A-LIVING SERVICES CO., LTD.*

雅居樂雅生活服務股份有限公司

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

Stock Code : 3319

Lifelong
Caring

2018
Annual Report

*For identification purposes only

VISION

- Develop a national leading and world class resident service platform

MISSION

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

CORE VALUE

- Lifelong caring

BUSINESS PHILOSOPHY

- Achieve greater, higher, better, more and flexible business services

SPIRIT

- Develop our future with vision and enthusiasm

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Corporate Profile

A-Living Services Co., Ltd. ("A-Living" or the "Company", together with its subsidiaries, collectively, the "Group") is a reputable property management service provider focusing on mid-to high-end properties. We offer a comprehensive portfolio of services. The Group has three major business lines, namely property management services, extended value-added services and community value-added services, forming an integrated service spectrum covering the entire value chain of property management. Taking into account the GFA of the acquired projects after 31 December 2018, the Group's total contracted GFA increased to approximately 246.4 million sq.m. and the total contracted GFA under management was approximately 153.6 million sq.m..

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

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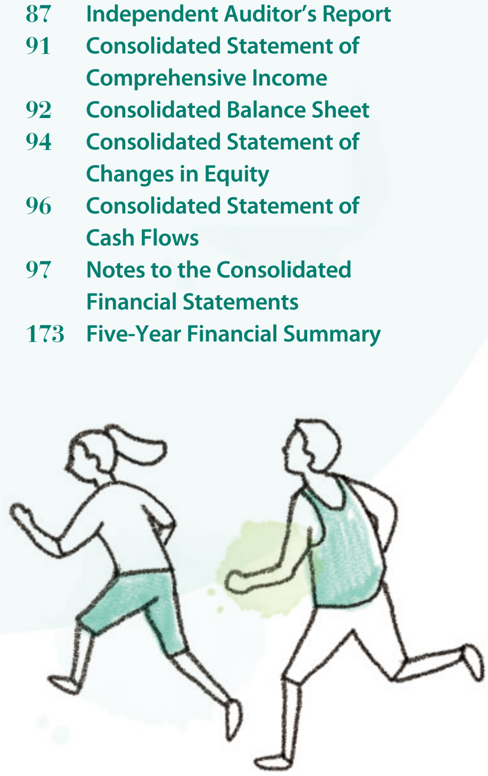


Corporate Information

Board of Directors

Mr. Chan Cheuk Hung* *(Co-chairman)*
Mr. Huang Fengchao* *(Co-chairman & acting as Chief Executive Officer) (acting as Chief Executive Officer since 9 November 2018)*
Mr. Liu Deming* *(the former Chief Executive Officer) (resigned on 9 November 2018)*
Mr. Feng Xin* *(Vice President)*
Mr. Wang Wei* *(removed with effect from 31 May 2018)*
Mr. Wei Xianzhong**
Mr. Wan Kam To#
Mr. Wan Sai Cheong, Joseph#
Mr. Wang Peng#

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

Board Committees

Audit Committee

Mr. Wan Kam To *(Committee Chairman)*
Mr. Wan Sai Cheong, Joseph
Mr. Wang Peng

Remuneration and Appraisal Committee

Mr. Wang Peng *(Committee Chairman)*
Mr. Huang Fengchao
Mr. Wan Kam To
Mr. Wan Sai Cheong, Joseph

Nomination Committee

Mr. Wan Sai Cheong, Joseph *(Committee Chairman)*
Mr. Huang Fengchao
Mr. Liu Deming *(resigned on 9 November 2018)*
Mr. Wan Kam To
Mr. Wang Peng

Risk Management Committee

Mr. Huang Fengchao *(Committee Chairman)*
Mr. Chan Cheuk Hung
Mr. Liu Deming *(resigned on 9 November 2018)*
Mr. Wan Kam To

Supervisory Committee

Ms. Chen Liru *(President of the Supervisory Committee, Employee representative Supervisor)*
Ms. Huang Zhixia *(Employee representative Supervisor)*
Mr. Shi Zhengyu *(Shareholder representative Supervisor)*
Mr. Li Jianhui *(External Supervisor)*
Mr. Wang Shao *(External Supervisor)*

Joint Company Secretaries

Mr. Li Dalong
Ms. Choy Yee Man

Authorised Representatives

Mr. Huang Fengchao *(appointed on 9 November 2018)*
Mr. Liu Deming *(resigned on 9 November 2018)*
Mr. Li Dalong

Auditor

PricewaterhouseCoopers

Legal Advisors

as to Hong Kong law:

Sidley Austin LLP

as to PRC law:

King & Wood Mallesons

Compliance Adviser

Ballas Capital Limited

Principal Bankers

Bank of China, Guangzhou Zhujiang Branch
Industrial and Commercial Bank of China,
Zhongshan Sanxiang Wenchang Branch
Industrial and Commercial Bank of China, Lingshui Branch
Agricultural Bank of China, Sanxiang Branch

Principal Place of Office in the PRC

35/F, Agile Center
26 Huaxia Road
Zhujiang New Town
Tianhe District, Guangzhou
Guangdong Province, PRC
Postal Code: 510623

Registered Office in the PRC

Management Building, Xingye Road
Agile Garden, Sanxiang Town
Zhongshan
Guangdong Province, PRC

Principal Place of Business in Hong Kong

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

H Share Registrar

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong
Telephone: (852) 2980 1333
Facsimile: (852) 2861 1465

Investor Relations

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

Website

www.agileliving.com.cn

Listing Information

Equity Securities

The Company's ordinary shares include domestic shares, unlisted foreign shares and H shares.

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

Financial Calendar

Annual results announcement	:	Monday, 18 March 2019
2018 annual general meeting (the "2018 AGM")	:	Tuesday, 28 May 2019

Closure of Register of Members and other Key Dates

The Company's register of members will be closed during the following period:

To determine the shareholders of the Company (the "Shareholders") who are entitled to attend and vote at the 2018 AGM

Latest time for lodging transfer documents of shares	:	4:30 p.m. on Friday, 26 April 2019
Period of closure of register of members	:	Saturday, 27 April 2019 to Tuesday, 28 May 2019 (both dates inclusive)

To determine the Shareholders' entitlement to the final dividend and special dividend (the "Annual Dividend")

Ex-entitlement date for Annual Dividend	:	Thursday, 30 May 2019
Latest time for lodging transfer documents of shares	:	4:30 p.m. on Friday, 31 May 2019
Period of closure of register of members	:	Saturday, 1 June 2019 to Thursday, 6 June 2019 (both dates inclusive)
Record date	:	Thursday, 6 June 2019

To qualify for attending and voting at the 2018 AGM and entitlement to the Annual Dividend, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than the above latest time for lodging transfer documents of shares.

Subject to the approval by the Shareholders in the 2018 AGM, the proposed Annual Dividend will be paid on or about Thursday, 18 July 2019 to Shareholders whose names appear on the register of members of the Company on Thursday, 6 June 2019.

Annual General Meeting

The 2018 AGM will be held on Tuesday, 28 May 2019. Notice of the 2018 AGM will be set out in the Company's circular dated 10 April 2019 and will be despatched together with this annual report to the Shareholders. Notice of the 2018 AGM, the reply slip and the proxy form will also be published on the Company's website (www.agileliving.com.cn) and the Hong Kong Stock Exchange's website (www.hkex.com.hk).

Despatch of Corporate Communications

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

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

Financial Summary

Summary of the Consolidated Statement of Comprehensive Income

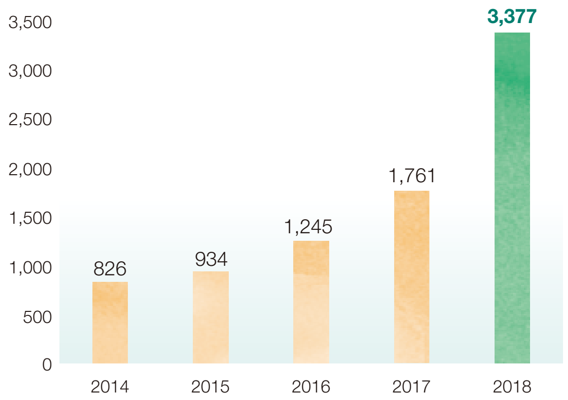
	Year ended 31 December	
	2018	2017
Revenue (RMB million)	**3,377**	1,761
Gross profit (RMB million)	**1,290**	591
Gross profit margin	**38.2%**	33.5%
Net profit (RMB million)	**811**	300
Net profit margin	**24.0%**	17.0%
Profit attributable to shareholders of the Company (RMB million)	**801**	290
Basic earnings per share (RMB)	**0.62**	0.35*

* The Company's H shares were listed on 9 February 2018, thus the weighted average number of ordinary shares for the year ended 31 December 2017 was 832,400,000 shares.

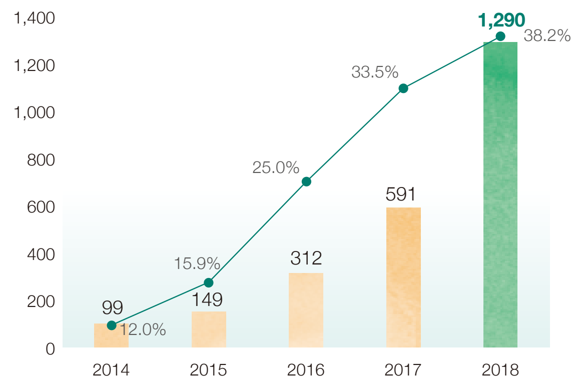
Summary of the Consolidated Balance Sheet

	As at 31 December	
	2018	2017
Total assets (RMB million)	**7,297**	2,511
Cash and cash equivalents (RMB million)	**4,808**	880
Shareholders' equity (RMB million)	**5,510**	1,474
Return on shareholders' equity	**14.5%**	19.7%
Total liabilities/total assets	**24.5%**	41.3%

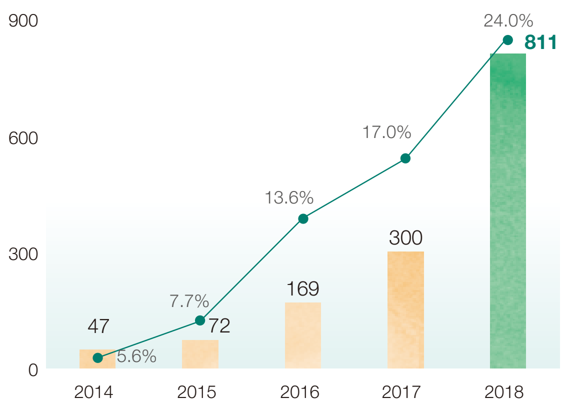
Revenue
(RMB million)



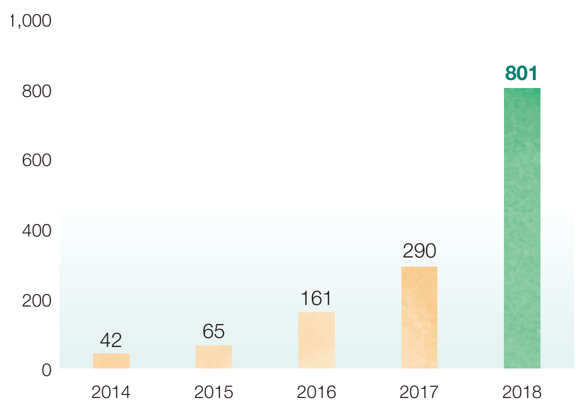
Gross profit and gross profit margin
(RMB million)/%



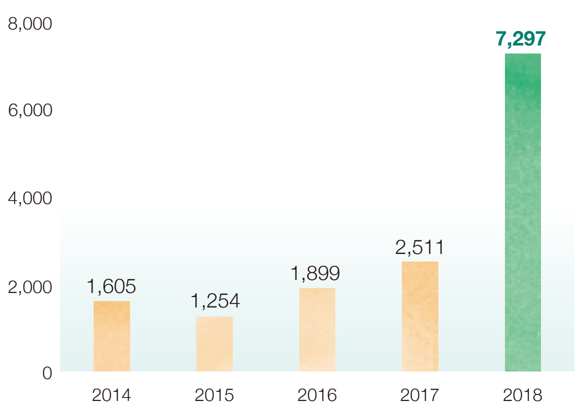
Net profit and net profit margin
(RMB million)/%



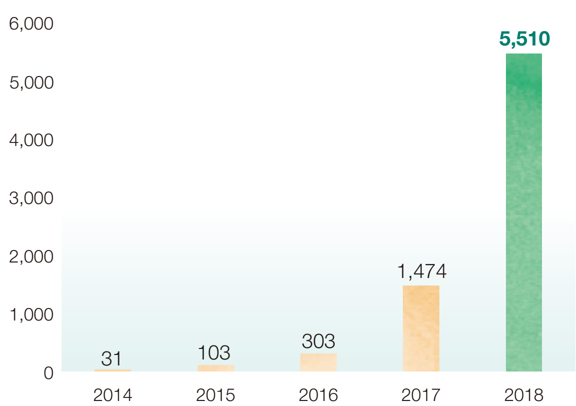
Profit attributable to shareholders of the Company
(RMB million)



Total assets
(RMB million)



Shareholders' equity
(RMB million)



Major Events in 2018

January

A-Living signed a strategic cooperation agreement with Longchuang Group (龍創集團), a wholly-owned subsidiary of Heilongjiang Construction Group (黑龍江省建設集團).

