will uphold the brand concept of "serving you a better life", insist on customer experience as the core driver and continuously improve and enhance the quality of property management services, thereby assisting the high-quality development of the property management industry with practical actions. We strive to become a company that can make our employees proud, satisfy our customers and at the same time realize social value by taking "sustainable development" as an important strategic move in the future.

We are fully aware that the long-term development of the Company is inseparable from the hard work of our employees, the continued trust of customers, the strong support of our shareholders and the broad recognition of society. On behalf of the Board, I would like to express my gratitude to the management team and all employees for their efforts and contributions, on whose wisdom, work and unremitting efforts, the foundation for the Company's steady progress has been built. In addition, we would like to express our sincerest gratitude to the society and our shareholders who have always given us their trust and support. In the future, we will continue to spare no effort to promote the Company's high-quality development and create greater value and returns for society and our shareholders.

To create a better society with our existence.

To shape a prosperous future through our conscience and social responsibility awareness.

Yang Huiyan

Chairman of the Board

Foshan, China, 22 August 2024





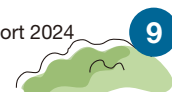
BUSINESS REVIEW

The Group is a leading integrated service provider in the PRC covering diversified business forms. Our business covers many business forms, including services to residential properties, commercial properties, office buildings, industrial parks, multi-purpose complexes, government buildings, hospitals, schools and other public facilities, such as airport terminals, highway service stations and cultural scenic areas. We have won industry-leading customer satisfaction and brand reputation with quality services, as well as gained high recognition in a number of sub-segments of the industry. We have won well-recognized awards in the industry including “2024 Outstanding Companies for Residential Property Services in China” (2024中國住宅物業服務力優秀企業), “2024 Top 100 Leading Property Management Companies in China in terms of Customer Satisfaction” (2024中國物業服務百強滿意度領先企業) and “2024 Best Employer in Property Management Industry in China” (2024中國物業管理行業最佳僱主) granted by China Index Academy; and “2024 TOP 10 Leading Listed Companies of Property Management Companies in China in terms of ESG Sustainability” (2024中國物業管理上市公司領先企業ESG可持續發展TOP10) and “2024 Benchmarking Companies for Characteristic Property Sample of Property Services in China in terms of Community Value-added Services” (2024中國物業服務特色物業樣本標桿企業社區增值服務) granted by CRIC Property Management.

The major business sectors of the Group include: (i) property management services, (ii) community value-added services, (iii) value-added services to non-property owners, (iv) the “Three Supplies and Property Management” businesses, (v) city services and (vi) commercial operational services, which constitute part of our comprehensive services we provide to customers that cover the full range of the value chain in property management.

Property Management Services

We provide property owners, residents and property developers with a series of property management services, including security, cleaning, green landscaping, gardening, repair and maintenance, and other services. During the Period, property management services recorded a revenue of approximately RMB12,751.9 million, representing a year-on-year increase of approximately 4.6% as compared to the same period last year, and its percentage of total revenue increased by approximately 1.8 percentage points to 60.6% as compared to the same period last year.





MANAGEMENT DISCUSSION AND ANALYSIS



As at 30 June 2024, apart from the “Three Supplies and Property Management” businesses, our contracted GFA was approximately 1,634.9 million sq.m., and our revenue-bearing GFA was approximately 1,005.6 million sq.m.. In addition, the contracted GFA and revenue-bearing GFA of the property management services of the “Three Supplies and Property Management” businesses were 95.4 million sq.m. and 90.6 million sq.m., respectively. We manage a total of 7,695 property projects. These projects cover 31 provinces, municipalities, autonomous regions in Mainland China and the Hong Kong Special Administrative Region and overseas, with a focus on five key economically developed city clusters, including the Pearl River Delta, the Yangtze River Delta, the middle reaches of the Yangtze River, the Beijing — Tianjin-Hebei Region and the Chengdu-Chongqing Region in China. The percentage of the revenue-bearing GFA of projects in first and second-tier cities amounted to approximately 40.7%.

We insisted on customer satisfaction as the driver for continuous improvement of service quality. We have always attached great importance to the safety and health of our customers, providing them with a solid safety assurance. During the Period, the Group proactively built up safety defences, and completed 1.02 million work orders for inspection and maintenance and 3.12 million work orders for issue reporting and repair requests in respect of facilities and equipment inspection and maintenance. At the same time, the Group actively strengthened its emergency response capability and enhanced the effectiveness of safety drills by completing 100% of Phoenix service managers' training and skills certification in emergency response and care, and organised and completed 7,632 large-scale fire drills and 5,023 lift safety drills. We have increased our investment in community renewal to enhance customer experience in all aspects. We invested approximately RMB270 million in 1,569 projects nationwide, mainly involving upgrading of lift systems, intelligent transformation and rejuvenation of recreational facilities.

We continued to promote the application of digitalisation and artificial intelligence to enhance management efficiency and customer experience. In the first half of the year, we promoted the full implementation of cleaning digitisation, achieving an average increase of 5.6 percentage points in customer satisfaction of cleaning services; we realised the pilot implementation of security digitisation functions, and safeguarded customers' safety with technology; and we promoted the full online launch of digital elevator maintenance platform, with approximately 138,000 elevators launched on the system platform to ensure the safe operation of elevators through on-line supervision, maintenance and operation and to enhance the experience of our customers in riding the elevator. We have orderly advanced the mass production and launch of the cleaning robot “No. 0 Resident (零號居民)”. In the first half of the year, we explored the human-machine collaboration model and conducted pilot implementation in projects including residential and office buildings, achieving an improvement in floor cleaning quality and efficiency.



In terms of market expansion, we adhere to our core focus on residential properties and build market competitiveness by focusing on strategic and key cities based on the density of urban residential projects. During the Period, by building a fully staffed and territory-wide expansion network and implementing the application of urban expansion planning, the new contracts and annualized revenue from market entries of our residential sector accounted for approximately 48.7%, representing an increase of nearly 13 percentage points as compared to the same period last year, while the projects located in strategic and key cities accounted for more than 65% of the annualised revenue from new contracts and market entries during the year, demonstrating the initial emergence of our localized market competitiveness. In the second half of the year, we will focus on promoting product innovation and the application of the partnership mechanism.

Community Value-added Services

We are committed to becoming an “integrated whole-cycle community life services operator”. By focusing on the family growth cycle of property owners, the property value cycle and the mature development cycle of communities, we strive to provide property owners with comprehensive community life services to meet their needs for asset value preservation and appreciation and daily life needs, so as to enable property owners to experience the beauty of property management services. Community value-added services have been developed as a new engine to drive sustainable and stable growth of the Group. By building a professional team, expanding resource integration capability, collaborating with strong partners from various industries and leveraging our natural advantage as a property management service provider of close proximity to community scenarios, we are promoting the enhancement of the competitiveness of community value-added core business in key cities across the country. During the Period, the Group’s revenue from community value-added services was approximately RMB1,997.8 million, and its percentage of total revenue of the Group was approximately 9.5%.

Five major businesses have formed in our community value-added services sector: (i) home services — providing property owners with safe, convenient, professional and considerate full-range home services through a standardized operation system; (ii) community media services — establishing deep connection between consumers and brands through the community media matrix; (iii) local living services — setting up local consumption scenarios for customers and continuously adapting to the needs of property owners to customize diversified life services; (iv) real estate brokerage services — serving the needs of property owners for asset management and further developing second-hand property rental and sale; and (v) community area services — making full use of community space resources and carrying out business with the aim of providing convenience to the life of property owners and improving their sense of happiness in their living.

We adhered to the “1+N+X” community value-added development strategy, starting from the needs of customers’ lives, linking with various ecological chain partners, deeply cultivating community value-added services while extending the boundaries of community value-added services, and continuously making efforts in community charging business, near-field retail and other services. The “Smart Enjoy Charging Downstairs (智享樓下充電)” provides a one-stop multi-scenario charging pile equipment and self-developed operation and control platform services, achieving centralized management of equipment, funds and operation and maintenance, improving quality and efficiency. As of June this year, the “Smart Enjoy Charging Downstairs” service has covered 230 cities nationwide, with a cumulative operation of nearly 300,000 charging sockets, providing charging services for more than 2 million users. In terms of the near-field retail business, we developed more than 1,000 distributors in the first half of the year. At the same time, we increased more than 130 hot products through in-depth assistance to farmers and government-enterprise joint traceability, realizing a continuous growth in the number of hot products and distributors in order to support the marketed business of near-field retail.

Value-added Services to Non-Property Owners

During the Period, the revenue from value-added services to non-property owners was approximately RMB355.5 million, and its percentage of the total revenue of the Group further decreased to approximately 1.7%. The value-added services to non-property owners we provide mainly include (i) management consultancy services to property developers for their presale activities, as well as consultancy services for properties managed by other property management companies; (ii) cleaning services, green landscaping, repair and maintenance services to property developers at the pre-delivery stage; (iii) sales and leasing agency services of unsold parking spaces and properties; and (iv) elevator products installation, supporting services and other services.





MANAGEMENT DISCUSSION AND ANALYSIS

“Three Supplies and Property Management” Businesses

The Group established a joint venture in 2018 and began to undergo the separation and transfer of property management and heat supply under the “Three Supplies and Property Management” reform. As of 30 June 2024, the contracted GFA and revenue-bearing GFA of the property management services of the “Three Supplies and Property Management” businesses were approximately 95.4 million sq.m. and 90.6 million sq.m., respectively. During the Period, revenue from the property management business was approximately RMB2,467.2 million, and revenue from the heat supply business was approximately RMB877.4 million.

In the first half of the year, we have comprehensively enhanced our competitiveness. On one hand, we have been actively expanding into new businesses such as production technology services and production logistics services for petroleum and petrochemical enterprises. During the Period, we signed 394 new contracted projects with a total contract amount of RMB1,358 million. On the other hand, we proactively promoted thematic activities for quality management improvement, proactively improved the service skills of our staff, revised new service inspection standards and further improved the quality of our property management services.

City Services

The Group is a leading city governance public explorer and city operation service integrator in the PRC. We adhere to our strategy of focusing on new urbanization. We promote the high-quality development of cities through our three core businesses, municipal public services, industrial parks operational services, and city community services. With “improving services and environment to benefit business and people” as core value and with the balance between the comprehensive benefits and long-term benefits of “government-driven” public services in mind, the city services of the Group, by leveraging the resource advantage of our own whole industry chain, provides cities with full-scenario digital solutions for city operation, including smart operation of municipal services, refined city services, long-term management of old communities, city public resources and assets operation, and modern community governance.

During the Period, our city services recorded revenue of approximately RMB2,170.0 million. In the first half of the year, we had 47 new expansion projects with the annualized contract amount for new expansion projects of approximately RMB460 million and total contract amount of approximately RMB1,130 million. In addition, we comprehensively upgraded our corporate service capability for industrial parks, enhanced the operational capability of our special enterprise logistics business form and created a richer service chain for the airport business form.

Commercial Operational Services

The Group provides shopping malls, neighborhood commercial centers, office buildings and other projects with full-chain services such as business planning consulting, tenant sourcing, operation and planning services, mainly including (i) conducting commercial operation and management of the properties owned by leasing developers or property owners; (ii) providing property market research and positioning services to property developers at the investment stage; (iii) providing market research and positioning, business planning consulting, tenant solicitation and opening preparation services to property developers or owners at the preparation stage before the opening of the properties; and (iv) providing tenant solicitation, operation and management services to property owners or tenants at the stage of property operation. During the Period, the Group’s commercial operational management business segment recorded a total revenue of approximately RMB331.6 million.

Our commercial operational services formed various product lines, including high-quality one-stop shopping malls “Bele city” (碧樂城), neighborhood center “Bele one” (碧樂匯) and commercial block “Bele time” (碧樂時光). We have over 100 commercial projects with total commercial area of over 5 million sq.m.. During the Period, we have taken full advantage of our own high-quality commercial operational capabilities, huge brand resources library and other advantages and kept promoting third-party expansion. During the Period, we, therefore, have successfully signed contracts for multiple asset-light projects, including Bele time in Kunshan, Suzhou and M3 Bele city in Xi’an, and newly opened projects include Bele city in Youli, Zhuhai.





PROSPECTS AND FUTURE PLANS

Focusing on customer satisfaction and putting more effort into services to improve customer experience

The Group has been committed to the service concepts of “Catering for property owners’ urgent needs; addressing property owners’ concerns” and “Property owner-oriented”, and keeps refining service standards with a focus on the needs of property owners. Driven by the commitment to customer satisfaction, we proactively improve our service quality. We improve customer experience in a targeted way through addressing the pain points in our services, providing customers with quality and warm services at our best efforts.

We will continue to boost the enhancement of our service quality, and dedicate to the “Community Renewal” initiative. We refurbish outdated facilities and improve the ecological landscape, to offer property owners a better living experience and to refresh communities with pleasant colors. People’s aspirations for a better life are what drives us forward. Through the enhancement of basic property management services and the integration of digitalisation in management and operation practices and upgrading of services, we are dedicated to elevating customer experience, and building safe, green, smart, culturally-vibrant and resident-friendly communities, transforming property owners’ visions of ideal life into an attainable reality.

Upholding the “1+N+X” development strategy to further the implementation of “property services + lifestyle services” model

China is actively encouraging qualified property management companies to cooperate with companies engaging in elderly care, child care, catering and housekeeping to develop the “property services + lifestyle services” model. New models including intelligent security, smart parking and intelligent access control are advocated and promoted to enhance community services and living experience. We actively respond to the national call. For community life, we proactively develop key businesses to offer retailing, laundering and community charging services to make life easier and better, thereby enabling customers to enjoy an ideal and quality life.

We will maintain the posture of “the community’s readiness for serving the residents’ needs”, further promote the “property services + lifestyle services” business model, and expand the service offerings to enhance the sense of happiness of property owners, thereby building our own brand of “integrated whole-cycle community life services operator”. We will keep adhering to the “1+N+X” community value-added development strategy, and further focus on strategic businesses and strengthen our capabilities building. Centering on meeting life demands, we will cooperate with our ecological chain partners to develop community charging, liquor, community insurance and other services along the community service boundary.

Leveraging digital and intelligent IoT application to empower operation for improvement of service quality and management efficiency

The extensive application of intelligent property services has significantly enhanced the efficiency and convenience of property services. It also has dramatically improved the response speed and accuracy of services. Regarding technology as a means for strengthening service efficiency and customer experience, we are actively committed in driving research on digital operation. By leveraging technology, we empower our staff’s service efficiency, continue to optimise customer experience, and build a safer, more convenient, more comfortable and more technological environment for customers, aiming at fostering a smart lifestyle that is both convenient and beneficial to the community.

We will increase the investment in digitalisation, and improve the service quality and management efficiency by the digital and intelligent IoT development applications. We will promote the mass production and launch of the independently developed full-automatic sweeping and mopping robot product “No. 0 Resident (零號居民)”, aiming at solving several pain points of the cleaning business in the current property services industry on a target-oriented basis, reshaping the future of property services industry with intelligent technology. In addition, the intelligent management platform for elevator maintenance we developed can promote the nationwide interconnection of the elevator IoT. We believe that digital operation and the level of intelligence application will improve continuously through the broader application of AI and IoT in the future, also promoting the further deepening of digital application in the industry.



FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from (i) property management services, (ii) community value-added services, (iii) value-added services to non-property owners, (iv) "Three Supplies and Property Management" businesses, (v) city services and (vi) commercial operational services.

For the six months ended 30 June 2024, the total revenue increased by approximately 1.5% to approximately RMB21,046.2 million from approximately RMB20,733.1 million for the six months ended 30 June 2023. Among which, the revenue from the third parties increased by approximately 4.8% to approximately RMB20,779.1 million from approximately RMB19,822.5 million for the six months ended 30 June 2023.

Out of the principle of prudence, since August 2023, after the Group has provided services to certain customers with significantly increased credit risks, the Group will only recognise the consideration received as revenue when the Group has fulfilled its contractual obligations and has received the consideration from those customers. The revenue from the third parties for the Period increased by approximately 6.7% to approximately RMB21,143.7 million from approximately RMB19,822.5 million for the six months ended 30 June 2023 excluding such impact.

(i) Property management services

During the Period, the revenue from property management services increased by approximately 4.6% to approximately RMB12,751.9 million from approximately RMB12,187.5 million for the six months ended 30 June 2023, accounting for approximately 60.6% of the total revenue (for the same period in 2023: approximately 58.8%).