A-Living held a cooperation signing ceremony with Alibaba Group Ali Cloud Computing Co., Ltd. and Ant Financial Services Group Alipay (China) Network Technology Co., Ltd.

February

A-Living (stock code: 3319.HK) was listed on the main board of the Hong Kong Stock Exchange.

April

A-Living signed an equity transfer agreement with Nanjing Zizhu and acquired 51% equity interest of Nanjing Zizhu.

A-Living signed a strategic cooperation agreement with Lanzhou Lanshi Group (蘭州蘭石集團).

May A-Living, Greenland Property Services and Jones Lang LaSalle held a strategic cooperation signing ceremony at Chow Tai Fook Financial Center in Guangzhou to jointly explore the super high-rise building property management.

July A-Living held a strategic cooperation signing ceremony with Shandong Changbo Holding Group (山東暢博控股集團).

August A-Living and Longchuang Group established a joint venture, Longchuang A-Living Property Services Co., Ltd. (龍創雅生活物業服務有限公司) and held a grand opening ceremony to mark a new chapter in mixed ownership property services enterprise.

October New achievements of A-Living unveiled at the 2nd International Property Management Industry Expo.

December A-Living established three major business segments: property management services, community commercial services, and asset management services.

Major Recognition and Awards

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A-Living

1. 2018 Top 8 Property Management Companies of the PRC in terms of Comprehensive Strength
2. 2018 TOP 10 China Community Services Providers
3. 2018 Top 10 China Community Services Providers in terms of Competitiveness
4. 2018 Top 10 China Community Service Providers in terms of Capital Market's Attention
5. 2018 China TOP100 Property Management Companies
6. The 2nd of the 2018 China Top 100 Property Management Companies in terms of Growth Potential
7. 2018 China Leading Property Management Enterprise in terms of Characteristic Service — Leading Brand in Vacation Property Management
8. 2018 China Blue-chip Property Management Company's Annual Meeting — Top 30 China Blue-chip Property Management Companies
9. 2018 Golden Lion Award for the Listed Company on the Hong Kong Stock Exchange — Newly Listed Company with the Best Investment Value
10. The Community Chest of Hong Kong — President's Award

1. Greenland Property Services was awarded 2018 China Office Property Management Exceptional Company
2. A-Living's annual report was awarded the LACP 2017 Vision Awards Annual Report — Gold Award
3. A-Living's annual report was awarded the LACP 2017 Vision Awards Annual Report — Technical Achievement Award

Chairman's Statement

Chan Cheuk Hung
Co-Chairman of the Board

Huang Fengchao
Co-Chairman of the Board

With 26 years of experience in property management and by leveraging the international capital platform, the Group will continue to expand management scale and explore varied and differentiated value-added services, with the corporate vision of becoming a national leading and world class resident services platform and will dedicate to provide closed loop, all-round and full life-cycle quality services to its customers and property owners.

Dear shareholders,

I am pleased to present the audited consolidated results of A-Living Services Co., Ltd.* ("A-Living" or the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2018 (the "Year").

In 2018, with background of the huge potential brought about by the massive housing stock of property market and consumption upgrade, the property management industry is under rapid development. According to the forecast of China Index Academy, it is expected that scale of the property management in the PRC will reach 24.3 billion sq.m. by 2020 and the revenue scale of basic property management services will exceed RMB1 trillion in the next five years. At present, the property management market is still highly fragmented, but the market consolidation is accelerating, allowing the industry leaders to better capture market opportunities in the future. In addition, with urbanization and increasing income per capita, in response to the higher consumption demand, the property management services are increasingly innovative and diversified, bringing about considerable growth potential in the value-added services market.

The Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 February 2018 (the "Listing"). With 26 years of experience in property management and by leveraging the international capital platform, the Group will continue to expand management scale and explore varied and differentiated value-added services, with the corporate vision of becoming a national leading and world class resident services platform and will dedicate to provide closed loop, all-round and full life-cycle quality services to its customers and property owners.

Business Review

During the Year, the Group fully re-organized its existing business lines to form a new landscape of integrated development of three business segments, namely the "property management services", "asset management services" and "community commercial services", based on its "1+N" strategy. In 2018, the Group deepened the development model of "focusing on property management while developing a variety of other businesses", and recorded historic breakthroughs in the first year after its Listing with leapfrog growth in various operational indicators, stable furtherance of investment and mergers and acquisitions ("M&A"), and ranked top 10 in the PRC in terms of its comprehensive strength and was awarded the "TOP 8 Property Management Companies of the PRC in terms of Comprehensive Strength".

During the Year, the revenue of the Group was RMB3,376.7 million, representing a year-on-year increase of 91.8%. The gross profit was RMB1,289.9 million, representing a year-on-year increase of 118.4%. The gross profit margin was 38.2%, representing an increase of 4.7 percentage points year-on-year. Net profit margin was 24.0%, representing a year-on-year increase of 7.0 percentage points. Profit attributable to the shareholders of the Company (the "Shareholders") amounted to RMB801.0 million, representing a year-on-year increase of 176.5%. The basic earnings per share amounted to RMB0.62. Taking into account the Group's business development needs and the Shareholders' investment returns, the Board proposed a final dividend of RMB0.15 per share (before tax) and a special dividend of RMB0.15 per share (before tax) for the year of 2018, representing a total annual dividend of RMB0.30 per share with a dividend payout ratio of 50%.

As for business expansion, the Group continued to uphold a dual-brand development strategy based on "Agile Property Management" and "Greenland Property Services", with support from two of its shareholders, Agile Group Holdings Limited (雅居樂集團控股有限公司) ("Agile Holdings", and together with its subsidiaries, "Agile Group") and Greenland Holdings Group Company Limited (綠地控股集團股份有限公司) ("Greenland Holdings"), and focused on efficiency, quality and development to further expand its coverage and influence in the property management service sector. The Group continued to comprehensively enhance the management quality of projects from Greenland Holdings, deepen its long-term cooperation with Greenland Holdings and promote the quality enhancement and market expansion of "Greenland Property Services". On the other hand, "Greenland Property Services" complements A-Living, enabling the Group to expand its business into super high-rise and commercial property services.

The year of 2018 marked a period of rapid progress in terms of market-oriented development and capitalization of the property management industry. The Group kept abreast of the industry advancement, held fast to its philosophy of development, mapped out clear development strategies and became one of the first movers in the industry in terms of capitalization and market-oriented development. During the Year, apart from the GFA of the management projects steadily contributed by the two major shareholders, Agile Group and Greenland Holdings, the Group realized higher contribution of growth from active expansions through third-party developers and M&A.

Adhering to the market expansion strategy of "achieving strategic breakthroughs, centralization and synergies, regional cultivation, and expansion of strengths", the Group entered into strategic cooperation with local real estate enterprises with abundant land reserves. At the same time, the Group successfully enhanced its brand awareness and further improved its nationwide layout through regional cultivation and coverage on Southern, Eastern and Northern China and expansion into major cities in Southwestern and Northeastern China. Taking into account the GFA obtained from the acquisition of Qingdao Huaren Property Co., Ltd. ("Qingdao Huaren") and Harbin Jingyang Property Management Co., Ltd. ("Harbin Jingyang") which results are expected to be consolidated from April 2019 onwards, the total GFA under management and the contracted GFA of the Group would amount to 153.6 million sq.m. and 246.4 million sq.m., respectively. As of 31 December 2018, the contracted GFA of projects obtained from third-party developers was 106.4 million sq.m., representing 46.3% of the total contracted GFA, and representing an increase of 48.4 million sq.m. as compared with that of 2017 or a 83.2% increase on a year-on-year basis.

The Group actively seeks quality investment and acquisition projects in the market since the Listing, primarily focusing on targets with high engagement and extensiveness in property management. During the Year, the Group successively acquired several regional leading property management enterprises, which helped to enter the local market rapidly, improving its geographic coverage, while diversifying its management portfolio, refining its strategic layout and enhancing the market influences and competitiveness of the Group in the PRC. Furthermore, the Group may further enhance post-acquisition management to empower the acquired enterprises and provide them with strategic support through leveraging on its own advantages and resources, and laying a solid foundation for its rapid expansion in scale.

In order to precisely meet people's needs for a better life, the Group will continue to build a community economic ecosphere centered on household consumption. Focusing on the residents, houses, vehicles and public resources, the Group has built a one-stop household consumption service platform for the property owners, to earnestly address the property owners' concerns and meet their needs. Meanwhile, the Group has also analyzed the structure and positioning for the community population, built data bases for community property owners, deeply dug user demands and conducted product research and development, so as to complete the closed-loop of community living services.

As for extended value-added services, the Group proceeded with market-oriented development and cultivated in existing market while continuously strengthened the strategic cooperation with property developers. The Group improved the delivery satisfaction through inspection consultation services, and enhanced the synergies among property developers, property management companies and property owners. The Group extracted the economic values of the community focusing on advertising resources. At the same time, the Group improved the quality of living services while utilizing the brand effects to attract more quality partners and expand the business scope.

High-quality services and constructions of four specialized standards are the basis of the continuing enhancement of brand value of the Group. Capitalizing on the strategy of "management digitalization, service specialization, procedure standardization and operation automation", the Group continued to improve and strengthen its internal management system and enhance the overall operating efficiency. By utilizing cloud technology and big data, the Group has built up an integrated command center and preliminarily established a command and arrangement system featuring "digitalization, visualization, intensification and full coverage", which improves the efficiency of decision-making and service quality.

The Group's professional and efficient services have been widely recognized by the market and industry. In 2018, the Group was awarded as "TOP 8 Property Management Companies of the PRC in terms of Comprehensive Strength", ranked 2nd among "Top 100 Property Management Companies in the PRC in terms of Growth Potential", and accredited as "Leading Company among 2018 Top 100 Property Management Companies in the PRC in terms of Business Performance", "Leading Brand in Vacation Property Management" and "Chinese Blue-chip Property Management Company". The Group is committed to building a world class comprehensive living service management platform and further scaling up its business through standardization. In December 2018, the Group led the drafting of the Vacation Housing Property Service Standard which was reviewed and approved by the PRC Property Management Institute. The Standard's quality has been highly praised.

Prospects and Strategy

In 2019, the continuing trend of urbanization and consumption upgrade will support the long-term steady growth of the property management industry. Amid the intensified industry competition, scale expansion is still an important strategy for property management companies and the indispensable way to strengthen the competitive edge.

The Group leverages the advantages of its Listing to deepen its strategic layout and focus on the synergetic development of the three major business segments. The Group will continue to focus on various new or existing mid- to high-end residential property projects, expand and strengthen residential property services, control costs and improve efficiency, achieve regional scale expansion and effectively enhance the pricing power supported by quality. At the same time, on the basis of the original development strategy, the Group will further enhance the conversion rate and profitability of the projects from third-party property developers, and increase the development of regional centralization, diversification of business portfolio and product differentiation.