The table below sets out the breakdown of (i) our revenue-bearing GFA, and (ii) our revenue generated from the management of properties developed by the Country Garden Real Estate Group (Note 1) and independent third-party property developers respectively, for the dates and periods indicated:

	For the six months ended 30 June 2024/ as of 30 June 2024				For the six months ended 30 June 2023/ as of 30 June 2023			
	Revenue (RMB'000)	Revenue- bearing GFA (%)	Revenue- bearing GFA ('000 sq.m.)	(%)	Revenue (RMB'000)	Revenue- bearing GFA (%)	Revenue- bearing GFA ('000 sq.m.)	(%)
Properties developed by Country Garden Real Estate Group	5,805,825	45.5	497,558	49.5	5,334,604	43.8	449,915	49.1
Properties developed by independent third-party property developers	6,946,029	54.5	508,019	50.5	6,852,877	56.2	466,080	50.9
Total	12,751,854	100.0	1,005,577	100.0	12,187,481	100.0	915,995	100.0

Note 1: Properties developed by Country Garden Holdings Company Limited ("CG Holdings" or "CGH") and its subsidiaries ("CGH Group"), joint ventures and associates (the "Country Garden Real Estate Group") independently or jointly with other parties.

As at 30 June 2024, the revenue-bearing GFA of the Group increased by approximately 89.6 million sq.m. from approximately 916.0 million sq.m. for the same period in 2023 to approximately 1,005.6 million sq.m., mainly due to the conversion of the Group's reserved contracted GFA of the properties developed by the Country Garden Real Estate Group into revenue-bearing GFA during the Period, and the increase in revenue-bearing GFA from third parties resulted from the positive expansion.



(II) Community value-added services

During the Period, the revenue from community value-added services increased by approximately 6.0% to approximately RMB1,997.8 million from approximately RMB1,884.2 million for the six months ended 30 June 2023, accounting for approximately 9.5% of the total revenue (for the same period in 2023: approximately 9.1%).

The increase in revenue from community value-added services was mainly attributable to:

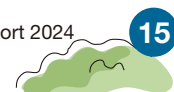
- (a) During the Period, the revenue from local living services including home decoration intermediate services increased by approximately 28.6% to approximately RMB1,058.8 million from approximately RMB823.4 million for the six months ended 30 June 2023.
- (b) During the Period, the revenue from community media services decreased by approximately 7.4% to approximately RMB362.0 million from approximately RMB390.8 million for the six months ended 30 June 2023.
- (c) During the Period, the revenue from home services decreased by approximately 4.0% to approximately RMB294.4 million from approximately RMB306.7 million for the six months ended 30 June 2023.
- (d) During the Period, the revenue from real estate brokerage services decreased by approximately 35.4% to approximately RMB146.7 million from approximately RMB227.0 million for the six months ended 30 June 2023.
- (e) During the Period, the revenue from community area services decreased by approximately 0.3% to approximately RMB135.9 million from approximately RMB136.3 million for the six months ended 30 June 2023.

During the Period, the Group expanded the geographical focus of the goods retail business and vigorously developed its dealer-based purchase and sales model, resulting in an increase in gross goods sales. In addition, during the Period, the community partner model for the liquor business continued to be promoted and replicated, the strategic liquor categories were further enriched, and the sales scale of the community scene based on family banquets continued to grow, which comprehensively supported the increase in revenue from local living services. However, due to the impact of the downturn in the external market, the revenue of the community media business declined as a result of a decline in the volume of the media business contracts and a reduction in the advertising expenditures of customers, and the real estate brokerage business experienced a downturn as a result of a decline in housing sales transactions. As a result of the above-combined impact, the overall community value-added services revenue continued to grow.

(III) Value-added services to non-property owners

During the Period, the revenue from value-added services to non-property owners decreased by approximately 63.4% to approximately RMB355.5 million from approximately RMB971.8 million for the six months ended 30 June 2023, accounting for approximately 1.7% of the total revenue (for the same period in 2023: approximately 4.7%).

The decrease in revenue from value-added services to non-property owners was mainly due to the proactive suppression of the business scale with related parties by the Group.





MANAGEMENT DISCUSSION AND ANALYSIS

(IV) *Three Supplies and Property Management Businesses*

During the Period, the revenue from the “Three Supplies and Property Management” businesses currently includes the revenue arising from property management and other related services and heat supply services.

Among which, the revenue from property management and other related services increased by approximately 30.6% to approximately RMB2,467.2 million from approximately RMB1,888.7 million for the six months ended 30 June 2023, accounting for approximately 11.7% of the total revenue (for the same period in 2023: approximately 9.1%).

The revenue from heat supply services increased by approximately 8.0% to approximately RMB877.4 million from approximately RMB812.2 million for the six months ended 30 June 2023, accounting for approximately 4.2% of the total revenue (for the same period in 2023: approximately 3.9%).

The increase in the revenue from the “Three Supplies and Property Management” business was mainly due to (i) the increase in revenue-bearing GFA; and (ii) the active development of innovative businesses by subsidiaries of the Company, including the increase in human resources service and asset operations management service, as well as increase in living related services including merchandising business of establishing supermarkets and community group purchasing, and catering business, which are closely based on the demands from the property owners in the community.

(V) *City Services*

During the Period, the revenue from city services decreased from approximately RMB2,394.3 million for the six months ended 30 June 2023 to approximately RMB2,170.0 million, representing a decrease of approximately 9.4%, accounting for approximately 10.3% of the total revenue (for the same period in 2023: approximately 11.5%).

The decrease in the revenue from city services was mainly due to the number of projects actually taken up for the city services decreased during the Period because of the Group’s voluntary withdrawal from certain sanitation projects due to implementation of quality and health control. The Group will continue to proactively explore high-quality projects, environmental protection business and renewable resources business, to establish new business growth points.

(VI) *Commercial Operational Services*

During the Period, the revenue from commercial operational services decreased from approximately RMB534.3 million for the six months ended 30 June 2023 to approximately RMB331.6 million, representing a decrease of approximately 37.9%, accounting for approximately 1.6% of the total revenue (for the same period in 2023: approximately 2.6%).

The decrease in the revenue from commercial operational services was mainly due to the strategic considerations for the Group’s overall business development. The subsidiaries of the Company negotiated with the Country Garden Real Estate Group for an early termination of the property lease agreements and commercial engagement agreements signed by the end of 2023, which would help reduce the reliance on connected persons for the commercial operational business. The Group will continue to expand the commercial management business to the external market, and to achieve the long-term development of the Group by relying on third-party forces and continue to maintain the independence and marketization of the commercial operational business.





Costs

The Group's costs include (i) staff cost, (ii) cleaning cost, (iii) heat supply cost, (iv) maintenance cost, (v) utilities, (vi) greening and gardening cost, (vii) security expenses, (viii) cost of sales of goods, (ix) transportation cost, (x) office and communication cost, (xi) taxes and surcharges, (xii) employee uniform expenses, (xiii) depreciation and amortisation charges, (xiv) community activities cost, (xv) travelling and entertainment cost, (xvi) construction costs for infrastructure under service concession arrangements, (xvii) other labor outsourcing costs, and (xviii) others. During the Period, the costs were approximately RMB16,592.8 million, representing an increase of approximately 6.5% as compared to approximately RMB15,575.5 million for the six months ended 30 June 2023. The increase in costs was mainly due to combined impact of the amount of the increase in related costs as a result of the growth in the Group's property management services, community value-added services and "Three Supplies and Property Management" business, exceeding by the amount of the decrease in cost related to value-added services to non-property owners, commercial operational services business and city services business.

Gross Profit and Gross Profit Margin

During the Period, the overall gross profit decreased by approximately RMB704.3 million to approximately RMB4,453.4 million from approximately RMB5,157.7 million for the six months ended 30 June 2023, representing a decrease of approximately 13.7%.

During the Period, the overall gross profit margin decreased by 3.7 percentage points to approximately 21.2% from approximately 24.9% for the six months ended 30 June 2023. The overall gross profit margin decreased mainly due to (i) out of the principle of prudence, since August 2023, after the Group has provided services to certain customers with significantly increased credit risks, the Group will only recognise the consideration received as revenue when the Group has fulfilled its contractual obligations and has received the consideration from those customers; and (ii) reasons such as the effect of external adverse factors, business management factors, and the differences of gross profit margins among various businesses coupled with the changes of their percentage in the total revenue respectively, and the fact that the Group has proactively improved the service qualities, as a result, there is a decrease in the gross profit margin of the Group's businesses except the property management and other related services in respect of the "Three Supplies and Property Management".

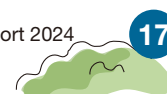
The adjusted gross profit margin was 25.3% (for the same period in 2023: 27.4%) excluding the impact of amortisation charges of intangible assets – contracts and customers relationships and brands – arising from mergers and acquisitions and the reason (i) for the decrease in gross profit margin as stated above.

(i) Property management services

During the Period, the gross profit margin of property management services decreased by 3.1 percentage points to approximately 22.9% from approximately 26.0% for the six months ended 30 June 2023.

The decrease in gross profit margin of property management services was mainly due to (i) out of the principle of prudence, since August 2023, after the Group has provided services to certain customers with significantly increased credit risks, the Group will only recognise the consideration received as revenue when the Group has fulfilled its contractual obligations and has received the consideration from those customers; and (ii) the increase in the Group's costs for cleaning, green landscaping and gardening to enhance the quality of its projects, as well as the integrated renovation and management measures for old neighbourhoods.

The adjusted gross profit margin of property management services decreased by 0.7 percentage point to approximately 28.5% from approximately 29.2% for the six months ended 30 June 2023 excluding the impact of amortisation charges of intangible assets – contracts and customer relationships and brands – arising from mergers and acquisitions and the reason (i) for the decrease in gross profit margin of property management services as stated above.





MANAGEMENT DISCUSSION AND ANALYSIS

(ii) *Community value-added services*

During the Period, the gross profit margin of community value-added services decreased by 9.7 percentage points to approximately 39.0% from approximately 48.7% for the six months ended 30 June 2023.

The decrease in gross profit margin of community value-added services was mainly due to changes in business structure, reflected primarily by the impact of changes in the external environment and the downturn in the real estate industry, resulting in a year-on-year decrease in the contract unit price and volume of contracts signed for community media business, which has higher gross profit; meanwhile, during the Period, the retail business was in the process of constructing dealer model, which involves the establishment of supply chain teams and frontline operation teams, with the strategy of input before output, resulting in a decrease in gross profit margin as compared with the original agency model, although the dealer model has brought increased sales revenue and gross profit, it has not reached the expected level yet.

(iii) *Value-added services to non-property owners*

During the Period, the gross profit margin of value-added services to non-property owners decreased by 19.7 percentage points to approximately -6.5% from approximately 13.2% for the six months ended 30 June 2023.

The decrease in the gross profit margin of value-added services to non-property owners was mainly due to (i) out of the principle of prudence, since August 2023, after the Group has provided services to certain customers with significantly increased credit risks, the Group will only recognise the consideration received as revenue when the Group has fulfilled its contractual obligations and has received the consideration from those customers; and (ii) the cessation of the relevant business but with a lag in the adjustment of the relevant costs.

The adjusted gross profit margin of value-added services to non-property owners decreased by 11.5 percentage points to approximately 1.8% from approximately 13.3% for the six months ended 30 June 2023 excluding the impact of amortisation charges of intangible assets – contracts and customer relationships and brands – arising from mergers and acquisitions and the reason (i) for the decrease in gross profit margin of value-added services to non-property owners as stated above.

(iv) *Three Supplies and Property Management Business*

During the Period, for the “Three Supplies and Property Management” business, the gross profit margin of property management and other related services increased from approximately 7.2% for the six months ended 30 June 2023 to approximately 9.7%, representing an increase of 2.5 percentage points.

The increase in the gross profit margin of the property management and other related services under the “Three Supplies and Property Management” business was mainly due to the implementation of the cost savings as a result of the implementation of governance towards loss-making residential properties projects and the enhancement of refined management during the Period.

During the Period, for the “Three Supplies and Property Management” business, the gross profit margin of heat supply services decreased from approximately 8.3% for the six months ended 30 June 2023 to approximately 6.7%, representing a decrease of 1.6 percentage points.

The decrease in the gross profit margin of heat supply services under the “Three Supplies and Property Management” business was mainly due to the increase in raw material costs for heat supply.



(v) *City Services*

During the Period, the gross profit margin of city services decreased from approximately 21.1% for the six months ended 30 June 2023 to approximately 16.0%, representing a decrease of 5.1 percentage points.

The decrease in the gross profit margin of city services was mainly due to the phase-out of certain projects during the Period, which led to a lag in cost adjustment.

(vi) *Commercial Operational Services*

During the Period, the gross profit margin of commercial operational services decreased from approximately 38.4% for the six months ended 30 June 2023 to approximately 31.0%, representing a decrease of 7.4 percentage points.

The decrease in the gross profit margin of commercial operational services was mainly due to the termination of cooperation of certain projects originating from related parties, which resulted in a lag in cost adjustment. Also, the newly developed third-party projects during the Period are still in the pre-opening preparation stage and have not been leased out to the public, resulting in a low overall occupancy rate. Due to the existing upfront cost input, the overall gross profit margin decreased.

Selling and Marketing Expenses

During the Period, selling and marketing expenses were approximately RMB185.1 million, representing an increase of approximately 18.7% as compared with approximately RMB155.9 million for the six months ended 30 June 2023. The increase in selling and marketing expenses was mainly due to the increase in promotion expenses resulted from the growth in insurance brokerage business of the Group.

General and Administrative Expenses

During the Period, general and administrative expenses were approximately RMB1,793.9 million, representing a decrease of approximately 1.2% as compared with approximately RMB1,815.6 million for the six months ended 30 June 2023. The percentage of general and administrative expenses decreased by 0.3 percentage point from approximately 8.8% for the same period in 2023 to approximately 8.5%.

In addition, the adjusted percentage of general and administrative expenses decreased by 0.6 percentage point from approximately 9.2% for the same period in 2023 to approximately 8.6% excluding share-based payment expenses.

The decrease in the percentage of general and administrative expenses was mainly due to the optimization, integration and adjustment of the Group's organizational structure, the centralised management, and the enhancement of economies of scale.

Other Income

During the Period, other income was approximately RMB117.5 million, representing a decrease of approximately 58.3% as compared with approximately RMB281.9 million for the six months ended 30 June 2023.

The decrease in other income was mainly due to the decrease in government subsidy during the Period and dividend income generated from equity investments in certain entities as compared to the same period last year.





MANAGEMENT DISCUSSION AND ANALYSIS

Other (Losses)/Gains – Net

During the Period, other (losses)/gains — net were approximately RMB-119.7 million, representing a decrease of approximately RMB214.5 million as compared with approximately RMB94.8 million for the six months ended 30 June 2023.

The decrease in other (losses)/gains — net was mainly due to the decrease in the valuation of the funds held by the Group as a result of fluctuations in market conditions and the decrease in the gains of wealth management products as compared with the same period last year, as well as the losses resulted from the disposal of certain subsidiaries during the Period.

Finance Income – Net

During the Period, finance income — net was approximately RMB3.5 million, representing an increase of approximately RMB1.1 million compared with approximately RMB2.4 million for the six months ended 30 June 2023.

The increase in finance income — net was mainly due to the decrease in interest expenses from lease liabilities during the Period as compared with that of the same period last year.

Income Tax Expense

During the Period, income tax expense was approximately RMB488.2 million, representing a decrease of approximately 37.4% compared to approximately RMB779.7 million for the six months ended 30 June 2023.

The decrease in income tax expense was mainly due to the decrease in total profit before tax of the Group during the Period.

Profit for the Period

During the Period, the net profit of the Group was approximately RMB1,545.6 million, representing a decrease of approximately 37.9% compared to approximately RMB2,488.6 million for the six months ended 30 June 2023.

During the Period, the profit attributable to the owners of the Company was approximately RMB1,440.4 million, representing a decrease of approximately 38.7% compared to approximately RMB2,351.2 million for the six months ended 30 June 2023.

During the Period, the profit attributable to the non-controlling interests of the Company was approximately RMB105.2 million, representing a decrease of approximately 23.4% compared to approximately RMB137.4 million for the six months ended 30 June 2023.

During the Period, the core net profit attributable to the owners of the Company* was approximately RMB1,840.0 million, representing a decrease of approximately 31.7% compared to approximately RMB2,695.3 million for the six months ended 30 June 2023.

* Core net profit attributable to the owners of the Company excluding share-based payment expenses, unrealised gains or losses from financial assets at fair value through profit or loss, amortisation charges of intangible assets – contracts and customer relationships, insurance brokerage licenses and brands arising from mergers and acquisitions and impairment of goodwill and other intangible assets, impairment of loans to third parties pledged by equities, losses from disposal of subsidiaries, expected losses on external guarantee and impairment of receivables from related parties.



Net Cash Generated from Operating Activities during the Period

During the Period, the Group recorded net cash generated from operating activities of approximately RMB270.3 million, representing a decrease of approximately 87.7% compared to approximately RMB2,192.0 million for the six months ended 30 June 2023. Such significant decrease was primarily attributable to (i) the year-on-year decrease in net profit during the six months ended 30 June 2024; (ii) the year-on-year decrease in consolidated charging rates due to risky customer business and lower-than-scale growth in charging from small landlords, which in turn led to an increase in trade receivables; a decrease in prepaid property fees due to unfavorable factors such as the external environment; and (iii) phased capital fluctuations arising from ordinary operating activities.

Nevertheless, maintaining a sound cash flow remains one of the Group's core objectives, the aforesaid changes are expected to have a short-term phased impact, and the Group has established a debt recovery committee and has taken active measures to collect overdue receivables (including but not limited to offsetting debts with assets, legal or arbitration initiatives) and has initially achieved results, believing that relevant measures will be gradually implemented and bring in cash inflow.

In the future, the Group will continue its efforts to improve the consolidated charging rates of each business through various measures, including continuing to strengthen its basic service capabilities to increase the collection rate from property owners. Through innovative measures such as integrated marketing, the Group will promote the prepayment of property management service fees, strengthen the collection of outstanding long aged fees for property management services and introduce more aggressive and effective internal incentive measures. In addition, the Group will strengthen the management of phased capital fluctuations, implement stringent capital operation and period management, and dynamically track cash outflows to match the costs scale, with a view to gradually improving the level of cash flow from operating activities during the year and striving to achieve the preset targets.

Intangible Assets

The intangible assets of the Group mainly comprise goodwill arising from mergers and acquisitions, contracts and customer relationships, software assets, insurance brokerage licenses, brands and concession intangible assets.

As at 30 June 2024, the intangible assets of the Group were approximately RMB23,360.7 million, representing a decrease of approximately RMB566.6 million compared to approximately RMB23,927.3 million as at 31 December 2023, which was mainly due to the provision of amortization for the current period.

Financial Assets at Fair Value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income include equity investments in certain entities.

As at 30 June 2024, the balance of financial assets at fair value through other comprehensive income of the Group was approximately RMB4,328.6 million, representing an increase of approximately RMB10.6 million compared to approximately RMB4,318.0 million as at 31 December 2023, which was mainly due to the increase in the valuation of certain investment of the Group during the Period.

Trade and Other Receivables

Trade and other receivables include trade receivables, other receivables, prepayments to suppliers and prepayments for tax.

As at 30 June 2024, the Group recorded net trade receivables of approximately RMB18,500.9 million, representing an increase of approximately RMB2,122.4 million compared to approximately RMB16,378.5 million as at 31 December 2023, due to the progress of the consolidated fees from each business to be improved, which is mainly attributable to the long payment period of customers for property management services and city services of the Group, and the increase in the revenue scale of the "Three Supplies and Property Management" business resulted in the increase in the corresponding trade receivables.





MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2024, the Group recorded trade receivables from the CGH Group of approximately RMB2,671.2 million, representing a decrease of approximately RMB86.7 million compared to approximately RMB2,757.9 million as at 31 December 2023, and approximately RMB68.6 million of the total expected credit loss provision for the trade receivables from the CGH Group was thus reversed accordingly.

The net other receivables was approximately RMB3,954.2 million as at 30 June 2024, representing an increase of approximately RMB149.0 million compared to approximately RMB3,805.2 million as at 31 December 2023, which was mainly due to the increase in receivables from finance leases, deposits and utilities payments on behalf of property owners.

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include investments in wealth management products and a closed-end fund.

As at 30 June 2024, the balance of financial assets at fair value through profit or loss of the Group amounted to approximately RMB1,086.0 million, representing an increase of approximately RMB278.3 million as compared with approximately RMB807.7 million as at 31 December 2023, which was mainly due to the increase in the purchase of certain stable wealth management products by the subsidiaries of the Group to increase their earnings on idle funds.

Contract Liabilities

The contract liabilities mainly arose from the advance payments made by customers for property management services and community value-added services, which are yet to be provided.

The contract liabilities decreased from approximately RMB7,591.5 million as at 31 December 2023 to approximately RMB7,359.2 million as at 30 June 2024, representing a decrease of approximately RMB232.3 million, which was mainly due to the amount of contract liabilities for the Period less than the amount carried forward as revenue, and the scale of advance receipt will continue to increase in the future.

Trade and Other Payables

Trade and other payables include trade payables, other payables, dividend payables, contingent consideration for business combination, payroll payables and other tax payables.

Trade payables primarily represent payables for goods or services that have been acquired in the ordinary course of business from suppliers, including purchase of goods, materials and utilities as well as purchase from sub-contractors.

As at 30 June 2024, trade payables of the Group were approximately RMB7,971.3 million, representing an increase of approximately RMB755.0 million compared to approximately RMB7,216.3 million as at 31 December 2023, primarily due to the increase in the costs of sales resulted in the increase in the related goods and material procurement costs, labor outsourcing costs and utility fees.

Other payables primarily include (i) deposits from property owners in relation to interior decorations; (ii) temporary receipts of fees from property owners (mainly consisting of utilities fees collected from property owners and income generated from common area value-added services that belongs to property owners); (iii) outstanding considerations payable for business combinations; and (iv) accruals and others (mainly in relation to payables to third parties and advances).

Other payables increased from approximately RMB6,029.8 million as at 31 December 2023 to approximately RMB6,311.7 million as at 30 June 2024, primarily due to the increase in the entrusted collection of payment from property owners.





Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the Shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest-bearing debt less cash and cash equivalents.

As at 30 June 2024, the bank and other borrowings of the Group amounted to approximately RMB1,206.3 million (31 December 2023: approximately RMB1,569.5 million). All borrowings due during the Period were repaid on time.

As at 31 December 2023 and 30 June 2024, the gearing ratio of the Group was maintained at net cash position.

Liquidity, Financial and Capital Resources

As at 30 June 2024, total bank deposits and cash (including restricted bank deposits) of the Group were approximately RMB12,290.3 million, representing a decrease of approximately RMB649.0 million as compared with approximately RMB12,939.3 million as at 31 December 2023. Total bank deposits and cash were denominated in the following currencies:

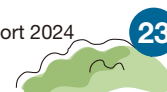
	30 June 2024		31 December 2023	
	(RMB'000)	(%)	(RMB'000)	(%)
RMB	11,037,981	89.8	12,615,141	97.5
HKD	1,139,054	9.3	195,269	1.5
Other currencies	113,247	0.9	128,867	1.0
	12,290,282	100.0	12,939,277	100.0

Out of the total bank deposits and cash of the Group, restricted bank deposits of approximately RMB304.8 million (31 December 2023: approximately RMB302.1 million) mainly represented judicially frozen funds and the cash deposits in bank as performance security for property management services according to the requirements of the local government authorities and the deposits made as performance security for business contracts of Country Garden Manguo Environmental Technology Group Co., Ltd. ("**Manguo**") and Fujian Dongfei Environment Group Co., Ltd. (福建東飛環境集團有限公司) ("**Fujian Dongfei**"), the subsidiaries of the Group.

As at 30 June 2024, the net current assets of the Group were approximately RMB10,218.1 million (31 December 2023: approximately RMB9,485.9 million). The current ratio (current assets/current liabilities) of the Group was approximately 1.4 times (31 December 2023: 1.4 times).

Key Risk Factors and Uncertainties

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





MANAGEMENT DISCUSSION AND ANALYSIS

Industry Risk

The Group's businesses are affected by the overall economy, market conditions and the policies and regulations of the property management industry. When there are changes in economic conditions that lead to fluctuations in the consumption levels and purchasing power of businesses and individuals, these fluctuations may affect the Group's business operations and collection of payments for businesses. When there are significant changes in the PRC real estate market that exceed expectations, these changes may affect the growth of the Group's revenue-bearing GFA and related revenue growth. When the government adjusts policies and regulations for property management industry, these adjustments may have a significant impact on the business strategies of property enterprises including the Group, service offerings and charging standards.

Business Risk

The Group's ability to maintain or improve the Group's current level of profitability depends on the Group's ability to control operating costs (particularly labour costs) and the Group's profit margins and results of operations may be materially and adversely affected by the increase in labour or other operating costs; the Group may not procure new property management services contracts as planned or at desirable pace or price; the Group may not be able to collect property management fees from customers and as a result, may incur impairment losses on receivables; termination or non-renewal of a significant number of the Group's property management services contracts could have a material adverse effect on the business, financial position and results of operations.

Foreign Exchange Risk

The Group's businesses were principally located in the PRC. Except for bank deposits, trade receivables, closed-end funds and equity investments in an entity denominated in foreign currencies, the Group was not subject to any other material risk directly relating to foreign exchange fluctuations. The management will continue to monitor the foreign exchange exposure, take prudent measures and develop hedging strategies as appropriate to reduce foreign exchange risks.

Employees and Remuneration Policies

As at 30 June 2024, the Group had 206,209 employees (31 December 2023: 213,712 employees). During the Period, the total staff costs were approximately RMB7,588.9 million.

The remuneration package of the employees includes salary, bonus and other cash subsidies. Employees are rewarded on a performance-related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry and prevailing market conditions, in accordance with the policy of the Group on compensation and welfare.

The Group is subject to social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees, monthly social insurance funds covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, and the housing provident fund, or to contribute regularly to other mandatory provident fund schemes on behalf of its employees.

Share Option Scheme

During the Period, 3,091,000 share options which had been granted under the Share Option Scheme as approved and adopted by the Shareholders of the Company on 28 September 2020 (the "**2020 Share Option Scheme**") lapsed, and no share options were granted, exercised or cancelled under the 2020 Share Option Scheme.

On 9 July 2024, the Shareholders of the Company have approved and adopted the share option scheme (the "**2024 Share Option Scheme**") and the Board of the Company has resolved to terminate the 2020 Share Option Scheme and cancel the 24,792,000 share options granted but not yet exercised under the 2020 Share Option Scheme. On 22 July 2024, the Company made an offer to grant a total of 225,350,000 share options to 60 employee participants under the terms of the 2024 Share Option Scheme.



The Board shall have the power to manage the 2024 Share Option Scheme and its decisions, interpretations or effects on all matters relating to the 2024 Share Option Scheme shall be final and binding on all parties, and the Board shall have the power to authorize any Director to exercise any or all of the powers to manage the 2024 Share Option Scheme, including but not limited to the selection of eligible participants and the grant of share options to grantees under the 2024 Share Option Scheme, subject to the terms and articles stipulated in the 2024 Share Option Scheme.

Employee Training and Development

The Group focuses on building a comprehensive and multi-dimensional talent cultivation system to meet the development needs of employees at all stages of their career. In 2024, the Group planned the “organisation-level learning” based on the needs of staff capacity cultivation, aiming to build an organisation-wide on-demand learning model, promoting organisation-wide capacity iteration through digitalisation, and realising effective support for business objectives.

In order to enhance the ability of employees to cope with the current business changes, the Group has newly upgraded its digital learning platform “BIXUETANG College (碧學堂)” by introducing external high-quality course resources and developing appropriate online courses for employees at all levels. Meanwhile, in order to support business development more efficiently, the Group has planned regular learning programmes such as “One Moment (一刻堂)” and “Regular Meeting Learning (例會學習)”. As of 30 June 2024, the cumulative number of online courses in “BIXUETANG College” was 728, and the cumulative number of learning hours of employees was 807,461 hours.

In order to enhance the ability of core management cadres to solve future business challenges, the Group planned talent cultivation projects such as the “Rising Stars Programme (新銳計劃)”, “Excellence Programme (卓越計劃)” and “Domain Programme (領域計劃)” for key groups, and comprehensively enhanced the business and management capabilities of employees by constructing key position profiles and evaluation systems, identifying shortcomings in their abilities, and matching them with training and learning programmes. In addition to regular training, the Group also organised “ESG learning” for staff at all levels to help the Group achieve its strategic goals for sustainable development.

In addition, the Group was approved as the “Guangdong Province Industry-Education-Assessment Skills Ecological Chain Master Cultivation Unit (廣東省產教評技能生態鏈主培育單位)” in June 2024. In the future, the Company will liaise with the upstream and downstream industrial chains to develop the apprenticeship system for tertiary education students and social vocational skills assessment, so as to continue to cultivate more excellent talents for the enterprises and the society.

Charge on Assets

As at 30 June 2024, several subsidiaries of the Group carried out borrowing and sale and leaseback financing loan business with banks and financial leasing companies to meet their respective daily operational needs. These were mainly secured by rights of collection of certain of their respective city service projects and certain equipment.

Contingent Liabilities

Please refer to note 28 to the interim financial information in this report for details of contingent liabilities as at 30 June 2024, which were contingent considerations arising from business combinations. Save as disclosed, the Group did not have any other contingent liabilities.

Interim Dividends

The final dividend of the Company for the year ended 31 December 2023 of RMB2.19 cents (equivalent to HKD2.41 cents) per share and the special dividend of RMB27.27 cents (equivalent to HKD29.94 cents) per share, totaling approximately RMB984,854,000, were approved at the annual general meeting held on 6 June 2024 and will be paid in cash in HKD on or around 30 August 2024.

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





MANAGEMENT DISCUSSION AND ANALYSIS

External Guarantee

As at 30 June 2024, save as disclosed in note 33 to the interim financial information in this report, the Group did not have any other external guarantee.

Material Acquisitions, Disposals and Significant Investments

During the Period, the Group had no material acquisitions or disposals and no individually significant investments.

MAJOR EVENTS DURING THE PERIOD

(1) The Termination of the Strategic Cooperation Agreement and the Possible Acquisition and (2) the End of the Offer Period

Unless the context requires otherwise, capitalised terms used in this section shall bear the same meanings as defined in the joint announcement of the Company and Hopefluent Group Holdings Limited (“**Hopefluent**”) dated 7 February 2024.

On 7 February 2024, the parties to the Strategic Cooperation Agreement (Country Garden Property Services HK Holdings Company Limited (“**CG Property Services HK**”), Mr. Fu Wai Chung (the executive director and controlling shareholder of Hopefluent), China-net Holding Ltd. and Hopefluent) entered into the Termination Agreement to terminate the Strategic Cooperation Agreement after considering, among other matters, the prevailing market conditions, recent volatility in the capital markets, changes in the parties’ expectation with respect to the implementation timeframe of the subject transactions and the underlying strategic and cooperation objectives, and hence the subscription will not proceed. For the above reasons, the discussion between CG Property Services HK and China-net Holding Ltd. with respect to the possible acquisition has also been terminated and will not proceed. Pursuant to the Termination Agreement, all antecedent obligations and liabilities of CG Property Services HK, Mr. Fu Wai Chung, China-net Holding Ltd. and Hopefluent under the Strategic Cooperation Agreement shall be absolutely released and discharged in all aspects with immediate effect.

Despite the termination, the parties expect to continue to engage in amicable discussions to explore plans to deepen the long-term strategic cooperation between the Group and the Hopefluent (together with its subsidiaries) with a view to achieving business synergies in the realm of real estate agency services.

For the purpose of the Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong, the offer period commenced on 6 November 2023 and ended on 7 February 2024. Please refer to the joint announcement of the Company and Hopefluent dated 7 February 2024 for further details.

(1) Resignation of Executive Director; (2) Appointment of Independent Non-Executive Director; (3) Change of Board Committee Members; and (4) Change of Joint Company Secretary and Authorised Representative

Mr. GUO Zhanjun (郭戰軍) (“**Mr. GUO**”) has resigned from his position as an executive Director and a member of the environmental, social and governance committee of the Company with effect from 3 April 2024 in order to devote more time to focus on the human resources management and marketing management of the Group as a result of the adjustment of the Group’s internal work division. Mr. ZHAO Jun (趙軍) has been appointed as an independent non-executive Director and a member of the audit committee, nomination committee and environmental, social and governance committee of the Company with effect from 3 April 2024. Ms. YANG Huiyan (楊惠妍) and Mr. CHEN Weiru (陳威如) have been appointed as members of the environmental, social and governance committee of the Company, all with effect from 3 April 2024. Mr. HUANG Peng (黃鵬) has resigned from his position as the joint company secretary of the Company (the “**Joint Company Secretary**”) and the authorised representative of the Company (the “**Authorised Representative**”) pursuant to Rule 3.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) with effect from 3 April 2024 in order to devote more time on his duties as the executive president and chief financial officer of the Company, including being responsible for the Group’s new strategic incubation businesses as well as financial management matters etc. Mr. CHEN Dilin (陳迪霖) has been appointed as the Joint Company Secretary and the Authorised Representative with effect from 3 April 2024. Please refer to the announcement of the Company dated 3 April 2024 for further details.