At the same time, the PRC's commercial real estate is under development, and the commercial office building market has great potential. According to market forecasts, the existing commercial projects in the first- and second-tier cities will have a considerable growth rate in the next three years. Regions with relatively stable supply, such as Beijing, Shanghai, Guangzhou and Shenzhen, are still the main cities for the development of commercial real estate. New first-tier cities such as Zhengzhou, Chengdu, Xi'an and Wuhan are also accelerating the pace of commercial office building construction affected by the demand spillover from traditional first-tier cities. The Group will seize the development opportunities and take advantage of the trend to establish Johnson Property Management Co., Ltd.* (卓森物業管理有限公司), a new wholly-owned subsidiary, so as to serve real estate for commercial purposes and strive to build a professional and high-end commercial management business segment. The Group will focus on key cities such as Beijing, Shanghai, Guangzhou, Shenzhen and Wuhan, and develop regional high-end benchmark projects to realize the development vision of "office buildings being constructed and managed by Chinese enterprise".

In terms of M&A, the Group will focus on the five major regions such as the Yangtze River Delta, Chengdu-Chongqing region, Beijing-Tianjin-Hebei region, the Middle

Yangtze River city clusters and the Bohai city clusters in the future, and complete the national layouts to develop more quality benchmark projects. The business portfolio of acquisition and expansion targets will gradually change from traditional residential property and commercial property management to multi-portfolio property management, and we will actively explore the property services for public buildings and achieve the whole industry chain layout of property services. Meanwhile, adhering to the principle of mutual respect, seeking common grounds while shelving difference and inclusive symbiosis, focusing on empowerment and providing support as priority, the Group will impart its successful experiences in value-added services and others to improve the operation efficiency of the acquired companies after the acquisitions.

With the changes in the demographic structure and consumption scenarios of community, there will be stronger market demand and promising prospects for community value-added services. The Group will continue to adopt an asset-light operation model and conduct multi-level cooperation with business partners to jointly deploy a new community economic ecosystem. The Group will adopt a "multi-point layout + focused breakthrough" approach to quickly revitalize the internal and external resources of the Group to form an agglomeration effect. Meanwhile, the Group will strive to enhance the innovation capability of the community commercial business, continue to explore community business opportunities based on the property owners' consumption demand, improve the one-stop household consumption service platform, and further enhance the satisfaction rate of the property owners.

The Group adheres to the corporate philosophy of "Lifelong Caring for Property Owners" and will continue to implement the long-term development strategy of "focusing on improving quality and efficiency, based on property management" and comprehensively optimize the quality system to achieve the vision of meeting the needs of the property owners for a better life. In the future, under the framework of the three major business segments, the Group will strive to expand the scale of property management, increase operating income and improve operational efficiency. The Group will focus on high value-added projects through diversified development strategies to optimize its income structure, enhance its profitability and consolidate its leading position in the industry through various cooperation methods, so as to create greater value for its Shareholders and property owners.

Acknowledgement

On behalf of the Board (the "Board") of Directors (the "Directors") of the Company, we would like to extend our heartfelt gratitude to the enormous support from our shareholders and customers, as well as the dedicated efforts of all our staff members, which enable the Group to grow and to achieve good results.

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

Hong Kong, 18 March 2019

Management Discussion and Analysis

The Group is a reputable property management services provider in the PRC focusing on mid- to high-end properties. The Group upholds the development strategy of "Consolidating footholds in Beijing, Shanghai and Guangzhou, serving the whole PRC", relying upon Agile Group and Greenland Holdings, two leading property developers, growing our scale by expansion to projects of third-party property developers and M&A. The Group's excellent service quality and brand are widely recognized by the market, securing its leadership position for the Group in the industry. During the Year, the Group ranked 8th among the 2018 Property Management Companies of the PRC in terms of Comprehensive Strengths, and awarded as Top 10 Community Service Providers in the PRC, and Top 10 in terms of Capital Market's Attention.

Financial Review

Revenue

For the year ended 31 December 2018, revenue of the Group amounted to RMB3,376.7 million (2017: RMB1,760.8 million), representing an increase of 91.8% as compared with the corresponding period in the last year.

The Group's revenue was derived from three major business lines, i.e. (i) property management services; (ii) extended value-added services; and (iii) community value-added services.

	For the year ended 31 December				
	2018 (RMB'000)	**Percentage of revenue %**	2017 (RMB'000)	Percentage of revenue %	Growth rate %
Property management services	**1,624,835**	**48.1%**	1,205,589	68.5%	34.8%
Extended value-added services	**1,463,135**	**43.3%**	453,364	25.7%	222.7%
— Sales center property management services	**675,178**	**20.0%**	323,249	18.3%	108.9%
— Other extended value-added services	**787,957**	**23.3%**	130,115	7.4%	505.6%
Community value-added services	**288,779**	**8.6%**	101,800	5.8%	183.7%
Total	**3,376,749**	**100%**	1,760,753	100%	91.8%

Property management services

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

During the Year, revenue from property management services amounted to RMB1,624.8 million (2017: RMB1,205.6 million), accounting for 48.1% of the total revenue of the Group and representing an increase of 34.8% as compared with the corresponding period in 2017.

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

Project Sources	**As of 31 December 2018 ('000 sq.m.)**	**Percentage of areas %**	As of 31 December 2017 ('000 sq.m.)	Percentage of areas %	Year-on-year growth ('000 sq.m.)	Growth Rate %
Agile Group	**48,191.7**	**34.9%**	42,189.0	53.9%	6,002.7	14.2%
Greenland Holdings	**4,728.3**	**3.4%**	2,684.2	3.4%	2,044.1	76.2%
Third-party property developers	**55,846.6**	**40.4%**	33,461.8	42.7%	22,384.8	66.9%
M&A	**29,353.0**	**21.3%**	—	—	29,353.0	N.A.
Total	**138,119.6**	**100%**	78,335.0	100%	59,784.6	76.3%

As of 31 December 2018, the Group's GFA under management was 138.1 million sq.m., representing an increase of 76.3% as compared with 31 December 2017. The increase was mainly attributed to: (i) the Group continued to take over the projects developed by Agile Group, with the newly increased GFA under management of 6.0 million sq.m. during the Year; (ii) the newly increased GFA of 2.0 million sq.m. from the projects of Greenland Holdings during the Year; (iii) the newly increased GFA from the projects developed by independent third-party property developers of approximately 22.4 million sq.m. during the Year; and (iv) GFA under management from M&A of 29.4 million sq.m. during the Year. After 31 December 2018, the Group entered into equity transfer agreements to acquire 89.6643% shares in Qingdao Huaren and 60% equity interest in Harbin Jingyang. Their GFA under management were 5.7 million sq.m. and 9.8 million sq.m. respectively, totalling 15.5 million sq.m.. Taking into account the GFA under management of Qingdao Huaren and Harbin Jingyang, the total GFA under management of the Group would be 153.6 million sq.m..

The average property management fee

Among the projects managed by the Group, the average property management fee of the residential properties of Agile Group and Greenland Holdings was RMB3.20/m^2/month (As of 30 June 2018: RMB3.02/m^2/month), and the average property management fee of the residential projects from third-party property developers, (excluding M&A), was RMB2.25/m^2/month, slightly increased as compared with that of RMB2.03/m^2/month for the six months ended 30 June 2018, mainly due to the relatively higher management fees and the better operating condition of the newly delivered third-party projects in the second half of the Year. The Group believes the current property management market remains highly fragmented, but the consolidation is accelerating. At the initial stage of rapid scale expansion, the Group needs to develop through the areas and projects with relatively low property management fees as an entry point, and rapidly enrich the geographic coverage and business portfolios. In terms of the management of existing projects, the Group strives to improve the quality of management and the management efficiency, provide more professional services for the community life of the property owners, and strive to increase management fees reasonably in the future. During the Year, thanks to the constant improvement in service satisfaction and the adoption of caring approach for management fee collection, the collection rate of the Group's residential property projects from Agile Group was up to 95.7% (As of 30 June 2018: 91.9%).

The project portfolio for GFA under management

As of 31 December 2018, for the GFA under management, the proportion of residential property business accounted for 60.4%, and the proportion of non-residential property business accounted for 39.6% (As of 31 December 2017: the proportion of residential property business accounted for 73.4% and non-residential property business accounted for 26.6%). Residential property business is still the foundation of the Group's scale expansion. The Group is now focusing on providing property management services to mid- to high-end residential properties. The Group will improve its brand awareness in the non-residential sector by adjusting its business structure, optimizing its project portfolio, and expanding its diversified business types in the future.

The geographic coverage for GFA under management

During the Year, the Group's projects under management reached 532, covering 24 provinces, municipalities and autonomous regions nationwide, in 78 cities. As of 31 December 2018, 35.7% of the GFA under management were located in the Guangdong-Hong Kong-Macao Greater Bay Area, 31.5% were located in the Yangtze River Delta city cluster, 3.6% were located in the Chengdu-Chongqing city cluster, and the remainder spread across other regions in the PRC.

The charging model

During the Year, the revenue of the Group from property management services was mainly based on the lump sum contract basis, which accounted for 96.1% of that from property management services (2017: accounted for 97.2% of that from property management services). The Group primarily adopted a lump sum contract basis so that it was conducive to improve service quality and operational efficiency.

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

Project Sources	**As of 31 December 2018 ('000 sq.m.)**	**Percentage of areas %**	As of 31 December 2017 ('000 sq.m.)	Percentage of areas %	Year on year Growth ('000 sq.m.)	Growth rate %
Agile Group	**70,370.9**	**30.6%**	58,676.5	46.5%	11,694.4	19.9%
Greenland Holdings	**22,026.2**	**9.6%**	9,334.6	7.4%	12,691.6	136.0%
Third-party property developers	**106,440.6**	**46.3%**	58,089.4	46.1%	48,351.2	83.2%
M&A	**30,961.0**	**13.5%**	—	—	30,961.0	N.A.
Total	**229,798.7**	**100%**	126,100.5	100%	103,698.2	82.2%

The contracted GFA, which is defined by the Group as areas agreed in the contracts signed with property developers for providing property management services and include delivered and to-be-delivered (reserved) GFA, and the to-be-delivered (reserved) GFA will become the Group's GFA under management in the future and expand the base of the Group's revenue. As of 31 December 2018, the contracted GFA reached 229.8 million sq.m., representing an increase of 103.7 million sq.m. or a growth rate of 82.2% as compared with that of 126.1 million sq.m. for 2017. In 2018, the Group obtained newly increased contracted GFA of 11.7 million sq.m. and 12.7 million sq.m. from Agile Group and Greenland Holdings respectively. The acquisition of Nanjing Zizhu Property Management Co., Ltd.*(南京紫竹物業管理股份有限公司) ("Nanjing Zizhu") in 2018 led to an increase in the Group's contracted GFA of 27.5 million sq.m.. In addition, after 31 December 2018, Qingdao Huaren and Harbin Jingyang, acquired by the Group, contributed contracted GFA of 6.1 million sq.m. and 10.5 million sq.m. respectively to the Group. Taking into account the contracted GFA of Qingdao Huaren and Harbin Jingyang, the total contracted GFA of the Group would be 246.4 million sq.m..

Extended value-added services

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

During the Year, the Group recorded revenue from extended value-added services of RMB1,463.1 million, representing an increase of 222.7% as compared with that of RMB453.4 million in 2017, and accounting for approximately 43.3% of the total revenue, including:

(1) The revenue from sales center property management services (accounted for 46.1% of the revenue from the extended value-added services): amounted to RMB675.2 million in 2018, representing an increase of 108.9% as compared with that of RMB 323.2 million in 2017. The increase of the revenue from sales center property management services was primarily due to an increase of areas delivered by Agile Group, and the provision of sales center property management services to Greenland Holdings since 2018.

(2) Other extended value-added services (accounted for 53.9% of the revenue from the extended value-added services): including property marketing agency services and housing inspection services, etc. The revenue amounted to RMB787.9 million in 2018, representing an increase of 505.6% as compared with that of RMB130.1 million in 2017.

As of 31 December 2018, the Group's subsidiary, A-TRO Properties Consultancy Co, Ltd.* (雅卓房地產顧問有限公司) (formerly known as: Guangzhou Yazhuo Real Estate Sales Co., Ltd. (廣州市雅卓房地產營銷有限公司)) ("A-TRO Consultancy") had 50 branches in 48 cities or regions in the PRC, including 20 property agency services projects from third-party property developers. A-TRO Consultancy has gradually developed business since the fourth quarter of 2017, and contributed revenue of only one quarter in 2017, thus its revenue recorded a significant increase in 2018. The property marketing agency services will provide early-stage foundation and advantages for the Group to undertake subsequent property management services in the future.

Community value-added services

Community value-added services mainly include living and comprehensive services, community asset management services and home improvement services. Community value-added services focus on improving the community living experience of property owners and residents at the properties under management and preserving and increasing the value of their properties.

During the Year, revenue from community value-added services amounted to RMB288.8 million, representing an increase of 183.7% as compared with that of RMB101.8 million in 2017 and accounting for approximately 8.6% of total revenue.

(1) Living and comprehensive services include: property repair and maintenance, housekeeping, community-based group purchase, and comprehensive consulting services, etc. The revenue from living and comprehensive services accounted for approximately 38.9% of the revenue from community value-added services during the Year.

(2) Community asset management services primarily include: club house operation, property lease services, apartment operation, community-based advertising, parking lot management services, community property operation, and second-hand property agency services. Community asset management services accounted for approximately 36.4% of the revenue from community value-added services during the Year.

(3) Home improvement services represented the new business of the Group in this year, primarily include turnkey furnishing services. Such services accounted for approximately 24.7% of the revenue from community value-added services during the Year.

Cost of sales

The Group's cost of sales primarily consists of employee salaries and benefit expenses, utility charges, tax and extra charges, maintenance costs, cost of consumables, greening and gardening expenses, operating lease payments, cost of sales in parking lot and stores and others.

During the Year, cost of sales of the Group was RMB2,086.8 million, representing an increase of 78.3% as compared with that of RMB1,170.2 million for the corresponding period in 2017. The increase in cost of sales was primarily due to the increase in various kinds of costs in response to an increase in turnover with the rapid development of the Group's businesses. In general, the Group's growth of the cost of sales was slower than that of revenue, primarily because the Group had made great efforts in developing value-added services. Value-added services grew faster than property management services and had a higher profit margin.

Gross profit and gross profit margin

	For the year ended 31 December				
	2018		2017		
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin	Changes in Gross Profit Margin
Property management services	**444,629**	**27.4%**	324,671	26.9%	+0.5 percentage points
Extended value-added services	**698,209**	**47.7%**	223,490	49.3%	-1.6 percentage points
Community value-added services	**147,103**	**50.9%**	42,404	41.7%	+9.2 percentage points
Total	**1,289,941**	**38.2%**	590,565	33.5%	+4.7 percentage points

During the Year, the Group's gross profit amounted to RMB1,289.9 million, representing an increase of 118.4% as compared with that of RMB590.6 million in 2017. The Group's gross profit margin increased to 38.2% from 33.5% in 2017.

The gross profit margin of property management services was 27.4%, representing an increase of 0.5 percentage points as compared with that of 26.9% in 2017, primarily due to (i) the increase of subcontracted cleaning, maintenance and repairs, greening and gardening led to effective control of labor costs; (ii) persistent labor optimization through intelligent application and automated operation; (iii) economy of scale effect; (iv) the increase of the Group's average property management fees during the Year.

The gross profit margin of extended value-added services was 47.7%, representing a decrease of 1.6 percentage points as compared with that of 49.3% in 2017, primarily due to (i) the increase of number of staff and staff cost in response to the improvement of the service quality and owners' satisfaction rate; (ii) the relatively high expenditures for third-party projects in the early stage of market-oriented operation.

The gross profit margin of community value-added services was 50.9%, representing an increase of 9.2 percentage points as compared with that of 41.7% in 2017, primarily benefiting from constantly enriching valued-added services of the Group. The Group actively developed living services, community asset management services, turnkey furnishing, community-based economy services in 2018. By leveraging on the early stage investment and the economy of scale effect, the overall gross profit margin increased significantly.

Selling and marketing expenses

During the Year, the Group's selling and marketing expenses amounted to RMB46.0 million, representing an increase of 41.1% as compared with that of RMB32.6 million in 2017, accounting for 1.4% of the revenue (2017: accounting for 1.9% of the revenue), which is primarily due to the intensified brand promotion of the Group and increased advertisement and promotion expense in response to its business expansion.

Administrative expenses

During the Year, the Group's administrative expenses were RMB302.2 million, representing an increase of 76.5% as compared with that of RMB171.2 million in 2017, accounting for 8.9% of the revenue (2017: accounting for 9.7% of the revenue), primarily due to (i) an increase in expenses on employee remuneration, welfare and talent training and others resulting from the increase of the number of employees; (ii) increased business expenses in response to the momentum of a rapid development in market expansion; (iii) the listing expenses of approximately RMB11.2 million; and (iv) an increase in the daily administrative expenses of newly acquired companies. Each of the above stated increases was in line with the Group's business diversification and expansion strategy.

Other income

During the Year, other incomes of the Group amounted to RMB102.3 million representing an increase interest of 797.4% as compared with that of RMB11.4 million in last year. The aforementioned increase was primarily resulted from the income from capital raised from the Listing.

Income tax

During the Year, the Group's income tax amounted to RMB264.5 million. The income tax rate was 24.6% (the corresponding period in 2017: 25.5%). The decrease in effective income tax rate during the Year was attributable to the fact that the Group's subsidiary, Guangzhou Yatian, had obtained a certificate of high-tech enterprise in December 2017, which allows it to enjoy a preferential enterprise income tax rate of 15% in 2017, 2018 and 2019. Meanwhile, a subsidiary of the Group has enjoyed a preferential policy in Zhuhai Hengqin (Free Trade Area) with an enterprise income tax rate of 15%.

Profits

During the Year, the net profit for the year of the Group was RMB810.9 million, representing an increase of 170.1% as compared with that of RMB300.2 million for the corresponding period in 2017. Net profit margin was 24.0%, representing an increase of 7.0 percentage points as compared with that of 17.0% for the corresponding period in 2017, due to the rapid development of the Group's business, significantly increased portion of business with high margin and effective cost control. The profit attributable to the Shareholders was RMB801.0 million, representing an increase of 176.5% as compared with that of RMB289.7 million for the corresponding period in 2017. The basic earnings per share amounted to RMB0.62.

Current assets, reserves and capital structure

During the Year, the Group maintained a sound financial position. As of 31 December 2018, the current assets amounted to RMB5,988.7 million, representing an increase of 328.1% as compared with that of RMB1,399.0 million as of 31 December 2017. Cash and cash equivalents of the Group amounted to RMB4,808.0 million, representing an increase of 446.5% as compared with that of RMB879.8 million in 2017, primarily because the Company has successfully raised funds from the Listing, and benefited from the continuously increasing operating cash inflows of the Group.

As of 31 December 2018, the Group's total equity was RMB5,510.0 million, representing an increase of RMB4,035.9 million or 273.8% as compared with that of RMB1,474.1 million as of 31 December 2017, which was primarily due to funds raised from the Listing and the contributions of the realized profits in the current year.

Property, plant and equipment

As of 31 December 2018, the Group's net property, plant and equipment amounted to RMB80.0 million, representing an increase of 13.2% as compared with that of RMB70.7 million as of 31 December 2017, which was primarily due to the purchase of office equipment and machinery for the Group's business development, but was partly offset by depreciation for the current year.

Other intangible assets

As of 31 December 2018, the net book amount of other intangible assets of the Group was RMB166.4 million, representing an increase of 50.9% as compared with that of RMB110.3 million as of 31 December 2017. Intangible assets of the Group primarily included (i) RMB18.0 million of the right to use the trademark of Greenland Holdings; (ii) RMB77.0 million of customer relationship recognised by the Group due to the acquisition of Greenland Property Services; (iii) RMB10.4 million of the trademark value of Nanjing Zizhu acquired in the Year; (iv) RMB61.9 million of customer relationships with Nanjing Zizhu recognised by the Group due to the M&A; (v) the softwares developed and purchased by the Group; and (vi) partially offset by amortisation of trademarks, customer relationships and softwares. Trademarks and customer relationship have a specific validity period and are carried at cost less accumulated amortisation.

Goodwill

As of 31 December 2018, the Group recorded goodwill of RMB1,045.4 million, representing an increase of 13.8% as compared with that of RMB919.0 million as of 31 December 2017. The goodwill of the Group primarily included (i) RMB919.0 million in relation to the acquisition of Greenland Property Services; (ii) RMB126.4 million in relation to the acquisition of Nanjing Zizhu and other companies from M&A. The goodwill primarily derived from the expected future business developments of the acquired companies, improvement on market coverage, expansion of service portfolio, integration of value-added services and improvement of management efficiency.

As of the date of this annual report, the valuation report prepared by the independent valuer confirmed that there had been no goodwill impairment as of 31 December 2018.

Trade and other receivables

As of 31 December 2018, trade and other receivables amounted to RMB1,164.9 million, representing an increase of 138.6% as compared with that of RMB488.2 million as of 31 December 2017, which was primarily attributable to (i) the growth of corresponding businesses brought by the increase in GFA under management of the Group; (ii) the newly increased trade and other receivables brought by the acquired companies.

Trade and other payables

As of 31 December 2018, the trade and other payables amounted to RMB1,192.6 million, representing an increase of 25.2% as compared with that of RMB952.4 million as of 31 December 2017, which was primarily attributable to (i) the increase in the GFA under management and subcontracting of more services to independent third-party service providers; (ii) consideration payables for the acquisition of Nanjing Zizhu; (iii) the increase of trade and other payables brought by the acquired companies.

Borrowings

As of 31 December 2018, the Group had no borrowings or bank loans.

Gearing ratio

The gearing ratio is calculated as total borrowings divided by total equity, and the sum of long-term and short-term interest-bearing bank loans and other loans as of the corresponding date divided by the total equity as of the same date. As at 31 December 2018, the gearing ratio was nil.

Current and deferred income tax liabilities

As of 31 December 2018, the current income tax liabilities amounted to RMB191.9 million, representing an increase of 208.5% as compared with that of RMB62.2 million as of 31 December 2017, which was primarily attributable to the significant increase of the profit before tax of the Group. The deferred income tax liabilities increased from RMB22.1 million as of 31 December 2017 to RMB36.6 million as of 31 December 2018, which was primarily due to the impact of the increased value recognized from asset appraisal against Nanjing Zizhu, etc. after their acquisitions.

Proceeds from the Listing

The Company's H Shares were listed on the main board of Stock Exchange on 9 February 2018, with a total of 333,334,000 new H Shares issued. After deducting the underwriting fees and relevant expenses, the net proceeds from the Listing amounted to approximately HK$3,958.8 million (equivalent to RMB3,199.3 million). Subject to the requirements of relevant PRC laws and regulations, approximately HK$3,600.0 million of the proceeds from the Listing will be remitted to its bank accounts in the PRC, the rest of approximately HK$358.8 million of the proceeds from the Listing will be kept in overseas bank accounts. As at 31 December 2018, approximately HK$38.1 million and RMB1,176.1 million of bank deposits were in Hong Kong.

As of the date of this annual report, the Group has used approximately RMB762.0 million of the proceeds, of which: RMB421.9 million was used for strategic investments and acquisitions; RMB11.9 million was used for the development of management digitalization, service specialization, procedure standardization and operation automation; and RMB328.2 million was used for working capital and general corporate purposes. Such used proceeds were in accordance with the purposes set out in the prospectus of the Company dated 29 January 2018 (the "Prospectus"). The unused proceeds will be used for the purposes set out in the Prospectus as below:

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

The net proceeds are currently held as bank deposits and will be used according to the distribution as proposed in the Prospectus.

Pledge of assets

As of 31 December 2018, the Group had no pledge of assets.

Major acquisitions

Acquisition of the equity interest in Nanjing Zizhu

On 9 April 2018, the Company acquired 51% equity interest of Nanjing Zizhu at a consideration of RMB204.8 million. The consideration for the acquisition under the equity transfer agreement was determined after arm's length negotiation with reference to, among other things, certain times the net profit after deducting non-recurring profit and loss of Nanjing Zizhu for the year ended 31 December 2017. After the completion of such acquisition, Nanjing Zizhu became a direct non-wholly owned subsidiary of the Company, with its results consolidated into the Group's results from May 2018 onwards.