EVENT SUBSEQUENT TO THE REPORTING PERIOD

Adoption of the 2024 Share Option Scheme and Termination of the 2020 Share Option Scheme

On 3 April 2024, the Board proposed to terminate the 2020 Share Option Scheme, which is conditional upon the passing of the resolution(s) by the Shareholders regarding the 2024 Share Option Scheme. Adoption of the 2024 Share Option Scheme was subsequently approved by the Shareholders at an extraordinary general meeting of the Company held on 9 July 2024. On the same day, the Board has resolved to terminate the 2020 Share Option Scheme and to cancel the 24,792,000 outstanding options granted but not yet exercised under the 2020 Share Option Scheme. Please refer to the the announcements of the Company dated 3 April 2024 and 9 July 2024, and the circular of the Company dated 19 June 2024 for further details.

Amendments to the Equity Transfer Agreements and the Performance Guarantees in relation to the Acquisition of a total of 60% Equity Interest in Fujian Dongfei

On 22 July 2024, Country Garden Life Services Group Co., Ltd. (“**CG Life Services**”) and CG Property Services HK entered into a supplemental agreement (the “**Supplemental Agreement**”) with, among others, Fuzhou Dingrong Environmental Protection Technology Co., Ltd. and One Supreme Limited (“**One Supreme**”). As Fujian Dongfei failed to fulfill one of the performance guarantees set out in the equity transfer agreements entered into by the relevant parties on 30 October 2020 (the “**Equity Transfer Agreements**”), One Supreme will make payment by way of compensation through equity interest and transfer its 25% equity interest in Genuine Investment Group Limited to CG Property Services HK at nil consideration pursuant to the Equity Transfer Agreements as amended by the Supplemental Agreement. Upon completion of the equity interest compensation transaction, the Company will indirectly hold an aggregate of 67.5% effective shareholding in Fujian Dongfei. Please refer to the announcement of the Company dated 22 July 2024 for further details.

Grant of Share Options

On 22 July 2024, the Company offered to grant a total of 225,350,000 share options to 60 employee participants which comprise two Directors, to subscribe for an aggregate of 225,350,000 ordinary shares of US\$0.0001 each in the share capital of the Company under the terms of the 2024 Share Option Scheme adopted by the Company on 9 July 2024, which have been accepted by the grantees. Please refer to the announcement of the Company dated 22 July 2024 for further details.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules, where at least one member possesses appropriate professional qualifications in accounting or related financial management expertise in discharging the responsibility of the audit committee. The membership of the audit committee consists of four independent non-executive Directors, namely, Mr. RUI Meng, Mr. MEI Wenjue, Mr. CHEN Weiru and Mr. ZHAO Jun. Mr. RUI Meng is the chairman of the committee. The primary duties of the audit committee include assisting the Board in providing an independent view of the effectiveness of the Group’s financial reporting process, internal control and risk management system and overseeing the audit process.

The audit committee has reviewed the interim report, the unaudited interim results for the Period and the significant accounting policies and standards adopted by the Group and reviewed the risk control and internal audit report submitted by the management. In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim financial information for the Period 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.





CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions in the Corporate Governance Code (“**Corporate Governance Code**”) contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

During the six months ended 30 June 2024, the Company had complied with all applicable code provisions set out in the Corporate Governance Code.

ESTABLISHMENT OF THE DEBT RECOVERY COMMITTEE

The Board announced that a debt recovery committee was established with effect from 22 August 2024. On the same date, two executive Directors (including the president of the Company (“**President**”)), one independent non-executive Director and two members of the core management of the Company have been appointed as members of the debt recovery committee and the President, who is also an executive Director, has been appointed as the chairman of the committee.

The purpose of establishing the debt recovery committee is to facilitate the timely recovery of the Group’s trade receivables, to improve the efficiency of decision-making and execution of matters relating to the recovery of the Group’s trade receivables, to enhance the decision-making and execution efficiency regarding the recovery of the Group’s trade receivables, to safeguard the operating cash flow, and to assist the Board in maintaining a sound and effective risk management and internal control system to effectively prevent risks. The committee shall provide regular progress reports to the Board regarding debt recovery efforts, and recommend the Board to take appropriate corporate actions in due course to protect the interests of the Shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by its Directors and employees (the “**Securities Dealing Code**”). The Company has made specific enquiries to all Directors on whether the Directors have complied with the required standard as set out in the Model Code during the six months ended 30 June 2024 and all Directors have confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Period.

No incident of non-compliance was found by the Company during the six months ended 30 June 2024. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.





CHANGES OF INFORMATION ON DIRECTORS AND CHIEF EXECUTIVE OFFICER

Changes of information on the Directors and chief executive officer which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below.

Mr. XU Binhuai, President and Executive Director

With effect from 1 January 2024, Mr. XU Binhuai has held certain management positions in some subsidiaries of the Group and is entitled to receive a basic salary of RMB128,400 per month as well as a discretionary special incentive and annual bonus according to his work performance and the policies and operations of the Company. Mr. XU will not receive any fee for his appointment as an executive Director of the Company, the Authorised Representative, a chairman of the environmental, social and governance committee, and the agent for the service of process in Hong Kong. Concurrently, Mr. XU has been acting as the president of the Company. Since 1 January 2024, pursuant to the president employment contract entered into between Mr. XU and the Company, he is entitled to receive a basic salary of RMB80,000 per month as well as a discretionary special incentive and annual bonus and other benefits according to his work performance and the policies and operations of the Company. Such remuneration is determined by the Board based on the recommendations of the remuneration committee of the Company, with reference to his position and duties as well as the prevailing market conditions.

Mr. Chen Weiru, Independent Non-executive Director

In June 2024, Mr. Chen was appointed as an independent director of Universal Vision Biotechnology Co., Ltd., a company listed on the Taipei Exchange (stock code: 3218).

Ms. YANG Huiyan, Mr. XIAO Hua, Mr. RUI Meng, Mr. CHEN Weiru and Mr. MEI Wenjue have entered into service agreements or letters of appointment (as the case may be) with the Company for renewal of their terms of office, all for a term of three years commencing from 19 June 2024 and are subject to renewal as well as termination in certain circumstances as set out in the relevant service agreements or letters of appointment.

During the six months ended 30 June 2024, save as disclosed above, there is no other information that is required to be disclosed under Rule 13.51B(1) of the Listing Rules.

REPURCHASE, SALE, REDEMPTION OR ISSUANCE OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities and no equity securities have been issued by the Company during the six months ended 30 June 2024.

EQUITY FUND-RAISING ACTIVITIES AND USES OF PROCEEDS

During the Period, the Company had not conducted any equity fund-raising activity. The proceeds from equity fundraising activities of the Company since listing have been fully utilized in the prior years. For details, please refer to the sections on equity fund-raising activities in the Company's previous annual reports.





INTERESTS DISCLOSURE

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors and chief executives of the Company in the Shares of the Company, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be entered in the register pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the Shares and underlying shares of the Company

Name of Director	Capacity	Number of Shares held	Number of interests in underlying shares held under equity derivatives	Total	% of total Shares in issue as at 30 June 2024	Number of debentures held
Ms. Yang Huiyan	Interest of controlled corporation and other interests	1,218,336,100 ⁽¹⁾	–	1,218,336,100	36.44%	–
Mr. Xu Binhuai	Beneficial owner	1,240,667 ⁽²⁾⁽³⁾	1,540,000 ⁽⁵⁾	2,780,667	0.08%	–
Mr. Xiao Hua	Beneficial owner	755,795 ⁽²⁾⁽⁴⁾	860,000 ⁽⁵⁾	1,615,795	0.05%	–

Notes:

As at 30 June 2024, the total number of Shares in issue of the Company was 3,343,020,336 Shares.

- As at 30 June 2024, Concrete Win Limited (“Concrete Win” or the “Donor”) and Fortune Warrior Global Limited (“Fortune Warrior”) held 418,332,094 Shares and 125,363,139 Shares, respectively. Concrete Win and Fortune Warrior are beneficially wholly-owned by Ms. Yang Huiyan. By virtue of the SFO, Ms. Yang Huiyan is deemed to be interested in the same number of Shares in which Concrete Win and Fortune Warrior were interested in. Ms. Yang Huiyan and Concrete Win entered into a deed of gift with Guoqiang Public Welfare Foundation (Hong Kong) Limited (“Guoqiang Public Welfare Foundation (Hong Kong)”) on 29 July 2023 (the “Deed of Gift”). Pursuant to the Deed of Gift, the Donor donated 674,640,867 Shares (the “Donation Shares”) to Guoqiang Public Welfare Foundation (Hong Kong) for charitable purposes, and appointed Ms. Yang Huiyan and the Donor or their designated person(s) as proxies to exercise the voting rights in respect of the Donation Shares on behalf of Guoqiang Public Welfare Foundation (Hong Kong) at the discretion of Ms. Yang Huiyan and the Donor. Ms. Yang Huiyan continued to directly and indirectly control the voting rights in respect of 1,218,336,100 Shares, which include the voting rights in respect of the Donation Shares.
- The relevant interests include the Shares received from the exercise of the unlisted physically settled options granted pursuant to Pre-Listing Share Option Scheme. Upon exercise of the share options in accordance with the Pre-Listing Share Option Scheme, the corresponding number of ordinary Shares will be issued at HK\$0.94 per Share. The share options are personal to the respective Directors.
- These Shares represent 240,000 Shares held by Mr. Xu Binhuai which were purchased in the secondary market and 1,000,667 Shares issued to Mr. Xu Binhuai upon his exercise of the options granted to him under the Pre-Listing Share Option Scheme.
- These Shares represent 37 Shares distributed to Mr. Xiao Hua by virtue of the shares of CGH held by him prior to the spin-off of the Company from CGH and separate listing on the Main Board of the Stock Exchange, 5,558 Shares received by Mr. Xiao Hua as the distributed final dividend of CG Services for 2020 and 750,200 Shares issued to Mr. Xiao Hua upon his exercise of the options granted to him under the Pre-Listing Share Option Scheme.
- The relevant interests are unlisted physically settled options granted pursuant to the Share Option Scheme. Upon exercise of the share options in accordance with the Share Option Scheme, the corresponding number of ordinary Shares will be issued at HK\$50.07 per Share. The share options are personal to the respective Directors.



Long positions in the shares of an associated corporation of the Company

Name of Director	Name of associated corporation	Nature of interest	Number of Shares/ Underlying Shares held	Approximate % of total issued shares of the associated corporations as at 30 June 2024 ⁽¹⁾
Ms. Yang Huiyan ⁽¹⁾	Sichuan Justbon Life Services Group Co., Ltd. ("Justbon Services")	Interest of controlled corporation	177,584,598	99.71%
Mr. Xu Binhuai ⁽²⁾	Hopefluent	Beneficial owner	2,520,000	0.37%

Notes:

- (1) The resolution for approving the delisting of H shares of Justbon Services from the Stock Exchange was passed at the general meeting and H share class meeting of Justbon Services held on 17 June 2021, and the delisting acceptance condition was satisfied on 15 July 2021. The listing of H shares of Justbon Services on the Stock Exchange was voluntarily withdrawn at 4:00 p.m. on 19 August 2021. Following the delisting, the shares of Justbon Services, as a PRC issuer, are no longer divided into H shares and domestic shares and are all ordinary shares with nominal value of RMB1 each. The percentage is calculated based on the total shares of Justbon Services of 178,102,160 shares as at 30 June 2024.
- (2) According to the share option scheme of Hopefluent, Mr. Xu Binhuai was granted share options to subscribe for a total number of 2,520,000 Hopefluent shares at the exercise price of HK\$1.85 per share during the period from 1 July 2024 to 15 June 2033 by three tranches. The 1st tranche (40% of the share options granted for Hopefluent shares) was vested on 1 July 2024; subject to the fulfilment of certain vesting conditions, the 2nd tranche (30% of the share options granted for Hopefluent shares) will be vested on 1 April 2025; the 3rd tranche (30% of the share options granted to the grantee for Hopefluent shares) will be vested on 1 April 2026. The percentage is calculated based on the total number of 674,149,989 Hopefluent shares in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executives of the Company (including their spouses and children under the age of 18) had any interest in, or had been granted any right to subscribe for the Shares and options of the Company and its associated corporations (within the meaning of the SFO), or had exercised any such rights.



INTERESTS DISCLOSURE

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2024, as set out in the register kept under Section 336 of the SFO, the following companies and persons (other than the Directors and chief executives of the Company) had interests or short positions in the Shares and underlying shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of Shares held or interested	Approximate % of total Shares in issue
Concrete Win	Beneficial owner	1,092,972,961 (L)	32.69%
Mr. Chen Chong ⁽¹⁾	Interest of spouse	1,218,336,100 (L)	36.44%
Guoqiang Public Welfare Foundation (Hong Kong) ⁽²⁾	Beneficial owner	674,640,867 (L)	20.18%
Ms. Yang Ziying ⁽³⁾	Interest of controlled corporation	675,540,867 (L)	20.21%

Notes:

L – long position

S – short position

As at 30 June 2024, the total number of Shares in issue of the Company was 3,343,020,336 Shares.

- (1) By virtue of the SFO, Mr. Chen Chong is deemed to be interested in the Shares held by his spouse, Ms. Yang Huiyan, whose interests are disclosed in the above section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations".
- (2) Ms. Yang Huiyan and Concrete Win entered into the Deed of Gift with Guoqiang Public Welfare Foundation (Hong Kong) on 29 July 2023. Pursuant to the Deed of Gift, the Donor donated 674,640,867 Shares to Guoqiang Public Welfare Foundation (Hong Kong) for charitable purposes. Ms. Yang Huiyan and Concrete Win continue to control the voting rights of 674,640,867 shares held by Guoqiang Public Welfare Foundation (Hong Kong).
- (3) Pursuant to the Deed of Gift, Guoqiang Public Welfare Foundation (Hong Kong), a company controlled by Ms. Yang Ziying, holds 674,640,867 Shares. Harvest Blossom Limited is beneficially wholly-owned by Ms. Yang Ziying and holds 900,000 Shares. By virtue of the SFO, Ms. Yang Ziying is deemed to be interested in the Shares held by Guoqiang Public Welfare Foundation (Hong Kong) and Harvest Blossom Limited.

Save as disclosed above, as at 30 June 2024, the Company had not been notified of any other person (other than the Directors or chief executives of the Company) who was recorded in the register of the Company as having an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.



2020 SHARE OPTION SCHEME

On 28 September 2020, the 2020 Share Option Scheme was approved and adopted by the Shareholders of the Company, which is for a term of 10 years from the date of its adoption and will expire on 27 September 2030 unless terminated earlier. On 9 July 2024, the adoption of the 2024 Share Option Scheme was approved by the Shareholders in general meeting and the Board resolved to terminate the 2020 Share Option Scheme. A summary of the principal terms of the 2020 Share Option Scheme is set out as follows:

(i) Purpose

- To motivate the eligible participants to work hard for the future development of the Group by providing them with the opportunities for acquiring the Shares of the Company so as to promote the long-term stable development of the Group;
- To provide incentives and/or rewards to eligible participants for their contribution to the Group; and
- To enhance the Group's ability to attract and retain individuals with outstanding skills and extensive experience.

(ii) Eligible participants

- any current employee, executive or officer of the Group;
- any Director (including non-executive Director and independent non-executive Director); or
- service providers, including any advisor, consultant or business partner of any member of the Group whom the Board or its authorised person considers at its sole discretion has made or will make contribution to the Group.

(iii) Maximum number of Shares available for subscription

- The maximum number of Shares which may be issued pursuant to the 2020 Share Option Scheme was 82,780,000 Shares.
- The maximum number of Shares which may be issued under the share options that may be granted under the 2020 Share Option Scheme, and new and other existing share option schemes of the Company shall not exceed 10% of the total number of issued Shares.
- The maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the 2020 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

As at the date of this report, no Share was available for issue under the 2020 Share Option Scheme due to termination of the 2020 Share Option Scheme by the Board on 9 July 2024.