Adhering to the cooperation principle of "mutual benefit, respect, trust and win-win", A-living shared the brand, technology and management experience with Nanjing Zizhu and fully supported Nanjing Zizhu to develop into a leading enterprise in the property management industry in the Yangtze River Delta region after the completion of acquisition of Nanjing Zizhu. In the second half of 2018, Nanjing Zizhu had made a breakthrough in terms of expansion and achieved relatively high growth in GFA under management.

Acquisition of equity interest in Lanzhou Chengguan

On 11 July 2018, the Company and Lanzhou Chengguan Property Services Group Co., Ltd. ("Lanzhou Chengguan") entered into an equity transfer agreement, to acquire 51% equity interest of Lanzhou Chengguan at a consideration of RMB147.9 million. As of the date of this annual report, the share transfer remains unfulfilled, and its results have not been consolidated into the results of the Group.

Acquisition of shares in Qingdao Huaren

On 23 January 2019, the Company entered into share transfer agreements to acquire 89.6643% shares of Qingdao Huaren at a consideration of approximately RMB133.6 million. The consideration for the acquisition under the share transfer agreement was determined after arm's length negotiation with reference to, among other things, the audited net profit of Qingdao Huaren for the year ended 31 December 2017 and the asset condition as of 30 June 2018. After the completion of such acquisition, Qingdao Huaren will become a direct non-wholly owned subsidiary of the Company and its results are expected to be consolidated into the Group's results from April 2019 onwards.

Acquisition of equity interest in Harbin Jingyang

On 23 January 2019, the Company entered into a framework agreement relating to the acquisition of the equity interest of Harbin Jingyang (no more than 92% equity interest) ; and on 26 February 2019, a formal equity transfer agreement was entered into between parties to acquire 60% equity interest of Harbin Jingyang at a consideration of approximately RMB113.9 million. The consideration for the acquisition under the equity transfer agreement was determined after arm's length negotiation with reference to, among other things, certain times the audited net profit after deducting non-recurring profit and loss of Harbin Jingyang for the year ended 31 December 2018. After the completion of such acquisition, Harbin Jingyang will become a direct non-wholly owned subsidiary of the Company and its results are expected to be consolidated into the Group's results from April 2019 onwards.

Major disposals

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

Major investment

As of 31 December 2018, the Group held no major investment.

Contingent liabilities

As of 31 December 2018, the Group had no significant contingent liabilities.

Exchange rate risk

In 2018, the Company has exchanged most of the proceeds from the Listing into Renminbi in tranches. As of 31 December 2018, the Group had no significant exchange rate risk.

Employees and remuneration policies

As of 31 December 2018, the Group had 18,859 employees, representing an increase of 54.7% as compared with 12,192 employees as of 31 December 2017. The total staff cost amounted to RMB1,472.5 million, representing an increase of 89.5% as compared with RMB777.2 million of 2017. The increase of staff costs was mainly due to (i) the increase brought by the acquisitions of Nanjing Zizhu and other companies; (ii) the rapid development of the Group's property agency services, community value-added services, and the expansion of the GFA, etc., leading to a significant increase in employee incentive payments as compared with 2017; (iii) the increased demand for high-quality talents in response to the requirements of the Group's business development.

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

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

Business Development

During the Year, the Group deepened the "1+N" strategy, that is the development model of "focusing on property management while developing a variety of other businesses". It has made breakthroughs in quality, scale and innovation and accelerated the coordinated development of various businesses, and the comprehensive strength and brand influence of the Company hit a new high.

Dual-brand driven strategy

The Group continued to implement the dual-brand strategy of "Agile Property Management" and "Greenland Property Services" to maximize the complementary advantages of the two major brands. Agile Property Management focuses on mid- to high-end residential property management and is an expert in vacation property management and a leader in large-scale property management. As a benchmark brand for super high-rise property management in China, Greenland Property Services has rich experience in commercial office buildings and super high-rise building property management.

At the same time, the Group leveraged its brand advantages, actively explored third-party markets, and strived to complete geographical layout and portfolio layout to create whole industry chain layout of property services.

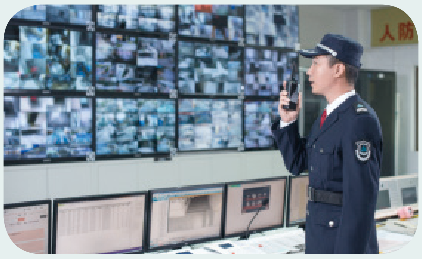
▷ Wuhan Greenland Center

▷ Agile Center

Three business lines

Property management services

Property management services are the core business segments of the Group, including security, cleaning, greening, gardening, repair and maintenance etc..

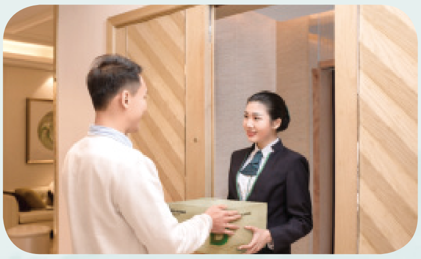


Extended value-added services

The extended value-added services provide full life-cycle services for property developers, including sales center property management services and other extended value-added services, such as property marketing agencies and housing inspections.

Community value-added services

Focusing on the residents, houses, vehicles, and public resources, it builds a full life-cycle community economic ecosystem, including living and comprehensive services, community asset management services and home improvement services. Community value-added services focus on improving the community living experience of property owners and residents at the properties under management and preserving and increasing the value of their properties.



Smart community

While continuing to carry out the constructions of four specialized standards, the Group builds smart communities through technology, enhances the efficiency of the enterprise, and improves the community living experience.

▷ Informatized business

▷ Mobilized services

▷ Intelligent application

▷ Automated operation

Investor Relations

Purpose

Investor relations management is to maximize the value of the relevant stakeholders through managing the communication channels between a company and the public. With the increasing liberalization of capital transactions and the continuous improvement of market operation mechanism, investor relations management becomes increasingly important to listed companies. By adhering to a more precise and professional management philosophy, the Group maintains close communication with analysts, investment institutions, shareholders, media and the public through various channels on the basis of compliance with the rules and regulations for listed companies, to ensure a highly transparent information disclosure mechanism. At the same time, in respect of the formulation of corporate governance and future development strategies, the Group also attaches great importance to and prudently take reference from the valuable opinions of the shareholders to further enhance the Group's governance.

Active communication to constantly increase market recognition

Since the Group's successful listing on the Hong Kong Stock Exchange on 9 February 2018, the investor relations team has been proactively establishing a capital market management system, improving capital market operations and keeping abreast of market expectations for the Company. By adhering to the principles of truthfulness, accuracy, completeness, timeliness and fairness, the Group actively maintains regular and sufficient communication with its Shareholders, various potential investors and sell side analysts, and proactively establishes effective interaction with all parties in the capital market through various channels. By holding interim and annual results presentations, investor roadshows and reverse roadshows as well as participating in the Corporate Day and investment summits, the Group communicated with more than 1,000 investors and effectively enhanced its corporate image in the capital market. As of 31 December 2018, a total of 15 brokerage institutions issued more than 40 relevant research reports and brief notes on the Company, by which the Company was given ratings as "buy" or "outperforming the market", which is also the recognition of the capital market for the Group's investor relations efforts. During the Year, the Group received a number of honors for its investor relations work, including the "2018 Golden Lion Award for the Listed Company on the Hong Kong Stock Exchange — Newly Listed Company with the Best Investment Value" and the "Best Innovation Award for the 2nd Excellent IR in China" (第二屆中國卓越IR最佳創新獎).

Open, transparent and timely delivery

In the future, the Group will continue to optimize investor relations work and continuously enhance the public's understanding, recognition and trust in the Company. The Group believes that maintaining an effective, stable and diversified communication mechanism with the capital market will help the market fully understand the investment value of the Company. The investor relations team will continue to disseminate the Company's corporate culture, business philosophy, and strategic planning etc. to the market in a timely manner in compliance with the rules and regulations for listed companies, and facilitate the communication between the Company and its Shareholders, investors, analysts and the public to create value for the Shareholders.

▷ 2017 Annual Results Investor Presentation

▷ 2018 Interim Results Investor Presentation

Major investor relations activities in 2018

Month	Activity	Location
January	International roadshow for public offering	New York, Boston, London, Singapore
February	Public offering press conference	Hong Kong
March	2017 Annual Results Announcement	Hong Kong
April	Site visit by analyst delegation	Guangzhou
June	Citibank Investor Summit	Hong Kong
	Site visit by analyst delegation	Guangzhou
	Investor reverse roadshow	Guangzhou
	Reverse roadshow for overseas investors	Guangzhou
July	DBS investor summit	Hong Kong
August	2018 Interim Results Announcement	Hong Kong
	2018 Interim Results roadshow	Hong Kong
	Co-organizers: HSBC, Citibank, Morgan Stanley, CLSA	
	2018 Interim Results roadshow	Beijing
	Co-organizers: CICC, Huatai Securities	
	2018 Interim Results roadshow	Shanghai
	Co-organizers: Huatai Securities, Everbright Securities	
	2018 Interim Results roadshow	Shenzhen
	Co-organizer: Industrial Securities	
	International roadshow for 2018 Interim Results	Singapore
	Co-organizer: DBS	
	International roadshow for 2018 Interim Results	New York
	Co-organizers: BNP PARIBAS, Morgan Stanley	
	International roadshow for 2018 Interim Results	London
	Co-organizer: BNP PARIBAS	
September	CLSA investor summit	Hong Kong
	Investor reverse roadshow	Guangzhou
October	Deutsche Bank investor meeting	Hong Kong
	CICC investor reverse roadshow	Guangzhou
	International Property Management Industry Expo	Shenzhen
November	HSBC investor meeting	Hong Kong
	Daiwa Capital investor summit	Hong Kong
	Citibank investor summit	Macao

Biographies of Directors

Mr. Chan Cheuk Hung (陳卓雄), aged 61, has been re-designated as an executive Director and co-chairman of the Board with effect from 31 May 2018. Prior to such, he was a non-executive Director since 21 July 2017. He has been the co-chairman of the Board since 27 August 2017 and is a member of the risk management committee of the Board. Mr. Chan is responsible for the formulation of development strategies and provision of guidance for the overall development of the Group. He has been an executive director of Agile Group Holdings Limited ("Agile Holdings"), a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 3383), since August 2005. Mr. Chan is an executive director and vice president of Agile Holdings and is responsible for the quality, progress, cost control and management of contractors of its construction projects. Mr. Chan is also a director of certain subsidiaries of the Company. Mr. Chan has over 25 years of experience in real estate development and related businesses.

Mr. Chan received various awards including pioneer worker (先進工作者) for the year of 1998 by Zhongshan Individual Workers Association (中山市個體勞動者協會) and Zhongshan Private Enterprise Association (中山市私營企業協會) and the Outstanding Contribution Award for Community Development (小區建設突出貢獻獎) in the Evaluation of the National Representative Well-off Residential Community (國家小康住宅示範小區評比) by the Ministry of Construction of the PRC (中華人民共和國國家建設部) in 2000. Mr. Chan also served as an executive director of the second council of Zhongshan Private Enterprise Association (中山市私營企業協會第二屆理事會) and the fourth council of the Zhongshan Individual Workers Association (中山市個體勞動者協會第四屆理事會) in 1999, and a director and executive director of Guangdong Real Estate Association (廣東省房地產業協會) in 2004.

Mr. Huang Fengchao (黃奉潮), aged 56, has served as an executive Director and the co-chairman of the Board of the Company since 21 July 2017. He is also the chairman of the risk management committee of the Board, a member of each of the remuneration and appraisal committee and the nomination committee of the Board. Mr. Huang has been performing the duties of the chief executive officer and general manager of the Company since 9 November 2018. Mr. Huang is also a director of certain subsidiaries of the Company. He is responsible for overall strategic decisions, business planning and major operational decisions of our Group. Mr. Huang has over 19 years of experience in real estate development and property management. Mr. Huang joined Agile Holdings in October 1999 and has successively served as a general manager of Zhongshan Agile Real Estate Development Co., Ltd. (中山市雅居樂房地產開發有限公司), director of the property management center of Agile Holdings and general manager of Guangzhou Nanhu Agile Real Estate Development Co., Ltd. (廣州南湖雅居樂房地產開發有限公司) and Guangzhou Huadu Agile Real Estate Development Co., Ltd. (廣州花都雅居樂房地產開發有限公司). Mr. Huang has been serving as an executive director and vice president of Agile Holdings and president of the Hainan and Yunnan region since May 2014, where he was in charge of the real estate development and property management in Hainan province and Yunnan province. Mr. Huang has been in charge of the investment department, cost center, human resources center, legal department and audit and supervision department of Agile Holdings since May 2015.

Mr. Huang graduated from Guangdong Petroleum School (廣東石油學校) (now known as Guangdong University of Petrochemical Technology (廣東石油化工學院)) in the PRC in July 1983 majoring in turbine management.

Mr. Feng Xin (馮欣), aged 47, has served as an executive Director of the Company since 21 July 2017 and is responsible for assisting the chief executive officer of the Company with business planning, overall management of property management and business development of the Group. Mr. Feng is also a director of certain subsidiaries of the Company. Mr. Feng has over 21 years of experience in property management. Mr. Feng joined the Company as the property manager in Nanhai project in June 2002 and was promoted to deputy director of Foshan region in March 2008, managing director of South China region in March 2012, and general manager of property management center in April 2015. Mr. Feng has been the vice president of the Group since January 2017.

Prior to joining the Group, from February 1993 to April 1995, Mr. Feng was a director of Guangzhou World Trade Center Complex Property Management Co., Ltd. (廣州世界貿易中心大廈物業管理有限公司), which is under Pearl River Property Hotel Management Co., Ltd. (珠江物業酒店管理有限公司), a company primarily engaged in hotel and property management. In May 1995, he was promoted to manager of one of the subsidiaries of Pearl River Property Hotel Management Co., Ltd. and was responsible for the management and operations of commercial properties. In April 1997, Mr. Feng was further promoted to deputy general manager of outsourcing projects and was responsible for the overall management of outsourcing projects.

Mr. Feng graduated from Jinan University (暨南大學) in the PRC majoring in Chinese language and literature in July 1992 and graduated from Beijing International University (北京外事研修學院) majoring in English in the PRC in July 2007.

Mr. Feng was elected as an elite representative in March 2016 and as an elite in the property management industry in September 2016 by Guangdong Property Management Industry Institute (廣東省物業管理行業協會).

Mr. Wei Xianzhong (魏憲忠), aged 55, has served as a non-executive Director of the Company since 21 August 2017 and is responsible for provision of the guidance for the overall development of the Group.

Mr. Wei served as an engineer at Xi'an Design and Research Institute of the Ministry of Coal Industry (煤炭工業部西安設計研究院), a company primarily engaged in coal mine survey, mining area construction, and project planning and design, where he was responsible for project budget and accounting, and technical and economic analysis from August 1985 to February 1993. He successively served as office manager, manager of business department and assistant general manager at Shanghai Jiaxin Real Estate Development Company (上海佳信房地產開發公司), a real estate development company, where he was responsible for project marketing and company administration from February 1993 to December 2001. Mr. Wei served as sales director at Shanghai Zhongjian Real Estate (Group) Co., Ltd. (上海中建房產 (集團) 有限公司), a real estate development company, where he was responsible for project marketing from January 2002 to December 2002. Since February 2003, Mr. Wei has successively served as marketing director and deputy general manager of business division, and general manager of marketing management department at Greenland Holdings Group Company Limited (綠地控股集團股份有限公司) ("Greenland Holdings"), where he was responsible for project marketing.

Mr. Wei obtained his bachelor's degree in coal mine management engineering from China Mining Institute (中國礦業學院) (now known as China University of Mining and Technology (中國礦業大學)) in the PRC in July 1985.

Mr. Wei was awarded as a meritorious character for the "20th anniversary of Greenland Holdings" (綠地20年功勳人物) by Greenland Holdings.

Mr. WAN Kam To (尹錦滔), aged 66, has served as an independent non-executive Director of the Company since 21 August 2017. He is also the chairman of the audit committee of the Board, a member of each of the remuneration and appraisal committee, the nomination committee and the risk management committee of the Board. Mr. Wan is a former partner of PricewaterhouseCoopers with extensive experience in auditing and financial management.

Mr. Wan currently serves as an independent non-executive director in China Resources Land Limited (stock code of Hong Kong Stock Exchange: 1109), Fairwood Holdings Limited (stock code of Hong Kong Stock Exchange: 52), Huaneng Renewables Corporation Limited (stock code of Hong Kong Stock Exchange: 958), KFM Kingdom Holdings Limited (stock code of Hong Kong Stock Exchange: 3816), Shanghai Pharmaceuticals Holding Co., Ltd. (stock code of Hong Kong Stock Exchange: 2607; stock code of Shanghai Stock Exchange: 601607), Harbin Bank Co., Ltd. (stock code of Hong Kong Stock Exchange: 6138), Kerry Logistics Network Limited (stock code of Hong Kong Stock Exchange: 636), Target Insurance (Holdings) Limited (stock code of Hong Kong Stock Exchange: 6161), Haitong International Securities Group Limited (stock code of Hong Kong Stock Exchange: 665), and an independent director of China World Trade Center Co. Ltd (stock code of Shanghai Stock Exchange: 600007).

Mr. Wan served as an independent non-executive director of Dalian Port (PDA) Company Limited (stock code of Hong Kong Stock Exchange: 2880; stock code of Shanghai Stock Exchange: 601880) from June 2011 to June 2017, and an independent non-executive director of S. Culture International Holdings Limited (stock code of Hong Kong Stock Exchange: 1255) from May 2013 to July 2017.

Mr. Wan is a fellow member of Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Mr. Wan graduated from the accountancy department of Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a higher diploma in 1975.

Mr. Wan Sai Cheong, Joseph (溫世昌), aged 65, has served as an independent non-executive Director of the Company since 21 August 2017. He is also the chairman of the nomination committee of the Board, a member of each of the audit committee and the remuneration and appraisal committee of the Board.

Mr. Wan has over 40 years of experience in accounting and finance. From April 1978 to March 1987, Mr. Wan worked for KPMG in Hong Kong, spending a year at its London Office. From April 1987 to June 1992, he served as a finance director at Dickson Concepts (International) Limited, a company engaged in luxury goods distribution in Southeast Asia (stock code of Hong Kong Stock Exchange: 113), and was responsible for the acquisitions of S.T. Dupont, Paris in 1987 and Harvey Nichols, London in 1991. From August 1992 to March 2014, Mr. Wan was the chief executive of Harvey Nichols Group in the United Kingdom, a company engaged in department store retailing and listed on the London Stock Exchange from 1996 to 2003. Since May 1999, Mr. Wan served as a member of the supervisory board of S. T. Dupont S. A., a company engaged in the manufacturing and distribution of lighter, writing instrument, leather good and accessories and menswear under the S.T. Dupont brand and listed on the Paris Bourse (stock code of Paris Bourse: DPT) and as its chairman since January 2008 until his retirement in September 2014.

Mr. Wan currently serves as an independent non-executive director of Hop Hing Group Holdings Limited (合興集團控股有限公司) (stock code of Hong Kong Stock Exchange: 47), and is currently the chairman of its audit committee.

Mr. Wan currently serves as a vice chairperson of the Hong Kong International Arbitration Centre and chairperson of its finance and administration committee. He was a director of the London Court of International Arbitration from February 2012 to September 2014 and a director of the International Dispute Resolution Centre in the UK from June 2009 to September 2014.

Mr. Wan is currently a fellow member of the Institute of Chartered Accountants in England and Wales, the Chartered Institute of Arbitrators, the Institute of Directors, the Royal Society of Arts and the Hong Kong Institute of Certified Public Accountants.

Mr. Wang Peng (王鵬), aged 43, has served as an independent non-executive Director of the Company since 21 August 2017. He is also the chairman of the remuneration and appraisal committee of the Board, and a member of each of the audit committee and the nomination committee of the Board.

Since July 2003, Mr. Wang successively served as director of publicity department, deputy secretary general, secretary general and vice president at China Property Management Institute (中國物業管理協會), an industry association of property management enterprises, where he is responsible for administration, human resources, financial budgeting and internal management.

Mr. Wang obtained his executive master of business administration (EMBA) from Hebei University of Technology (河北工業大學) in the PRC in January 2015.

Ms. Chen Liru (陳麗茹), aged 50, has served as a Supervisor and the president of the Supervisory Committee since 21 July 2017. Ms. Chen has over 26 years of experience in financial management. Ms. Chen joined the Group as the financial director of the Zhongshan branch office of the Group in May 2009 where she was responsible for financial management. She joined Agile Group Holdings Limited ("Agile Holdings") (stock code of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"): 3383) as a financial director in March 1991, and was promoted to financial manager, where she was responsible for accounting and financial analysis for the real estate projects developed in Zhongshan.

Ms. Chen graduated from South China Normal University (華南師範大學) in the PRC with a major in accounting in June 2013 through online education. She obtained her junior accountant certificate and intermediate accountant certificate from MOF in May 2000 and September 2015, respectively. She also obtained the certificate of senior international finance manager (高級國際財務管理師) from the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) in December 2014.

Ms. Huang Zhixia (黃智霞), aged 36, has served as a Supervisor since 21 July 2017. She has been the administrative manager of the Company since April 2015 and is responsible for administration. Ms. Huang has over 13 years of experience in administration. Ms. Huang joined Agile Holdings in June 2004 as an administrative manager and was responsible for administration and management of Agile Holdings.

Ms. Huang graduated from Guangdong AIB Polytechnic College (廣東農工商職業技術學院) in the PRC with a major in e-commerce in June 2003 and graduated from Sun Yat-sen University (中山大學) in the PRC with major of business management through online education in July 2013.

Mr. Shi Zhengyu (施征宇), aged 46, has served as a Supervisor since 21 July 2017. Mr. Shi held various positions in Agricultural Bank of China from July 1995 to May 2017, where he last served as a general manager of real estate finance department of the Shanghai branch and was responsible for overall business development and planning, and market expansion of real estate sector. Since June 2017, he has been a deputy general manager and person in charge of finance at Greenland Financial Overseas Investment Group Co., Ltd. (綠地金融海外投資集團有限公司), where he is responsible for corporate accounting management, financial management and supervision, establishment of internal control and major financial affair supervision.

Mr. Shi obtained his master's degree in applied economics from Xi'an Jiaotong University (西安交通大學) in the PRC in June 2005.

Mr. Li Jianhui (李健輝), aged 55, has served as a Supervisor since 21 August 2017.

Mr. Li served various positions in Guangzhou Yuehua Property Co., Ltd. (廣州粵華物業有限公司) (formerly known as Guangzhou Yuehua Property Company (廣州粵華物業公司)) ("Guangzhou Yuehua"), a property management company, since July 1996. He served as a director of building management office since July 1996, the general manager of Guangzhou Yuehua from April 1998 to February 2002, the chairman and general manager of Guangzhou Yuehua from February 2002 to December 2016, and the chairman of Guangzhou Yuehua since January 2017, and is currently responsible for the overall operational and strategic planning of Guangzhou Yuehua.

Mr. Li obtained his bachelor's degree in guidance radar high frequency communication from a military academy under the People's Liberation Army Air Force in July 1983.

Mr. Li is currently the vice chairman of China Property Management Institute (中國物業管理協會). He is also the executive director and executive president of Guangdong Property Management Industry Institute (廣東省物業管理行業協會). Mr. Li was certified by People's Liberation Army Air Force as mechanical engineering engineer for professional and technical posts in April 1989. Mr. Li obtained the certificate of senior operator (高級經營師) from the Ministry of Labor and Social Security of the PRC (中華人民共和國勞動和社會保障部) (now known as the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部)) in June 2004, Executive Master of Business Administration (EMBA) from Hong Kong International Business College in September 2006 and the certificate of senior international finance manager (高級國際財務管理師) from International Financial Management Association (國際財務管理協會) in January 2007.

Mr. Wang Shao (王韶), aged 47, has served as a Supervisor since 21 August 2017.

Mr. Wang has been serving Guangdong Real Estate Association (廣東省房地產行業協會) since October 1994, and is currently the president where he is responsible for its overall management, including strategic planning, public relations and presiding the council meeting. Since June 2003, he has also served various positions in Southern Real Estate Magazine (南方房地產雜誌社), an affiliate to Guangdong Real Estate Association, where he is currently the president and is responsible for its overall management, including planning, management by objectives and communications and cooperations.