INTERESTS DISCLOSURE

(iv) Maximum entitlement to options of each eligible participant

The total number of Shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options under the 2020 Share Option Scheme) in any 12-month period must not exceed 1% of the issued Shares of the Company.

(v) Exercise period of options

The period during which the grantees may exercise the options under the 2020 Share Option Scheme shall not exceed 5 years from the date of grant and is subject to the terms of the 2020 Share Option Scheme.

(vi) Payment on acceptance of option offer

HK\$1.00 is payable by each participant to the Company upon acceptance of the option offer as consideration for the grant within 30 days after the option offer is made by the Company.

(vii) Basis for determining the exercise price

The exercise price of the share options shall be determined at the sole discretion of the Board, but in any case, at least the highest of the following:

- the closing price of the Shares on the date of grant (which must be a business day) as stated on the daily quotations sheet of the Stock Exchange;
- the average closing price of the Shares for the five business days before the date of grant as stated on the daily quotations sheet of the Stock Exchange; and
- 95% of the average closing price of the Shares for the ten business days before the date of grant as stated on the daily quotations sheet of the Stock Exchange.

(viii) Remaining life of the scheme

The term of 2020 Share Option Scheme commenced on 28 September 2020 and ended on 9 July 2024. After termination of the 2020 Share Option Scheme on 9 July 2024, no further share options shall be granted. However, the provisions of the 2020 Share Option Scheme shall remain in full force and effect in all other respects, and the options granted and not yet exercised shall remain valid and exercisable during the exercise period.

(ix) Vesting period

Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the 2020 Share Option Scheme for the holding of an option before it can be exercised.

On 28 September 2020, 23 March 2021 and 30 March 2022, the Company granted share options to a total of 73 eligible participants, including 65 participants who were employees (other than Directors) at the time of grant, 4 Directors and 4 service providers (the number of share options granted to one of the service providers exceeded 0.1% of the issued share capital of the Company at the adoption date). Some eligible participants who were granted share options on 30 March 2022 were also the eligible participants who were granted share options on 23 March 2021. The share options granted on 23 March 2021 were cancelled on 30 March 2022.

On 9 July 2024, the Board resolved to terminate the 2020 Share Option Scheme and cancel the 24,792,000 outstanding share options granted but not yet exercised under the 2020 Share Option Scheme.



During the Period, details of movements in the share options under the 2020 Share Option Scheme are as follows:

Category and name of grantee	Options to subscribe for Shares					Outstanding as at 30 June 2024	Exercise price per Share (HK\$)	Date of grant	Exercise period
	Outstanding as at 1 January 2024	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period				
Directors									
Mr. Xu Binhuai	1,540,000	-	-	-	-	1,540,000	50.07	28 September 2020	Vesting date ⁽¹⁾ - 9 July 2024 ⁽¹⁰⁾
Mr. Xiao Hua	860,000	-	-	-	-	860,000	50.07	28 September 2020	Vesting date ⁽¹⁾ - 9 July 2024 ⁽¹⁰⁾
Sub-total of Directors	2,400,000	-	-	-	-	2,400,000			
Employee participants	23,319,000 ⁽⁴⁾	-	-	-	2,047,000	21,272,000	50.07	28 September 2020	Vesting date ⁽²⁾ - 9 July 2024 ⁽¹⁰⁾
	2,104,000 ⁽⁵⁾	-	-	-	1,044,000	1,060,000	50.07	30 March 2022	Vesting date ⁽³⁾ - 9 July 2024 ⁽¹⁰⁾
Service providers ⁽⁵⁾	60,000	-	-	-	-	60,000	50.07	28 September 2020	Vesting date ⁽¹⁾ - 9 July 2024 ⁽¹⁰⁾
Sub-total of eligible participants (other than Directors)	25,483,000	-	-	-	3,091,000	22,392,000			
Total	27,883,000	-	-	-	3,091,000	24,792,000			

Notes:

- (1) Subject to the satisfaction of certain vesting conditions, the vesting date shall be the date on which the auditor's report of the Company for the relevant financial year is issued: (a) 40% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2020 is issued; (b) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2021 is issued; and (c) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2022 is issued.
- (2) Subject to the satisfaction of certain vesting conditions, the vesting date of the share options granted by the Company on 28 September 2020 to a total of 61 other participants, including 57 employees (other than Directors) and 4 service providers*, to subscribe for 53,900,000 Shares shall be the date as set out in note (1), and the vesting date of the share options granted to 4 employees (other than Directors) to subscribe for the remaining 2,400,000 Shares shall be the date on which the auditor's report of the Company for the relevant financial year is issued, which is (a) 40% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2021 is issued; (b) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2022 is issued; and (c) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2023 is issued.

* Service providers (all being consultants of the Company) represent persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group. For the avoidance of doubt, service providers exclude placing agents or financial advisors providing consulting services for fundraising, mergers or acquisitions or professional services providers who provide assurance services, or is required to perform services with impartiality and objectivity.



INTERESTS DISCLOSURE

- (3) Subject to the satisfaction of certain vesting conditions, as at 30 March 2022, the Company granted share options to five employees (other than Directors) to subscribe for 3,240,000 Shares in total, of which the vesting date of share options granted to two grantees to subscribe for a total of 1,600,000 shares shall be the date on which the auditor's report of the Company for the relevant financial year is issued, (a) 40% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2021 is issued; (b) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2022 is issued; and (c) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2023 is issued. The vesting date of share options granted to the remaining three grantees to subscribe for a total of 1,640,000 shares shall be the date on which the auditor's report of the Company for the relevant financial year is issued, (a) 40% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2022 is issued; (b) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ended 31 December 2023 is issued; and (c) 30% of the total number of Shares granted pursuant to the share options will be vested to the relevant grantees on the date on which the audited financial report for the year ending 31 December 2024 is issued. The reason for the vesting period of some share options being less than 12 months is that: the exercise price (i.e. exercise price of HKD72.40) of the same number of outstanding share options granted on 23 March 2021 (i.e. share options to subscribe for 1,600,000 Shares) no longer serves the purpose of providing incentives and rewards for promoting the grantees to contribute to the Group, and is not conducive to retaining existing grantees and make lasting contributions to the development of the Group. Accordingly, both the Remuneration Committee and the Board have resolved to cancel the outstanding share options under the 2020 Share Option Scheme and grant an equal number of new share options to the existing grantees.
- (4) Mr. Guo Zhanjun has been redesignated as an employee participant from Director of the Company in April 2024.
- (5) For such four service providers on the date of grant (i.e., 28 September 2020) of the 2020 Share Option Scheme, two service providers became employees of the Group in 2021 and 2023, respectively, and another service provider resigned in 2022. Apart from this, the nature of the other service providers remained unchanged during the Period.
- (6) The expense of share options charged to profit or loss during the Period was approximately RMB-14.04 million (for the corresponding period in 2023: RMB-92.47 million), mainly due to the lapse of certain share options during the Period which offsets the expense of share options provided in the previous period. The relevant accounting policy is described in Note 41.19 "**Share-based payments**" to the consolidated financial statements in the 2023 annual report of the Company published on 26 April 2024.
- (7) During the Period, no share options were exercised or vested by eligible participants, therefore the weighted average closing price of relevant Shares immediately preceding the date of exercise or vesting of share options was not applicable. During the Period, no share options were cancelled by the Company.
- (8) During the Period, no share options were granted by the Company. As at 1 January 2024 and 30 June 2024, the number of Shares available for grant under the 2020 Share Option Scheme (including the share options lapsed according to the 2020 Share Option Scheme) was 34,636,000 Shares and 37,727,000 Shares, respectively.
- (9) During the Period, no share options were granted by the Company, therefore the total number of Shares which may be issued upon the exercise of the share options granted under the 2020 Share Option Scheme divided by the weighted average number of Shares in issue during the Period is zero.
- (10) On 9 July 2024, the Board resolved to terminate the 2020 Share Option Scheme and cancel the 24,792,000 outstanding share options granted but not yet exercised under the 2020 Share Option Scheme.

Save as disclosed above, no outstanding options had been exercised, cancelled or lapsed under the 2020 Share Option Scheme during the reporting period.

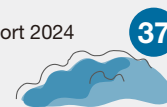


INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



	Note	Unaudited Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	6	21,046,154	20,733,133
Cost of services	9	(15,745,590)	(15,088,902)
Cost of sales of goods	9	(847,166)	(486,556)
Gross profit		4,453,398	5,157,675
Selling and marketing expenses	9	(185,148)	(155,886)
General and administrative expenses	9	(1,793,880)	(1,815,550)
Net impairment losses on financial assets	9	(404,265)	(316,436)
Other income	7	117,503	281,881
Other (losses)/gains — net	8	(119,692)	94,828
Operating profit		2,067,916	3,246,512
Finance income	10	111,164	114,205
Finance costs	10	(107,672)	(111,761)
Finance income — net	10	3,492	2,444
Share of results of investments accounted for using the equity method	18	(37,651)	19,291
Profit before income tax		2,033,757	3,268,247
Income tax expense	11	(488,176)	(779,686)
Profit for the period		1,545,581	2,488,561
Profit attributable to:			
— Owners of the Company		1,440,367	2,351,168
— Non-controlling interests		105,214	137,393
		1,545,581	2,488,561
Other comprehensive income			
Items that may be reclassified to profit or loss:			
— Currency translation differences		3,301	(6,191)
Items that will not be reclassified to profit or loss:			
— Changes in fair value of financial assets at fair value through other comprehensive income	25	13,541	(151,964)
Total other comprehensive income/(losses) for the period, net of tax		16,842	(158,155)
Total comprehensive income for the period		1,562,423	2,330,406
Total comprehensive income attributable to:			
— Owners of the Company		1,457,209	2,193,013
— Non-controlling interests		105,214	137,393
		1,562,423	2,330,406
Earnings per share for profit attributable to owners of the Company (expressed in RMB cents per share)			
— Basic	12	43.09	69.70
— Diluted	12	43.09	69.70

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





INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited At 30 June 2024 RMB'000	Audited At 31 December 2023 RMB'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	14	1,609,536	1,656,964
Other right-of-use assets	15	419,914	425,737
Investment properties	16	1,740,181	1,305,002
Intangible assets	17	23,360,727	23,927,309
Investments accounted for using the equity method	18	566,223	600,367
Financial assets at fair value through other comprehensive income	19	4,328,586	4,317,978
Contract assets	20	72,787	71,405
Trade and other receivables	21	347,347	162,435
Deferred income tax assets		1,033,996	907,500
		33,479,297	33,374,697
Current assets			
Inventories		379,120	516,265
Trade and other receivables	21	23,776,667	21,606,111
Financial assets at fair value through profit or loss	23	1,086,012	807,724
Restricted bank deposits	22	304,781	302,090
Cash and cash equivalents	22	11,985,501	12,637,187
		37,532,081	35,869,377
Total assets		71,011,378	69,244,074



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)



		Unaudited At 30 June 2024 RMB'000	Audited At 31 December 2023 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital and share premium	24	27,066,858	27,066,858
Other reserves	25	927,107	924,309
Retained earnings	26	8,620,219	8,164,706
		36,614,184	36,155,873
Non-controlling interests		2,690,736	2,626,204
Total equity		39,304,920	38,782,077
LIABILITIES			
Non-current liabilities			
Bank and other borrowings	29	769,475	840,751
Lease liabilities	15	1,901,400	1,353,427
Deferred income tax liabilities		1,721,576	1,884,304
		4,392,451	4,078,482
Current liabilities			
Contract liabilities		7,359,158	7,591,490
Trade and other payables	28	18,685,722	17,436,240
Current income tax liabilities		629,363	462,736
Bank and other borrowings	29	436,852	728,797
Lease liabilities	15	202,912	164,252
		27,314,007	26,383,515
Total liabilities		31,706,458	30,461,997
Total equity and liabilities		71,011,378	69,244,074

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

The interim financial information on pages 37 to 80 was approved by the Board of Directors on 22 August 2024 and were signed on its behalf.

Xu Binhuai

Director

Xiao Hua

Director





INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited						
	Note	Attributable to owners of the Company				Non-controlling interests	Total equity
		Share capital and share premium	Other reserves	Retained earnings	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2023		27,329,914	812,916	9,313,601	37,456,431	2,452,569	39,909,000
Comprehensive income							
Profit for the period		-	-	2,351,168	2,351,168	137,393	2,488,561
Other comprehensive income		-	(158,155)	-	(158,155)	-	(158,155)
Total comprehensive income for the period ended 30 June 2023		-	(158,155)	2,351,168	2,193,013	137,393	2,330,406
Transactions with owners of the Company							
Employee share schemes							
— value of employee services	25	-	(92,471)	-	(92,471)	-	(92,471)
Capital injection from non-controlling interests		-	-	-	-	3,693	3,693
Transactions with non-controlling interests		-	5,015	-	5,015	(10,905)	(5,890)
Disposals of subsidiaries		-	-	-	-	(15,916)	(15,916)
Dividends		-	-	(1,255,141)	(1,255,141)	(34,977)	(1,290,118)
Total transactions with owners		-	(87,456)	(1,255,141)	(1,342,597)	(58,105)	(1,400,702)
Balance at 30 June 2023		27,329,914	567,305	10,409,628	38,306,847	2,531,857	40,838,704



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)



	Unaudited						
	Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital and share premium	Other reserves	Retained earnings	Total	Total equity		
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2024	27,066,858	924,309	8,164,706	36,155,873	2,626,204	38,782,077	
Comprehensive income							
Profit for the period	-	-	1,440,367	1,440,367	105,214	1,545,581	
Other comprehensive income	-	16,842	-	16,842	-	16,842	
Total comprehensive income for the period ended 30 June 2024	-	16,842	1,440,367	1,457,209	105,214	1,562,423	
Transactions with owners of the Company							
Employee share schemes							
— value of employee services	25	-	(14,044)	-	-	(14,044)	
Capital injection from non-controlling interests		-	-	-	14,133	14,133	
Disposals of subsidiaries	32	-	-	-	(17,508)	(17,508)	
Dividends	13	-	(984,854)	(984,854)	(37,307)	(1,022,161)	
Total transactions with owners		-	(14,044)	(984,854)	(40,682)	(1,039,580)	
Balance at 30 June 2024		27,066,858	927,107	8,620,219	36,614,184	2,690,736	
						39,304,920	

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





INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Unaudited	
		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Cash flows from operating activities			
Cash generated from operations		882,585	3,120,829
Income tax paid		(612,272)	(928,876)
Net cash generated from operating activities		270,313	2,191,953
Cash flows from investing activities			
Payments for acquisition of subsidiaries, net of cash acquired	31	8,883	–
Settlement of outstanding considerations payable for business combinations in prior years		–	(10,765)
Net cash outflow from disposals of subsidiaries	32	(31,195)	(1,475)
Dividends received from investments accounted for using the equity method	18	1,730	2,915
Dividends received from financial assets at fair value through other comprehensive income	7	54,711	140,757
Payments for investments accounted for using the equity method	18	(10,049)	(2,396)
Purchases of property, plant and equipment	14	(206,811)	(332,932)
Purchases of intangible assets		(26,880)	(138,940)
Payments for financial assets at fair value through profit or loss		(942,900)	(1,015,000)
Proceeds from disposal of interests for using the equity method		5,138	–
Proceeds from disposal of property, plant and equipment		3,571	21,048
Proceeds from disposal of financial assets at fair value through profit or loss		633,871	1,075,560
Proceeds from disposal of financial assets at fair value through other comprehensive income		2,954	–
Interest received	10	111,164	114,205
Net cash used in investing activities		(395,813)	(147,023)



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)



	Note	Unaudited	
		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Cash flows from financing activities			
Proceeds from bank and other borrowings		195,434	505,110
Capital injection from non-controlling interests		14,133	3,693
Transactions with non-controlling interests		–	(5,890)
Principal elements of lease payments		(68,818)	(137,616)
Repayments of bank and other borrowings		(558,655)	(910,923)
Interest paid on leases		(29,841)	(65,458)
Interest paid on bank and other borrowings	10	(46,744)	(46,303)
Dividends paid to non-controlling interests		(22,125)	(15,485)
Net cash used in financing activities		(516,616)	(672,872)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		12,637,187	11,215,770
Effects of exchange rate changes on cash and cash equivalents		(9,570)	(43,107)
Cash and cash equivalents at end of the period		11,985,501	12,544,721

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





NOTES TO THE INTERIM FINANCIAL INFORMATION

1. General information

Country Garden Services Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 24 January 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in provision of property management services, community value-added services, value-added services to non-property owners, heat supply services, city services and commercial operational services in the People’s Republic of China (the “PRC”).