Mr. Wang graduated from Sun Yat-sen University (中山大學) in the PRC majoring in real estate brokerage and management in June 1994, and his bachelor's degree in administration management from the same university in July 1999.

Mr. Wang is currently an executive director of China Real Estate Association (中國房地產業協會).

Mr. Mao Jianping (毛建平), aged 49, has been the vice president of the Company since May 2017 and is responsible for property sales, property inspection, advertising and tourism services of the Group. Mr. Mao is also a director of certain subsidiaries of the Company. Mr. Mao has over 24 years of experience in real estate development and property management. Mr. Mao joined Agile Group Holdings Limited ("Agile Holdings") (stock code of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"): 3383) in September 1994 and was responsible for construction and budget management. He served as deputy general manager of Nanjing project of Agile Holdings from June 2006 to July 2009, and general manager from August 2009 to January 2011, where he was responsible for real estate development, sales and property management. He served as a regional manager of eastern China of Agile Holdings from February 2011 to March 2015, where he was responsible for general operational management, formulation of long term development plans, and cost control and execution of Agile Holdings in eastern China. Mr. Mao served as a general manager of the Nanjing branch of Agile Holdings from April 2015 to April 2017, where he was responsible for real estate development, sales and property management.

Mr. Mao obtained his certificate of engineering cost assessor (造價工程師) from Guangdong Human Resources and Social Security Department (廣東省人事廳) in 2002 and certificate of senior economist (高級經濟師) from Jiangsu Human Resources and Social Security Department (江蘇省人力資源和社會保障廳) in 2010.

Mr. Mao received various awards including New Leaders of Nanjing Real Estate (南京地產新領軍人物獎項) in 2010 and Top Ten Characters in Nanjing Real Estate (南京地產十大魅力人物獎項) in 2011. He also served as a deputy for the second national people's congress in the Qinhuai District of Nanjing City.

Mr. Mao graduated from Guizhou Radio and Television University (貴州廣播電視大學) in the PRC majoring in industry automation in September 1991.

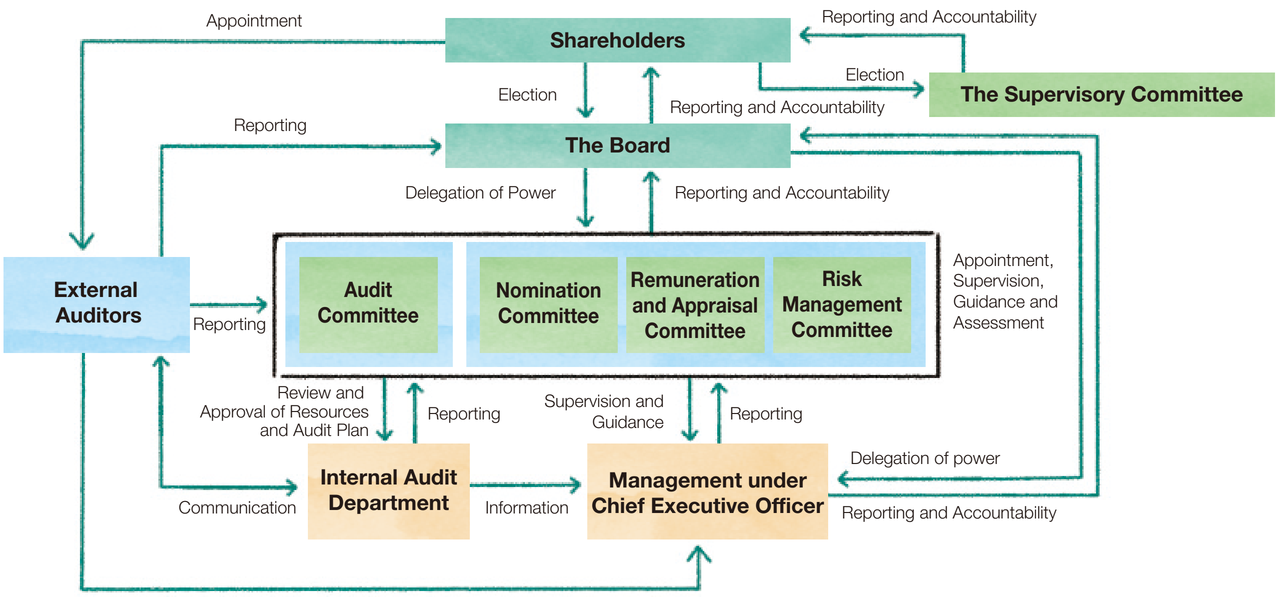
Mr. Li Dalong (李大龍), aged 34, is the chief financial officer and joint company secretary of the Company. He has been the chief financial officer and joint company secretary since August 2016 and August 2017, respectively. Mr. Li is responsible for financial management, accounting, investment, mergers and acquisitions and company secretarial matters of the Group. Mr. Li is also a director of certain subsidiaries of the Company. He has over 12 years of experience in accounting and capital market.

Prior to joining the Group, from November 2013 to June 2016, Mr. Li was a senior manager of the capital market department at PricewaterhouseCoopers (Hong Kong), an accounting firm, where he primarily provided a series of professional services in connection with capital markets transactions, including initial public offerings in A share and Hong Kong markets as well as mergers and acquisitions. From August 2005 to November 2013, Mr. Li successively served as auditor, senior auditor, manager and senior manager at PricewaterhouseCoopers Zhongtian LLP (Shanghai), an accounting firm, where he primarily provided auditing, internal control, accounting consultation and other professional services for various customers, including listed companies, private enterprises, state-owned enterprises and foreign enterprises.

Mr. Li is a member of the Chinese Institute of Certified Public Accountants in the PRC. He obtained his bachelor's degree in literature in July 2005, and second bachelor's degree in administration management in June 2005, from Shanghai Jiao Tong University (上海交通大學) in the PRC.

Corporate Governance Report

Corporate Governance Structure



The board of directors (the "Board") of A-Living Services Co., Ltd. (the "Company", together with its subsidiaries, the "Group") believes that good governance is essential for sustainable development and growth of the Company, enhancement of credibility as well as value of shareholders of the Company (the "Shareholders"). As such, the Board has adopted and reviewed corporate governance practices in light of the regulatory requirements and the needs of the Company. The Company is committed to maintaining a high level of corporate governance and adheres to the principles of integrity, transparency, accountability and independence.

The Board plays a major role in the supervision of corporate governance to ensure that the Company maintains a sound governance framework and the long-term sustainable Shareholders' value.

Compliance with CG Code

The Company fully complied with the provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") from 9 February 2018 (the "Listing Date") to 31 December 2018 except for the deviation as specified under the paragraph of "Co-chairman and Chief Executive Officer" in this Corporate Governance Report.

The Board and Management

The Board takes Shareholders' interests as its priority in promoting and maintaining successful development of business so as to achieve consistent long-term financial returns, while taking due account of the interests of those with whom the Group does business and others. The Board is accountable for formulating the business and management directions of the Group and that they are managed in such a way as to achieve the objectives of the Company. The Board's responsibilities are to formulate corporate strategy and long-term business model of the Group and to monitor and control operating and financial performance in pursuit of strategic objectives of the Group.

The Board delegates day-to-day operations of the Group to the management of the Company. The Board and the management have clearly defined their authorities and responsibilities under various internal control and check and balance mechanisms. The Board does not delegate matters to the Board committee(s), executive Directors or management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its functions.

Board Composition

The Company currently comprises seven Directors, consisting of three executive Directors, one non-executive Director and three independent non-executive Directors. The details of the Board composition are as follows:

Executive Directors

Mr. Chan Cheuk Hung *(Co-chairman)*
Mr. Huang Fengchao *(Co-chairman & acting as Chief Executive Officer)*
Mr. Feng Xin *(Vice President)*

Non-executive Director

Mr. Wei Xianzhong

Independent Non-executive Directors

Mr. Wan Kam To
Mr. Wan Sai Cheong, Joseph
Mr. Wang Peng

The biographical information of the Directors are set out in the section headed "Biographies of Directors" on pages 31 to 34 of this annual report. None of the members of the Board is related to one another.

Co-chairman and Chief Executive Officer

The positions of Co-chairman are held by Mr. Chan Cheuk Hung and Mr. Huang Fengchao, while Mr. Huang Fengchao also performs the duties of the Chief Executive Officer.

The Co-chairman provides leadership for the Board and ensures the effectiveness of the Board in fulfilling its roles and responsibilities and the establishment of sound corporate governance practices and procedures for the Company. The Co-chairman is also responsible for formulating the overall strategies and policies of the Company and monitoring their implementation. Meanwhile, the Co-chairman, acting as Chief Executive Officer, shall be delegated the authority by the Board to lead the senior management of the Company (the "Senior Management") for the daily operation and business management of the Group in accordance with the objectives, directions, and risk management and internal control policies laid down by the Board.

The code provision A.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, in view of the present composition of the Board, Mr. Huang Fengchao's in-depth knowledge of the operations of the Group and of the industry, his extensive business network and connections in the sector and the scope of operations of the Group, the Board believes that Mr. Huang Fengchao, in his dual capacity as the Co-chairman of the Board and acting as Chief Executive Officer, will provide strong and consistent leadership for the development of the Group. The Board also believes that this structure is in the best interest of the Company and will not impair the balance of power and authority of the Board and such arrangement will be subject to review from time to time.

Independent non-executive Directors

Independent non-executive Directors play a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decisions. They are experienced professionals in areas such as financial accounting and financial management. Their extensive experiences significantly contribute to enhancing the decision-making of the Board and achieving a sustainable and balanced development of the Group. In particular, they bring impartial views and opinions on issues of the Company's strategy, performance and control, and take the lead in solution where potential conflicts of interests arise. The Board believes that its culture of openness and debate facilitates the effective contribution of Directors, non-executive Director and independent non-executive Directors in particular, to the Board and ensures constructive relationship among executive Directors, non-executive Director and independent non-executive Directors.

During the period from the Listing Date to 31 December 2018, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence as set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and Re-election of Directors

Code provision A.4.1 of the CG Code stipulates that non-executive directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 of the CG Code states that all directors appointed to fill a casual vacancy shall be subject to election by Shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

As each of the Directors is engaged on a service agreement (for executive Directors and non-executive Director) or an appointment letter (for independent non-executive Directors) for a term of three years or for a term expiring on 20 July 2020, and their re-election are subject to the provisions of the Company's articles of association (the "Articles of Association"), no Directors are required to be re-elected at the forthcoming annual general meeting of the Company.

For the purpose of filling the temporary vacancy caused by the resignation of Mr. Liu Deming, the Board proposed to nominate Ms. Yue Yuan ("Ms. Yue") as a candidate for non-executive Director of the first session of the Board with the term of office commencing from the forthcoming annual general meeting to be held on 28 May 2019 ("2018 AGM") and until the expiry of the term of the first session of the Board. The proposal of the appointment of Ms. Yue as a Director is subject to the approval by the Shareholders at the 2018 AGM.

Board and Board Committee Meetings

The Board meets at least four times each year. Directors may participate in meetings either in person or through electronic means of communication. The schedule of regular meetings for the next year will be presented to all Directors in the last Board meeting of the year so that they can have a better arrangement for the meetings. All Directors are given not less than fourteen days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

The joint company secretaries of the Company (the "Joint Company Secretaries") assist the Co-chairman in preparing the agenda of regular Board meetings and circulates the draft Board meeting agenda to all Directors for their perusal and comment. Directors are invited to include any matters in the agenda which they think appropriate. The Board meeting agenda will be issued by the Joint Company Secretaries after incorporating all the comments of Directors (if any). Relevant meeting materials are provided to the Directors at least three days before the meetings to ensure that they are given sufficient review time and are adequately prepared for the meetings.

Each Director shall have access to the Senior Management and the Joint Company Secretaries and they may also seek independent professional advice at the expense of the Company. Any matter involving interest of substantial Shareholder(s) or Director(s) shall be subject to the consideration and approval by the Board at a physical Board meeting. Directors who have interest may attend the meeting, but shall not be counted towards quorum and shall abstain from voting on the relevant matter. All Directors may require the Joint Company Secretaries to provide advice and services on relevant aspects, including the follow-up of, or the provision of support to, any matters, ensuring that the Board procedures and all applicable rules and regulations are observed.