The Company’s shares are listed on The Stock Exchange of Hong Kong Limited.

This interim financial information for the six months ended 30 June 2024 (“Interim Financial Information”) is presented in Renminbi (“RMB”), unless otherwise stated.

2. Basis of preparation

This Interim Financial Information has been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34, ‘Interim Financial Reporting’. This Interim Financial Information should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2023 (“2023 Financial Statements”), which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance, and any public announcement made by the Company during the interim reporting period.

3. Material accounting policy information

The accounting policies applied are consistent with those as described in the 2023 Financial Statements, except for the adoption of new and amendments to HKFRSs effective for reporting period commencing on or after 1 January 2024 below. Income tax expense was recognised based on management’s estimate of the annual income tax rate expected for the full financial year.

- (a) The adoption of the amendments to HKFRSs effective for reporting period commencing on or after 1 January 2024 did not have a material impact to the Group.
- (b) Except for amendments to HKAS 1, HKAS 7, HKFRS 7, HKFRS 16 and Hong Kong Interpretation 5 (revised), which become effective this period, new and revised standards and amendments to existing standards that have been issued and relevant to the Group but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted are as follows:

	Effective for annual periods beginning on or after
Amendments to HKAS 21	1 January 2025
Lack of exchangeability	

None of the above is expected to have a significant impact on the Group’s accounting policies.





4. Judgements and estimates

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2023 Financial Statements.

5. Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: mainly credit risk, liquidity risk and foreign exchange risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2023 Financial Statements.

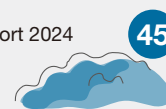
There have been no significant changes in the risk management policies since the year ended 31 December 2023.

5.2 Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and include interest, if applicable.

	Less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 30 June 2024					
Trade and other payables (excluding payroll payables, contingent considerations for business combinations and other taxes payables)	15,332,211	–	–	–	15,332,211
Lease liabilities	299,038	281,713	744,863	1,474,575	2,800,189
Bank and other borrowings	470,577	143,132	319,549	445,262	1,378,520
Total	16,101,826	424,845	1,064,412	1,919,837	19,510,920
At 31 December 2023					
Trade and other payables (excluding payroll payables, contingent considerations for business combinations and other taxes payables)	13,246,030	–	–	–	13,246,030
Lease liabilities	237,538	206,724	549,688	1,071,233	2,065,183
Bank and other borrowings	786,996	92,996	340,798	467,574	1,688,364
Total	14,270,564	299,720	890,486	1,538,807	16,999,577





NOTES TO THE INTERIM FINANCIAL INFORMATION

5. Financial risk management *(Continued)*

5.3 Fair value measurement of financial instruments

Fair value estimation

The table below analyses financial instruments carried or presented at fair value, by level of the inputs to valuation techniques used to measure fair value. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 30 June 2024				
Financial assets				
Financial assets at fair value through profit or loss	–	–	1,086,012	1,086,012
Financial assets at fair value through other comprehensive income	13,850	–	4,314,736	4,328,586
Total financial assets	13,850	–	5,400,748	5,414,598
At 31 December 2023				
Financial assets				
Financial assets at fair value through profit or loss	–	–	807,724	807,724
Financial assets at fair value through other comprehensive income	15,573	–	4,302,405	4,317,978
Total financial assets	15,573	–	5,110,129	5,125,702





5. Financial risk management *(Continued)*

5.3 Fair value measurement of financial instruments *(Continued)*

Fair value estimation (Continued)

The following table presents the changes in level 3 instruments for the six months ended 30 June 2024:

	Financial assets at fair value through profit or loss (note 23) RMB'000	Financial assets at fair value through other comprehensive income (note 19) RMB'000	Total RMB'000
Opening balance at 31 December 2023	807,724	4,302,405	5,110,129
Additions	942,900	–	942,900
Disposals	(633,870)	(2,954)	(636,824)
Fair value changes	(30,742)	15,285	(15,457)
Closing balance at 30 June 2024	1,086,012	4,314,736	5,400,748

- (a) There is no material unrealised gain or loss recognised in profit or loss in the current period (2023: no material unrealised gain or loss) attributable to balances held at the end of the reporting period.
- (b) There were no transfers required between the levels of the fair value hierarchy during the six months ended 30 June 2024 (2023: no transfers). The Group also did not change any valuation techniques in determining the level 2 and level 3 fair values.





6. Revenue and segment information

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Makers (“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.

The Group is principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners, water, electricity and heat supplies and property management services under the state-owned enterprises separation and reform program (hereinafter referred to as “Three Supplies and Property Management”), city services and commercial operational services in the PRC.

The CODM considers business from a product perspective and has identified the following four operating segments:

- Property management and related services other than Three Supplies and Property Management businesses, which include property management services, community value-added services and value-added services to non-property owners;
- Three Supplies and Property Management businesses;
- City services business, which include sanitation, cleaning and sewage and waste treatment business; and
- Commercial operational services business.

The CODM assesses the performance of the operating segments based on a measure of operating profit, adjusted by excluding realised and unrealised gains from financial assets at fair value through profit or loss (“FVPL”), and including share of results of investments accounted for using the equity method.

Segment assets consist primarily of property, plant and equipment, other right-of-use assets, investment properties, intangible assets, investments accounted for using the equity method, contract assets, inventories, receivables, and operating cash. They exclude deferred income tax assets, financial assets at fair value through other comprehensive income (“FVOCI”) and financial assets at fair value through profit or loss. Segment liabilities consist primarily of operating liabilities. They exclude current and deferred income tax liabilities, bank and other borrowings and dividend payables.

Capital expenditure comprises additions to property, plant and equipment, other right-of-use assets, investment properties and intangible assets.





6. Revenue and segment information *(Continued)*

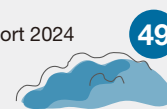
Revenue mainly comprises of proceeds from provision of property management services, community value-added services, value-added services to non-property owners, heat supply services, city services and commercial operational services. An analysis of the Group's revenue by category for the six months ended 30 June 2024 and 2023 was as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Revenue from property management and related services other than Three Supplies and Property Management businesses		
– Property management services	12,751,854	12,187,481
– Community value-added services	1,997,843	1,884,170
– Value-added services to non-property owners	355,451	971,766
– Other services	94,767	60,283
	15,199,915	15,103,700
Revenue from Three Supplies and Property Management businesses		
– Property management and other related services	2,467,221	1,888,710
– Heat supply services	877,384	812,164
	3,344,605	2,700,874
Revenue from city services business	2,169,987	2,394,290
Revenue from commercial operational services business	331,647	534,269
	21,046,154	20,733,133

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during the six months ended 30 June 2024 and 2023.

Sales between segments are carried out on terms agreed upon by the respective segments' management.

Nearly 100% of the Group's revenue is attributable to the markets in Mainland China and nearly 100% of the Group's non-current assets are located in Mainland China. No geographical information is therefore presented.



NOTES TO THE INTERIM FINANCIAL INFORMATION

6. Revenue and segment information (Continued)

The segment information provided to the CODM of the Company for the reportable segments is as follows:

	Six months ended 30 June 2024				
	Property management and related services other than Three Supplies and Property Management RMB'000	Three Supplies and Property Management RMB'000	City services business RMB'000	Commercial operational services RMB'000	Total RMB'000
Revenue from contracts with customers	15,206,541	3,345,011	2,222,762	259,571	21,033,885
Recognised over time	14,483,196	2,869,126	2,148,916	256,908	19,758,146
Recognised at a point time	723,345	475,885	73,846	2,663	1,275,739
Revenue from other source	-	-	-	73,416	73,416
Rental income	-	-	-	73,416	73,416
Total segment revenue	15,206,541	3,345,011	2,222,762	332,987	21,107,301
Less: inter-segment revenue	(6,626)	(406)	(52,775)	(1,340)	(61,147)
Revenue from external customers	15,199,915	3,344,605	2,169,987	331,647	21,046,154
Segment results	1,629,107	26,657	261,471	143,771	2,061,006
Share of results of investments accounted for using the equity method	(32,665)	(7,352)	2,366	-	(37,651)
Depreciation and amortisation charges	649,099	68,683	194,730	65,954	978,466
Net impairment losses on financial assets	377,737	(452)	30,392	(3,412)	404,265
Capital expenditure	218,126	165,816	58,084	574,172	1,016,198
	At 30 June 2024				
	Property management and related services other than Three Supplies and Property Management RMB'000	Three Supplies and Property Management RMB'000	City services business RMB'000	Commercial operational services RMB'000	Total RMB'000
Segment assets	52,056,357	2,973,718	6,638,475	2,894,234	64,562,784
Investments accounted for using the equity method	392,236	143,013	30,724	250	566,223
Segment liabilities	18,894,407	3,043,470	2,651,954	2,510,158	27,099,989

NOTES TO THE INTERIM FINANCIAL INFORMATION



6. Revenue and segment information (Continued)

The segment information provided to the CODM of the Company for the reportable segments is as follows:
(Continued)

	Six months ended 30 June 2023				
	Property management and related services other than Three Supplies and Property Management RMB'000	Three Supplies and Property Management RMB'000	City services business RMB'000	Commercial operational services RMB'000	Total RMB'000
Revenue from contracts with customers	15,105,870	2,700,874	2,420,165	388,977	20,615,886
Recognised over time	14,699,189	2,427,937	2,404,512	379,923	19,911,561
Recognised at a point time	406,681	272,937	15,653	9,054	704,325
Revenue from other source	–	–	–	147,261	147,261
Rental income	–	–	–	147,261	147,261
Total segment revenue	15,105,870	2,700,874	2,420,165	536,238	20,763,147
Less: inter-segment revenue	(2,170)	–	(25,875)	(1,969)	(30,014)
Revenue from external customers	15,103,700	2,700,874	2,394,290	534,269	20,733,133
Segment results	2,535,021	28,228	462,767	157,295	3,183,311
Share of results of investments accounted for using the equity method	20,810	(3,046)	1,527	–	19,291
Depreciation and amortisation charges	625,720	74,529	192,635	82,963	975,847
Net impairment losses on financial assets	293,041	5,542	16,144	1,709	316,436
Capital expenditure	192,349	133,302	218,223	253,793	797,667
	At 31 December 2023				
	Property management and related services other than Three Supplies and Property Management RMB'000	Three Supplies and Property Management RMB'000	City services business RMB'000	Commercial operational services RMB'000	Total RMB'000
Segment assets	51,179,563	3,354,333	6,347,875	2,329,101	63,210,872
Investments accounted for using the equity method	424,350	155,786	19,981	250	600,367
Segment liabilities	19,124,589	3,017,510	2,376,646	2,026,664	26,545,409





NOTES TO THE INTERIM FINANCIAL INFORMATION

6. Revenue and segment information *(Continued)*

A reconciliation of segment results to profit before income tax is provided as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Segment results	2,061,006	3,183,311
Realised and unrealised gains from financial assets at FVPL (note 8)	(30,741)	82,492
Finance income — net	3,492	2,444
Profit before income tax	2,033,757	3,268,247

A reconciliation of segment assets to total assets is provided as follows:

	At 30 June	At 31 December
	2024	2023
	RMB'000	RMB'000
Segment assets	64,562,784	63,210,872
Deferred income tax assets	1,033,996	907,500
Financial assets at FVOCI	4,328,586	4,317,978
Financial assets at FVPL	1,086,012	807,724
Total assets	71,011,378	69,244,074

A reconciliation of segment liabilities to total liabilities is provided as follows:

	At 30 June	At 31 December
	2024	2023
	RMB'000	RMB'000
Segment liabilities	27,099,989	26,545,409
Dividend payables (note 28)	1,049,203	—
Deferred income tax liabilities	1,721,576	1,884,304
Current income tax liabilities	629,363	462,736
Bank and other borrowings	1,206,327	1,569,548
Total liabilities	31,706,458	30,461,997





7. Other income

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Dividend income from financial assets at FVOCI	54,711	140,757
Government subsidy income	41,401	111,205
Late payment charges	21,391	29,919
	117,503	281,881

8. Other (losses)/gains – net

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Realised and unrealised (losses)/gains from financial assets at FVPL	(30,741)	82,492
Net foreign exchange (losses)/gains	(24,281)	12,468
Gains from the change of sublease contracts (a)	84,393	8,911
(Losses)/gains on early termination of lease contracts (b)	(4,856)	9,133
(Losses)/gains on disposals of property, plant and equipment	(10,280)	880
(Losses)/gains on disposals of subsidiaries	(38,844)	162
Others	(95,083)	(19,218)
	(119,692)	94,828

- (a) For the period ended 30 June 2024, the Group signed certain finance sublease contracts of properties with third parties and recognised a net gain of RMB84,393,000 (2023: RMB8,911,000) resulting from the recognition of receivables from finance leases and derecognition of right-of-use assets.
- (b) For the period ended 30 June 2024, the Group has early terminated certain property lease contracts. Such termination resulted in derecognition of other right-of-use assets of RMB466,000 (2023: RMB330,000) (note 15), investment properties of RMB68,846,000 (2023: RMB98,255,000), receivables from finance leases of RMB31,890,000 (2023: nil) and lease liabilities of RMB96,346,000 (2023: RMB107,718,000), resulting the losses of early termination of lease contracts of RMB4,856,000 (2023: gains of RMB9,133,000).





NOTES TO THE INTERIM FINANCIAL INFORMATION

9. Expenses by nature

Expenses included in cost of services, cost of sales of goods, selling and marketing expenses, general and administrative expenses and net impairment losses on financial assets are analysed as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Employee benefit expenses	7,588,923	7,493,881
Cleaning expenses	3,363,873	3,253,951
Maintenance expenses	1,098,889	1,114,298
Security expenses	1,081,914	956,131
Utilities	1,057,087	944,510
Depreciation and amortisation charges	978,466	975,847
Cost of sales of goods	847,166	486,556
Heat supply costs	730,362	652,823
Greening and gardening expenses	426,219	390,187
Net impairment losses on financial assets	404,265	316,436
Rental expenses for short-term and low-value leases	254,829	241,038
Office and communication expenses	148,971	164,855
Travelling and entertainment expenses	145,909	135,527
Transportation expenses	127,743	105,252
Other labour outsourcing costs (i)	123,202	64,283
Sales service expenses	115,744	93,079
Other taxes and surcharges	88,315	90,767
Professional service fees	86,368	103,550
Community activities expenses	84,268	56,084
Advertising and promotion costs	51,847	40,648
Bank charges	48,608	51,269
Cost of information technology services	40,797	59,936
Construction costs for contractual service concession arrangements	1,224	7,454
Other expenses	81,060	64,968
	18,976,049	17,863,330

- (i) Other labour outsourcing costs excluding labour outsourcing expenses expressed in cleaning expenses, maintenance expenses, and greening and gardening expenses.





10. Finance income – net

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Finance income:		
Interest income on bank deposits	111,164	114,205
Finance costs:		
Interest expense on lease liabilities	(60,928)	(65,458)
Interest expense on bank and other borrowings	(46,744)	(46,303)
	(107,672)	(111,761)
Finance income – net	3,492	2,444

11. Income tax expense

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Current income tax	784,087	956,563
Deferred income tax		
– Corporate income tax	(251,846)	(206,639)
– Withholding income tax on profits to be distributed in future	(44,065)	29,762
	(295,911)	(176,877)
	488,176	779,686





NOTES TO THE INTERIM FINANCIAL INFORMATION

12. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2024	2023
Profit attributable to the owners of the Company (RMB'000)	1,440,367	2,351,168
Weighted average number of ordinary shares in issue (thousands of shares)	3,343,020	3,373,127
Basic earnings per share (RMB cents)	43.09	69.70

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares arising from the share option schemes (note 27).

Diluted earnings per share equals to basic earnings per share for the period ended 30 June 2024 and 2023 as the effect of the share options were anti-dilutive.

13. Dividends

The final dividend in respect of 2023 of RMB2.19 cents (equivalent to HKD2.41 cents) per share and a special dividend of RMB27.27 cents (equivalent to HKD29.94 cents) per share, totalling approximately RMB984,854,000 was approved at the annual general meeting of the company on 6 June 2024 and will be paid in cash on 30 August 2024.

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





14. Property, plant and equipment

	RMB'000
Six months ended 30 June 2024	
Opening net book amount	1,656,964
Acquisition of subsidiaries (note 31)	2,115
Other additions	206,811
Disposals of subsidiaries	(2,507)
Other disposals	(13,851)
Depreciation and amortisation	(239,996)
Net book amount	1,609,536
Six months ended 30 June 2023	
Opening net book amount	1,477,517
Additions	332,932
Disposals of subsidiaries	(617)
Other disposals	(20,168)
Depreciation and amortisation	(244,174)
Net book amount	1,545,490

As at 30 June 2024, transportation equipment with net book amount of RMB61,995,000 (As at 31 December 2023: RMB68,021,000) were pledged as collateral for the Group's bank and other borrowings (note 29).





NOTES TO THE INTERIM FINANCIAL INFORMATION

15. Leases

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

Other right-of-use assets

	Buildings RMB'000	Transportation equipment RMB'000	Machinery RMB'000	Land use right RMB'000	Total RMB'000
Six months ended 30 June 2024					
Opening net book amount	339,497	4,351	22,883	59,006	425,737
Additions	157,820	12	1,177	11,172	170,181
Transfer to investment properties	(98,394)	-	-	-	(98,394)
Early termination of lease contracts	(466)	-	-	-	(466)
Depreciation	(69,479)	(1,384)	(5,618)	(663)	(77,144)
Closing net book amount	328,978	2,979	18,442	69,515	419,914
At 30 June 2024					
Cost	517,855	8,538	31,467	79,219	637,079
Accumulated depreciation	(188,877)	(5,559)	(13,025)	(9,704)	(217,165)
Net book amount	328,978	2,979	18,442	69,515	419,914





15. Leases (Continued)

(a) Amounts recognised in the consolidated statement of financial position (Continued)

Other right-of-use assets (Continued)

	Buildings RMB'000	Transportation equipment RMB'000	Machinery RMB'000	Land use right RMB'000	Total RMB'000
Six months ended 30 June 2023					
Opening net book amount	142,781	6,573	4,180	60,855	214,389
Additions	64,799	438	900	–	66,137
Early termination of lease contracts	(330)	–	–	–	(330)
Depreciation	(61,927)	(1,235)	(1,053)	(600)	(64,815)
Closing net book amount	145,323	5,776	4,027	60,255	215,381
At 30 June 2023					
Cost	350,055	9,797	7,307	69,212	436,371
Accumulated depreciation	(204,732)	(4,021)	(3,280)	(8,957)	(220,990)
Net book amount	145,323	5,776	4,027	60,255	215,381

Lease liabilities

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Current	202,912	164,252
Non-current	1,901,400	1,353,427
	2,104,312	1,517,679





NOTES TO THE INTERIM FINANCIAL INFORMATION

15. Leases (Continued)

(b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Depreciation charge of other right-of-use assets		
Buildings	69,479	61,927
Transportation equipment	1,384	1,235
Machinery	5,618	1,053
Land use right	663	600
	77,144	64,815
Interest expense (included in 'Finance costs')	60,928	65,458
Expense relating to short-term leases (included in 'Cost of sales' and 'General and administrative expenses')	196,218	185,599
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in 'General and administrative expenses')	58,611	55,439

For the six months ended 30 June 2024, the cash outflows for leases were RMB353,488,000 (2023: RMB444,112,000).

(c) The Group's leasing activities and how these are accounted for

The Group leases various buildings, transportation equipment and machinery. Rental contracts are typically made for fixed periods of 1 to 20 years without extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.





16. Investment properties

	Land and buildings RMB'000	Right-of use assets RMB'000	Total RMB'000
Six months ended 30 June 2024			
Opening net book amount	132,828	1,172,174	1,305,002
Additions	9,908	602,418	612,326
Amortisation	(6,339)	(73,694)	(80,033)
Disposals	–	(97,114)	(97,114)
Net book amount	136,397	1,603,784	1,740,181
Six months ended 30 June 2023			
Opening net book amount	68,392	1,921,275	1,989,667
Additions	53,273	262,743	316,016
Amortisation	(1,407)	(99,447)	(100,854)
Disposals	–	(98,255)	(98,255)
Net book amount	120,258	1,986,316	2,106,574





NOTES TO THE INTERIM FINANCIAL INFORMATION

17. Intangible assets

	Software RMB'000	Contracts and customer relationships RMB'000	Insurance brokerage license RMB'000	Brand RMB'000	Concession intangible assets RMB'000	Total other intangible assets RMB'000	Goodwill RMB'000 (a)	Total RMB'000
Six months ended 30 June 2024								
Opening net book amount	485,759	4,841,360	19,797	1,538,175	609,417	7,494,508	16,432,801	23,927,309
Acquisition of subsidiaries (note 31)	-	43,963	-	-	-	43,963	76,802	120,765
Other additions	26,880	-	-	-	-	26,880	-	26,880
Amortisation	(38,010)	(401,994)	(1,237)	(120,290)	(19,762)	(581,293)	-	(581,293)
Disposal of subsidiaries	-	(48,892)	-	-	-	(48,892)	(84,042)	(132,934)
Closing net book amount	474,629	4,434,437	18,560	1,417,885	589,655	6,935,166	16,425,561	23,360,727
At 30 June 2024								
Cost	692,686	6,982,758	28,664	2,128,395	668,429	10,500,932	19,492,232	29,993,164
Accumulated amortisation	(218,057)	(2,539,865)	(10,104)	(708,622)	(78,774)	(3,555,422)	-	(3,555,422)
Accumulated impairment	-	(8,456)	-	(1,888)	-	(10,344)	(3,066,671)	(3,077,015)
Net book amount	474,629	4,434,437	18,560	1,417,885	589,655	6,935,166	16,425,561	23,360,727
Six months ended 30 June 2023								
Opening net book amount	408,787	5,576,760	22,271	1,781,042	263,184	8,052,044	17,901,317	25,953,361
Additions	73,191	9,391	-	-	-	82,582	-	82,582
Amortisation	(33,758)	(400,159)	(1,237)	(120,488)	(10,362)	(566,004)	-	(566,004)
Closing net book amount	448,220	5,185,992	21,034	1,660,554	252,822	7,568,622	17,901,317	25,469,939
At 30 June 2023								
Cost	601,833	6,948,218	28,663	2,166,442	294,363	10,039,519	19,639,425	29,678,944
Accumulated amortisation	(153,613)	(1,759,365)	(7,629)	(471,011)	(41,541)	(2,433,159)	-	(2,433,159)
Accumulated impairment	-	(2,861)	-	(34,877)	-	(37,738)	(1,738,108)	(1,775,846)
Net book amount	448,220	5,185,992	21,034	1,660,554	252,822	7,568,622	17,901,317	25,469,939



17. Intangible assets *(Continued)*

(a) Impairment tests for goodwill

As at 30 June 2024, Goodwill of RMB16,425,561,000 is allocated in cash-generating units (“CGU”) as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Wealth Best Global Holdings Group Company Limited ("Wealth Best Global")	3,567,263	3,567,263
Country Garden Life Services Group Company Limited ("Life Services")	6,393,177	3,468,945
Link Joy Holdings Group Co., Ltd. ("Link Joy")	3,233,591	3,233,591
Sichuan Justbon Life Services Group Co., Ltd. ("Justbon Services")	–	2,973,736
Country Garden Manguo Environmental Technology Group Co., Ltd. ("Manguo")	1,958,891	1,958,891
Others	1,272,639	1,230,375
	16,425,561	16,432,801

During the six months ended 30 June 2024, there has been a change in the identified CGU resulting from the integration of Justbon Services to Life Services’ business in order to improve operation efficiency. This integration included, but was not limited to, organisational restructuring, personnel management, unified internal control, rebranding, data migration and system conversion. Accordingly, goodwill originally along with Justbon Services was merged into CGU of Life Services. Management expected that the benefit of expected synergies of Justbon Services business shall be achieved from integrating it into the Group’s existing business under Life Services. Such integration resulted in the reallocation of goodwill as there has been a change to the way in which goodwill is monitored internally.

As there were no indicators for impairment of the CGU as at 30 June 2024, management has not updated any impairment calculations.





NOTES TO THE INTERIM FINANCIAL INFORMATION

18. Investments accounted for using the equity method

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
At 1 January	600,367	644,815
Share of results	(37,651)	19,291
Additions	10,049	2,396
Disposals	(5,138)	–
Dividends received	(1,730)	(2,915)
Acquisition of subsidiaries (note 31)	326	–
At 30 June	566,223	663,587

As at 30 June 2024, there were no significant contingent liabilities and commitments relating to the Group's interests in the investments accounted for using the equity method.

19. Financial assets at fair value through other comprehensive income

	At 30 June	At 31 December
	2024 RMB'000	2023 RMB'000
Listed equity securities	13,850	15,573
Unlisted equity investments	4,314,736	4,302,405
	4,328,586	4,317,978

The investments mainly represent equity investments in several property management companies. The fair values of these investments were determined mainly based on direct comparison approach by making reference to quoted market price or recent transaction prices of similar deals.

20. Contract assets

The Group has recognised the following assets related to contracts with customers:

	At 30 June	At 31 December
	2024 RMB'000	2023 RMB'000
Contract assets	72,787	71,405

Pursuant to the service concession agreements for sewage and waste treatment, the Group receives no payment from the grantors during the construction period and receives service fees when relevant services are rendered during the operating periods. Upon the completion of construction, the balance of contract assets will transfer to concession intangible assets.





21. Trade and other receivables

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Current assets:		
Trade receivables (a)		
— Related parties (note 30(e))	2,899,365	2,997,161
— Third parties	19,058,881	16,514,024
	21,958,246	19,511,185
Less: allowance for impairment of trade receivables (b)		
— Related parties (note 30(e))	(2,149,112)	(2,198,613)
— Third parties	(1,308,279)	(934,070)
	(3,457,391)	(3,132,683)
	18,500,855	16,378,502
Other receivables		
— Payments on behalf of property owners	943,282	913,437
— Deposits	504,932	486,340
— Loans to third parties pledged by equities (d)	1,184,610	1,184,011
— Receivables from finance leases	66,027	66,316
— Others (e)	1,159,089	1,212,760
	3,857,940	3,862,864
Less: allowance for impairment of other receivables (c)	(251,040)	(220,135)
	3,606,900	3,642,729
Prepayments to suppliers		
— Related parties	15,721	14,317
— Third parties	1,213,554	1,200,509
	1,229,275	1,214,826
Prepayments for tax	439,637	370,054
	23,776,667	21,606,111
Non-current assets:		
Other receivables		
— Receivables from finance leases	347,347	162,435

As at 30 June 2024 and 31 December 2023, trade and other receivables were mainly denominated in RMB, and the fair value of trade and other receivables approximated their carrying amounts.





NOTES TO THE INTERIM FINANCIAL INFORMATION

21. Trade and other receivables (Continued)

- (a) Property management services income under lump sum basis, heat supply services income and commercial operational services income are received in accordance with the term of the relevant service agreements. Service income from property management services, heat supply services and commercial operational services are due for payment by the residents upon the issuance of demand note.

For value-added services to non-property owners and city services, customers are generally given a credit term of up to 90 days.

The ageing analysis of the trade receivables based on the invoice date was as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
0 to 180 days	9,244,402	8,813,813
181 to 365 days	4,014,053	4,190,985
1 to 2 years	6,076,731	5,461,279
2 to 3 years	2,021,661	668,626
Over 3 years	601,399	376,482
	21,958,246	19,511,185

- (b) Movement of allowance for impairment of trade receivables was as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
At 1 January	3,132,683	597,998
Provision for loss allowance recognised in profit or loss	373,360	297,572
Receivables written off as uncollectable	(48,652)	–
At 30 June	3,457,391	895,570

- (c) Movement of allowance for impairment of other receivables was as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
At 1 January	220,135	334,077
Provision for loss allowance recognised in profit or loss	30,905	18,864
At 30 June	251,040	352,941



21. Trade and other receivables *(Continued)*

- (d) The Group provided short-term loans to certain third parties pledged by equity interests of property management and property agency services companies in the PRC held by the corresponding parties. The loans to third parties bear interest rate at 6% to 15% per annum. These loans have a term of 2 to 12 months. The reason for the Group to provide such loans to the third parties is for potential acquisitions of equity interests of property management and property agency services companies.
- (e) These receivables mainly included current accounts due from third parties, which are mainly interest-free, unsecured and repayable according to contract terms.

22. Cash and cash equivalents and restricted bank deposits

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash at banks (a)	12,290,282	12,939,277
Less: Restricted bank deposits (b)	(304,781)	(302,090)
Cash and cash equivalents	11,985,501	12,637,187

- (a) Cash at banks were denominated in the following currencies:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
RMB	11,037,981	12,615,141
HKD	1,139,054	195,269
Other currencies	113,247	128,867
	12,290,282	12,939,277

- (b) Restricted bank deposits mainly represent the cash deposits in bank as performance security for property management services according to the requirements of local government authorities, the deposits made as performance security for certain contracts relating to the city services business and judicially frozen funds.



NOTES TO THE INTERIM FINANCIAL INFORMATION

23. Financial assets at fair value through profit or loss

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Wealth management products (a)	943,007	602,323
Investment in a fund (b)	143,005	205,401
	1,086,012	807,724

- (a) The Group invested in various wealth management products. These products have a term of 3 to 5 years. They have an expected return rate ranging from 2.2% to 4.7%. The fair values of these investments were determined based on the expected returns as stipulated in relevant contracts with the counterparties.
- (b) This represented the Group's investment in a fund. The fair value of this investment was determined based on the valuation report provided by the fund manager.

24. Share capital and share premium

	Number of shares	Nominal value of shares	Equivalent nominal value of shares RMB'000	Share premium RMB'000	Total RMB'000
Authorised					
Authorised share capital of USD0.0001 each	10,000,000,000	1,000,000			
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	10,000,000,000	1,000,000			
At 1 January 2023 and At 30 June 2023	3,373,127,390	337,312	2,157	27,327,757	27,329,914
At 1 January 2024 and At 30 June 2024	3,343,020,336	334,302	2,135	27,064,723	27,066,858

25. Other reserves

	Statutory reserve RMB'000	FVOCI reserve RMB'000	Currency translation reserve RMB'000	Share- based payment RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	522,966	124,978	(36,026)	345,784	(144,786)	812,916
Other comprehensive income	-	(151,964)	(6,191)	-	-	(158,155)
Transactions with non-controlling interests	-	-	-	-	5,015	5,015
Employee share schemes — value of employee services	-	-	-	(92,471)	-	(92,471)
At 30 June 2023	522,966	(26,986)	(42,217)	253,313	(139,771)	567,305
At 1 January 2024	654,500	352,979	(51,996)	143,135	(174,309)	924,309
Other comprehensive income	-	13,541	3,301	-	-	16,842
Employee share schemes — value of employee services	-	-	-	(14,044)	-	(14,044)
At 30 June 2024	654,500	366,520	(48,695)	129,091	(174,309)	927,107



26. Retained earnings

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
At 1 January	8,164,706	9,313,601
Profit for the period	1,440,367	2,351,168
Dividends (note 13)	(984,854)	(1,255,141)
At 30 June	8,620,219	10,409,628

27. Share-based payments

- (a) In September 2020, the Company granted share options under the share option scheme under which the option holders are entitled to acquire an aggregate of 71,500,000 shares of the Company. Pursuant to the terms of the share option scheme, the options granted are subject to certain performance conditions.

The options granted to the grantees will be vested based on the following rates on the date of the audit report of the Group for the relevant financial year, provided that the vesting conditions above are satisfied in the relevant financial year: (i) 40% of the total number of the share options will be vested in the financial year in which the share options are granted (the "Grant Year"); (ii) 30% of the total number of the share options will be vested in the financial year immediately following the Grant Year; and (iii) 30% of the total number of the share options will be vested in the second financial year after the Grant Year. If the vesting conditions above have not been fulfilled during the relevant financial year, the corresponding percentage of the share options granted will lapse.

All the options under the share option scheme should be exercisable after vesting but before the expiry of 5 years after the grant date at the exercise price of HKD50.07 per share.

Movements in the number of shares options outstanding are as follows:

	Six months ended 30 June			
	2024		2023	
	Average exercise price in HKD	Number of share options	Average exercise price in HKD	Number of share options
As at 1 January	50.07	25,779,000	50.07	48,566,000
Forfeited	50.07	(2,047,000)	50.07	(20,278,000)
As at 30 June	50.07	23,732,000	50.07	28,288,000
Vested and exercisable at 30 June	50.07	23,732,000	50.07	27,808,000

The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

The Group has to estimate the Expected Retention Rate of the shares option scheme in order to determine the amount of share-based compensation expenses charged to profit or loss. As at 30 June 2024, the Expected Retention Rate was assessed to be 79.4% (as at 31 December 2023: 83.9%).





NOTES TO THE INTERIM FINANCIAL INFORMATION

27. Share-based payments *(Continued)*

- (b) In March 2021, the Company granted share options under the share option scheme under which the option holders are entitled to acquire an aggregate of 1,600,000 shares of the Company. Pursuant to the terms of the share option scheme, the options granted are subject to certain performance conditions.

The options granted to the grantees will be vested based on the following rates on the date of the audit report of the Group for the relevant financial year, provided that the vesting conditions above are satisfied in the relevant financial year: (i) 40% of the total number of the share options will be vested in the financial year in the Grant Year; (ii) 30% of the total number of the share options will be vested in the financial year immediately following the Grant Year; and (iii) 30% of the total number of the share options will be vested in the second financial year after the Grant Year. If the vesting conditions above have not been fulfilled during the relevant financial year, the corresponding percentage of the share options granted will lapse.

All the options under the share option scheme should be exercisable after vesting but before the expiry of 5 years after the grant date at the exercise price of HKD72.40 per share.

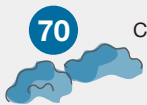
In March 2022, the share options were cancelled and a total of 1,600,000 share options were granted to the eligible participants, served as replacement share options with the same vesting conditions. All the options regranted under the share option scheme should be exercisable after vesting but before the expiry of 5 years after the grant date in 2021 at the exercise price of HKD50.07 per share.

Movements in the number of shares options outstanding are as follows:

	Six months ended 30 June			
	2024		2023	
	Average exercise price in HKD	Number of share options	Average exercise price in HKD	Number of share options
As at 1 January	50.07	1,120,000	50.07	1,600,000
Forfeited	50.07	(480,000)	72.40	(480,000)
As at 30 June	50.07	640,000	50.07	1,120,000
Vested and exercisable at 30 June	50.07	640,000	50.07	640,000

The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

The Group has to estimate the Expected Retention Rate of the shares option scheme in order to determine the amount of share-based compensation expenses charged to profit or loss. As at 30 June 2024, the Expected Retention Rate was assessed to be 100% (as at 31 December 2023: 100%).





27. Share-based payments *(Continued)*

- (c) In March 2022, the Company granted share options under the share option scheme under which the option holders are entitled to acquire an aggregate of 1,640,000 shares of the Company. Pursuant to the terms of the share option scheme, the options granted are subject to certain performance conditions.

The options granted to the grantees will be vested based on the following rates on the date of the audit report of the Group for the relevant financial year, provided that the vesting conditions above are satisfied in the relevant financial year: (i) 40% of the total number of the share options will be vested in the financial year in the Grant Year; (ii) 30% of the total number of the share options will be vested in the financial year immediately following the Grant Year; and (iii) 30% of the total number of the share options will be vested in the second financial year after the Grant Year. If the vesting conditions above have not been fulfilled during the relevant financial year, the corresponding percentage of the share options granted will lapse.

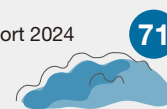
All the options under the share option scheme should be exercisable after vesting but before the expiry of 5 years after the grant date at the exercise price of HKD50.07 per share.

Movements in the number of shares options outstanding are as follows:

	Six months ended 30 June			
	2024		2023	
	Average exercise price in HKD	Number of share options	Average exercise price in HKD	Number of share options
As at 1 January	50.07	984,000	50.07	1,640,000
Forfeited	50.07	(564,000)	50.07	(656,000)
As at 30 June	50.07	420,000	50.07	984,000
Vested and exercisable at 30 June	–	–	–	–

The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

The Group has to estimate the Expected Retention Rate of the shares option scheme in order to determine the amount of share-based compensation expenses charged to profit or loss. As at 30 June 2024, the Expected Retention Rate was assessed to be 59.2% (as at 31 December 2023: 59.2%).





NOTES TO THE INTERIM FINANCIAL INFORMATION

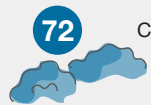
28. Trade and other payables

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade payables (a)		
– Related parties (note 30(e))	216,572	210,312
– Third parties	7,754,752	7,005,967
	7,971,324	7,216,279
Other payables		
– Deposits	2,137,557	2,294,108
– Temporary receipts from properties owners	3,131,998	2,873,493
– Considerations payable for business combinations	5,499	5,499
– Accruals and others	1,036,630	856,651
	6,311,684	6,029,751
Dividend payables	1,049,203	–
Payroll payables	2,259,365	3,123,369
Contingent considerations for business combinations	214,683	214,683
Other taxes payables	879,463	852,158
	18,685,722	17,436,240

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

(a) The ageing analysis of trade payables based on the invoice date was as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Up to 1 year	6,677,933	6,122,897
1 to 2 years	863,018	953,450
2 to 3 years	332,875	82,028
Over 3 years	97,498	57,904
	7,971,324	7,216,279





29. Bank and other borrowings

	At 30 June 2024			At 31 December 2023		
	Current RMB'000	Non- current RMB'000	Total RMB'000	Current RMB'000	Non- current RMB'000	Total RMB'000
Secured:						
Bank loans	317,974	601,512	919,486	614,560	652,135	1,266,695
Other borrowings	117,778	167,963	285,741	114,237	188,501	302,738
	435,752	769,475	1,205,227	728,797	840,636	1,569,433
Unsecured:						
Bank loans	1,100	-	1,100	-	-	-
Other borrowings	-	-	-	-	115	115
	1,100	-	1,100	-	115	115
Total bank and other borrowings	436,852	769,475	1,206,327	728,797	840,751	1,569,548

The Group's secured borrowings as at 30 June 2024 was amounted to RMB1,205,227,000 (As at 31 December 2023: RMB1,569,433,000), mainly secured by certain transportation equipment of the Group with net book amount of RMB61,995,000 (As at 31 December 2023: RMB68,021,000) and pledged by rights of collection of several city service projects.





NOTES TO THE INTERIM FINANCIAL INFORMATION

29. Bank and other borrowings (Continued)

As at 30 June 2024, the Group's bank and other borrowings were repayable as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Bank loans		
Within 1 year	319,074	614,560
Over 1 year and within 2 years	89,970	81,230
Over 2 years and within 5 years	236,792	251,646
Over 5 years	274,750	319,259
	920,586	1,266,695
Other borrowings		
Within 1 year	117,778	114,237
Over 1 year and within 2 years	25,037	56,743
Over 2 years and within 5 years	–	–
Over 5 years	142,926	131,873
	285,741	302,853
	1,206,327	1,569,548

The weighted average effective interest rate for the period ended 30 June 2024 was 5.2% (For the year ended 31 December 2023: 4.59%) per annum.

The carrying amounts of the bank and other borrowings are denominated in RMB.

The carrying amount of the borrowings approximate their fair value, as the impact of discounting using a current borrowing rate is not significant.





30. Related party transactions

(a) Ultimate controlling shareholder

The Company is ultimately controlled by Ms. Yang Huiyan (the “Ultimate Controlling Shareholder”).

(b) Transactions with related parties

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Provision of services		
– Entities controlled by the Ultimate Controlling Shareholder	207,198	812,805
– Entities jointly controlled by the Ultimate Controlling Shareholder	20,445	63,994
– Entities over which the Ultimate Controlling Shareholder has significant influence	37,266	27,145
– Entities controlled by close relatives of the Ultimate Controlling Shareholder	2,104	6,725
	267,013	910,669
Purchase of goods and services		
– Entities controlled by the Ultimate Controlling Shareholder	18,380	28,441
– Entities jointly controlled by the Ultimate Controlling Shareholder	36,600	47,357
– Entities over which the Ultimate Controlling Shareholder has significant influence	6,887	4,353
– Entities controlled by close relatives of the Ultimate Controlling Shareholder	120	1,884
	61,987	82,035
Interest expenses on lease liabilities		
– Entities controlled by the Ultimate Controlling Shareholder	–	21,679
– Entities jointly controlled by the Ultimate Controlling Shareholder	–	9,206
	–	30,885
Rental expenses		
– Entities controlled by the Ultimate Controlling Shareholder	3,813	–





NOTES TO THE INTERIM FINANCIAL INFORMATION

30. Related party transactions *(Continued)*

(b) Transactions with related parties *(Continued)*

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Repayment of lease liabilities		
– Entities controlled by the Ultimate Controlling Shareholder	–	38,748
– Entities jointly controlled by the Ultimate Controlling Shareholder	–	25,099
	–	63,847

The prices for the above service fees and other transactions were determined in accordance with the terms mutually agreed by the contract parties.

(c) Free trademark license agreement

A trademark licencing agreement was entered into between the Company and a subsidiary of Country Garden Holdings Company Limited (“CGH”), Foshan Shunde Country Garden Property Development Company Limited (“Foshan Shunde”) and a deed of trademark licencing was entered into between the Company and CGH (the “Trademark Licencing Arrangement”). Pursuant to the Trademark Licencing Arrangement, Foshan Shunde agreed and CGH would procure Foshan Shunde to irrevocably and unconditionally grant to the Group a non-transferable licence to use several trademarks registered in the PRC and Hong Kong for a perpetual term commencing from the date of the Trademark Licencing Agreement and the deed of trademark licencing, which are subject to the renewal of the licenced trademarks, on a royalty-free basis.

(d) Key management compensation

Key management includes directors and senior management. Compensations for key management are set out below:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Salaries, bonus, share-based compensation expenses and other employee benefits	8,108	8,013

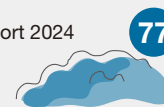




30. Related party transactions *(Continued)*

(e) Balances with related parties

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Receivables from related parties		
Trade receivables		
– Entities controlled by the Ultimate Controlling Shareholder	2,671,190	2,757,874
– Entities jointly controlled by the Ultimate Controlling Shareholder	153,893	165,454
– Entities over which the Ultimate Controlling Shareholder has significant influence	71,726	70,606
– Entities controlled by the close relatives of the Ultimate Controlling Shareholder	2,556	3,227
	2,899,365	2,997,161
Less: allowance for impairment of trade receivables from related parties	(2,149,112)	(2,198,613)
	750,253	798,548
Prepayments		
– Entities controlled by the Ultimate Controlling Shareholder	10,885	8,678
– Entities jointly controlled by the Ultimate Controlling Shareholder	4,648	499
– Entities over which the Ultimate Controlling Shareholder has significant influence	188	5,140
	15,721	14,317
Payables to related parties		
Trade payables		
– Entities controlled by the Ultimate Controlling Shareholder	180,898	171,161
– Entities jointly controlled by the Ultimate Controlling Shareholder	29,330	26,494
– Entities over which the Ultimate Controlling Shareholder has significant influence	4,208	9,841
– Entities controlled by close relatives of the Ultimate Controlling Shareholder	2,136	2,816
	216,572	210,312





NOTES TO THE INTERIM FINANCIAL INFORMATION

30. Related party transactions *(Continued)*

(e) Balances with related parties *(Continued)*

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Contract liabilities		
– Entities controlled by the Ultimate Controlling Shareholder	137,521	83,459
– Entities jointly controlled by the Ultimate Controlling Shareholder	13,064	8,096
– Entities over which the Ultimate Controlling Shareholder has significant influence	3,750	2,335
– Entities controlled by close relatives of the Ultimate Controlling Shareholder	754	814
	155,089	94,704

31. Business combination

In June 2024, the Group has acquired 100% equity interest in Sichuan Hemeng Property Management Co., LTD (“Sichuan Hemeng”) from a third party at a fixed cash consideration of RMB160,000,000. The above acquired company has been accounted for as subsidiary of the Group since the acquisition date.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

	Sichuan Hemeng RMB'000
Total purchase consideration	
– Fixed cash consideration	160,000
Settled up to 30 June 2024	150,000
Outstanding as at 30 June 2024	10,000
	160,000



NOTES TO THE INTERIM FINANCIAL INFORMATION



31. Business combination *(Continued)*

Total recognised amounts of identifiable assets acquired and liabilities assumed are as follows:

	Sichuan Hemeng RMB'000
Property, plant and equipment (note 14)	2,115
Identified contracts and customer relationships and brand (note 17)	43,963
Investments accounted for using the equity method (note 18)	326
Deferred income tax assets	625
Trade and other receivables	90,015
Cash and cash equivalents	18,883
Deferred income tax liabilities	(10,991)
Trade and other payables	(61,251)
Current income tax liabilities	(487)
Total identifiable net assets acquired	83,198
Goodwill (note 17)	76,802
	160,000

Inflow of cash to acquire business, net of cash acquired:

	Sichuan Hemeng RMB'000
Partial settlement of cash considerations	160,000
Less: Cash and cash equivalents in the subsidiaries acquired	(18,883)
Offset of the balance of other receivables	(150,000)
Net cash inflow on the acquisition	(8,883)

- (a) Other intangible assets including identified contracts and customer relationships amounting to RMB43,963,000 in relation to the acquisition have been recognised by the Group (note 17).
- (b) The goodwill arose from the acquisition was mainly attributable to the expected synergies from combining the operations of the Group and the acquired entity.

32. Disposals of subsidiaries

During the period, the Group disposed of interests in several subsidiaries to certain third parties. Details of the disposals are as follows:

	RMB'000
Disposal considerations	93,091
– Cash received	10,918
– Outstanding and included in other receivables	82,173
Less:	
– Total net assets of subsidiaries disposed of	(149,443)
– Non-controlling interests disposed of	17,508
Losses on disposals (note 8)	(38,844)
Cash proceeds from disposals, net of cash disposed of	
– Cash considerations received	10,918
– Less: cash and cash equivalents in the subsidiaries disposed of	(42,113)
Net cash outflow on disposals	(31,195)





33. Financial guarantee

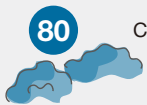
Caixin Smart Life Services Group Limited (“Caixin Services”), a subsidiary of the Company, was acquired by the Group from its original shareholder, Chongqing Caixin Group Co., Ltd. (“Caixin Group”), on 30 September 2021 (the “Acquisition Date”). In late August 2022, certain bank accounts of Caixin Services were frozen judicially, in light of the fact that Caixin Services provided joint and several guarantee to a trust financing arrangement of Caixin Group prior to the Acquisition Date. The Company was informed by Caixin Group and validated the existence of this obligation after the incident happened.

According to information subsequently obtained, in addition to the pledge of the equity interest of a subsidiary held by Caixin Group, the debts were also secured by another eight guarantors, including: (1) one guarantor providing guarantees by way of asset pledge; and (2) the other seven entities (including Caixin Services) providing joint and several guarantee obligations. As at 30 June 2024, the guarantee amount in relation to the debts was approximately RMB1,026,227,000 (as at 31 December 2023: RMB934,500,000).

Management of the Company represents that: (1) the Caixin Group confirms that, apart from this, Caixin Services provided no other external guarantee prior to the acquisition date; (2) the normal operation of Caixin Services has not been materially and adversely affected; (3) since the engagement with and acquisition of Caixin Services by the Group, Caixin Group has disclosed and undertaken that the guarantee did not exist during the course of due diligence and negotiation of the acquisition agreement, which, at present, is in violation of the relevant covenants and undertakings under the agreement regarding the acquisition of Caixin Services; (4) the Company has actively taken legal proceedings, to protect the Company’s legitimate rights and interests. As at 30 June 2024, the amount of restricted bank deposits in the frozen bank accounts of Caixin Services due to the financial guarantee was RMB5,578,000 (as at 31 December 2023: RMB5,385,000). As at 30 June 2024, the Group has assessed that the expected credit losses for the financial guarantee and accordingly made a provision of RMB23,301,000 (as at 31 December 2023: RMB6,598,000). When estimating the expected credit losses of the financial guarantee, management applied estimation under various scenarios of repayment orders after taking into account the lawyer’s opinion.

34. Event occurred after the reporting period

On 22 July 2024, the Company offered to grant a total of 225,350,000 share options to 60 employee participants which comprise two directors, to subscribe for an aggregate of 225,350,000 ordinary shares of US\$0.0001 each in the share capital of the Company under the terms of the 2024 Share Option Scheme adopted by the Company on 9 July 2024, subject to the acceptance of the grantees and the payment of consideration for accepting the offer of HK\$1.00 by the grantees upon acceptance of the share options.





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