The management will submit relevant reports to the Directors for review as part of meeting materials for every regular Board meeting. After the briefing given to the Directors, the management will answer any enquiry made by the Directors. The Board may make informed assessment on the financial and other information submitted to them for their approval. Sufficient time will be allowed for the Directors to discuss.

The minutes of the Board meetings and Board committees meetings are drafted and kept by the Joint Company Secretaries. All meeting minutes will set out in detail the matters discussed and considered at the meetings, including, among others, any queries made or views expressed by the Directors. The Joint Company Secretaries will distribute the draft meeting minutes to all Directors for their comment and final version of the meeting minutes to all Directors for their record within reasonable time after holding of the meetings.

During the Year, the Board held a total of six meetings. Each Director's attendance record for the Board meetings, Board committee meetings and general meetings is set out as follow:

	Board Meetings			
	Number of meetings eligible to attend	**Attendance in person**	**Attendance by proxy**	**Absence**
Mr. Chan Cheuk Hung *(Co-chairman)*	6	6	0	0
Mr. Huang Fengchao *(Co-chairman & acting as Chief Executive Officer)*	6	6	0	0
Mr. Liu Deming *(Note 1)*	5	5	0	0
Mr. Feng Xin *(Vice President)*	6	6	0	0
Mr. Wang Wei *(Note 2)*	4	3	0	1
Mr. Wei Xianzhong	6	2	4	0
Mr. Wan Kam To	6	6	0	0
Mr. Wan Sai Cheong, Joseph	6	6	0	0
Mr. Wang Peng	6	3	2	1

	Audit Committee Meetings			
	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Wan Kam To *(Committee Chairman)*	2	2	0	0
Mr. Wan Sai Cheong, Joseph	2	2	0	0
Mr. Wang Peng	2	1	0	1

	Remuneration and Appraisal Committee Meeting			
	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Wang Peng *(Committee Chairman)*	1	1	0	0
Mr. Huang Fengchao	1	1	0	0
Mr. Wan Kam To	1	1	0	0
Mr. Wan Sai Cheong, Joseph	1	1	0	0

	Nomination Committee Meeting			
	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Wan Sai Cheong, Joseph *(Committee Chairman)*	1	1	0	0
Mr. Huang Fengchao	1	1	0	0
Mr. Liu Deming *(Note 1)*	1	1	0	0
Mr. Wan Kam To	1	1	0	0
Mr. Wang Peng	1	1	0	0

	Risk Management Committee Meetings			
	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Huang Fengchao *(Committee Chairman)*	2	2	0	0
Mr. Chan Cheuk Hung	2	1	0	1
Mr. Liu Deming *(Note 1)*	2	2	0	0
Mr. Wan Kam To	2	2	0	0

	General Meetings			
	Number of meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Mr. Chan Cheuk Hung *(Co-chairman)*	3	2	1	0
Mr. Huang Fengchao *(Co-chairman & acting as Chief Executive Officer)*	3	3	0	0
Mr. Liu Deming *(Note 1)*	3	2	1	0
Mr. Feng Xin *(Vice President)*	3	2	1	0
Mr. Wang Wei *(Note 2)*	1	1	0	0
Mr. Wei Xianzhong	3	1	2	0
Mr. Wan Kam To	3	3	0	0
Mr. Wan Sai Cheong, Joseph	3	3	0	0
Mr. Wang Peng	3	2	1	0

Note 1: Mr. Liu Deming resigned as an executive Director and members of the Nomination Committee and Risk Management Committee on 9 November 2018.

Note 2: Mr. Wang Wei had been removed as an executive Director at the annual general meeting of the Company held on 31 May 2018 following the shareholders requisition by Greenland Financial Overseas Investment Group Co., Ltd. and Ningbo Lvjin Investment Management Co., Ltd.* (寧波綠璡投資管理有限公司) as Mr. Wang Wei had ceased to be an employee of the group of Greenland Holdings Group Company Limited* (綠地控股集團股份有限公司).

All the executive Directors, non-executive Director and independent non-executive Directors have allocated a reasonable amount of time to follow and deal with various affairs of the Company during the Year. In addition to attending the meetings of the Board and its committees, each Director has allocated sufficient time on reviewing materials provided by the Company from time to time. Furthermore, each member of the Audit Committee also spent sufficient time on reviewing internal audit reports provided by the internal audit department. The Co-chairman met once with the non-executive Director and independent non-executive Directors without the presence of executive Directors.

Training and Support for Directors

The Company has established procedures for training and development of Directors. Newly appointed Directors will be provided with comprehensive, formal and tailored induction on the first occasion of his/her appointment and, subsequently, necessary briefing and professional development so as to ensure the Directors have adequate understanding and strengthen their awareness of the business and operation of the Group, their responsibilities and obligations under the statutory and common laws, the Listing Rules, laws and other regulatory requirements and governance policies, enabling the Directors to discharge their duties properly. The Company Secretary maintains proper records of training attended by the Directors.

During the Year, the summary of training received by the Directors is as follows:

Directors	**Training Matters (Note 1)**
Executive Directors	
Mr. Chan Cheuk Hung *(Co-chairman)*	A, B
Mr. Huang Fengchao *(Co-chairman & acting as Chief Executive Officer)*	A, B
Mr. Liu Deming *(Note 2)*	A, B
Mr. Feng Xin *(Vice President)*	A, B
Mr. Wang Wei *(Note 3)*	N/A
Non-executive Director	
Mr. Wei Xianzhong	A, B
Independent Non-executive Directors	
Mr. Wan Kam To	A, B
Mr. Wan Sai Cheong, Joseph	A, B
Mr. Wang Peng	A, B

Note 1: A. corporate governance
B. regulatory

Note 2: Mr. Liu Deming resigned as an executive Director on 9 November 2018.

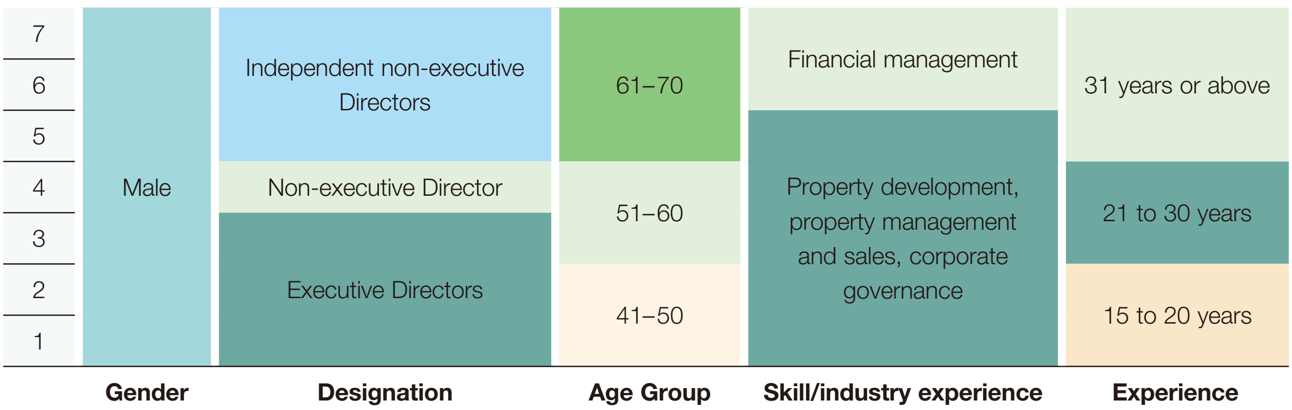
Note 3: Mr. Wang Wei had been removed as an executive Director at the annual general meeting of the Company held on 31 May 2018 following the shareholders requisition by Greenland Financial Overseas Investment Group Co., Ltd. and Ningbo Lvjin Investment Management Co., Ltd.* (寧波綠璡投資管理有限公司) as Mr. Wang Wei had ceased to be an employee of the group of Greenland Holdings Group Company Limited* (綠地控股集團股份有限公司).

Board Diversity

In order to achieve a diversity of perspectives among members of the Board, the Company has formulated a policy to consider a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include but are not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

An analysis of the current Board composition is set out in the following chart:

Number of Directors



The Board is highly diversified in terms of position, age, professional experience, skills and knowledge. The Nomination Committee reviews and monitors the implementation of the Board diversity policy from time to time to ensure its effectiveness. The Board will set measurable objectives for achieving Board diversity as appropriate.

Dividend Policy

The Company has adopted its dividend policy, pursuant to which the Company expects to pay a final dividend equivalent to 25% of the profit after tax each year, with the first dividend after the Listing Date to be declared during the six-month period ending 30 June 2019. The payment and amounts of dividends (including final dividend and special dividend, if any) depend on the Company's results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividends paid by the Company, future prospects and other factors which the Board considers relevant.

Nomination Policy

According to the Nomination Policy of the Company, the Nomination Committee will consider the following major factors when nominating suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as directors at general meetings.

— gender, age, race, language, cultural and educational background, industry experience and professional qualification;

— effect on the Board's composition and diversity;

- commitment of the candidate to devote sufficient time to effectively carry out his/her duties. In this regard, the number and nature of offices held by the candidate in public companies or organizations, and other executive appointments or significant commitments will be considered;

- potential/actual conflicts of interest that may arise if the candidate is selected;

- independence of the candidate; and

- in the case of a proposed re-appointment of an independent non-executive Director, the number of years he/she has already served.

Directors, Supervisors and Senior Management Liability Insurance

The Company has arranged appropriate insurance covering the potential legal actions against its Directors, Supervisors and Senior Management in connection with the discharge of their responsibilities.

Board Committees

The Company has established four Board Committees, namely, the Remuneration and Appraisal Committee, the Nomination Committee, the Audit Committee and the Risk Management Committee. All Board Committees of the Company are established with specific written terms which deal clearly with their authority and duties. The terms of reference of each of the Board Committees are posted on the Company's website (www.agileliving.com.cn) and The Stock Exchange of Hong Kong Limited's (the "Hong Kong Stock Exchange") website (www.hkex.com.hk) and are available to the Shareholders upon request.

The list of the chairman and members of each Board committee is set out under the section headed "Corporate Information" on page 2 of this annual report.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of four members, namely Mr. Huang Fengchao (executive Director), Mr. Wan Kam To (independent non-executive Director), Mr. Wan Sai Cheong, Joseph (independent non-executive Director) and Mr. Wang Peng (independent non-executive Director). Mr. Wang Peng is the chairman of the Remuneration and Appraisal Committee.

The terms of reference of the Remuneration and Appraisal Committee are of no less exacting terms than those set out in the CG Code. The major duties of the Remuneration and Appraisal Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy, as well as to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

Remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment. In determining remuneration of Directors and Senior Management, the Board will consider the remuneration level of comparable companies, the time commitment and responsibilities and employment conditions elsewhere in the Group, individual performance of respective Directors and the Company's performance. No Director shall be involved in deciding his/her own remuneration.

During the Year, the Remuneration and Appraisal Committee held a meeting in March, the agenda of which is set out below:

— discussing the recommendation on the remuneration adjustments of Senior Management for 2018;

— confirming the remuneration of executive Directors, non-executive Director and independent non-executive Directors for 2017; and

— discussing and determining the recommendation on the remuneration adjustments of executive Directors, non-executive Director and independent non-executive Directors for 2018.

Details of the remuneration of the Senior Management by band are set out in note 8(c) to the consolidated financial statements.

Nomination Committee

The Nomination Committee consists of four members, namely Mr. Huang Fengchao (executive Director), Mr. Wan Kam To (independent non-executive Director), Mr. Wan Sai Cheong, Joseph (independent non-executive Director) and Mr. Wang Peng (independent non-executive Director). Mr. Wan Sai Cheong, Joseph is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The major duties of the Nomination Committee are to review the Board composition, to identify individuals suitably qualified to become Board members, to make recommendations to the Board on the appointment, re-appointment and succession planning of Directors, to assess the independence of independent non-executive Directors and to review the board diversity policy and the nomination policy of the Company.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's board diversity policy, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience, etc.. The Nomination Committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expense of the Company.

During the Year, the Nomination Committee held a meeting in March, the agenda of which was mainly (i) to assess the independence of the independent non-executive Directors; and (ii) to consider and review the structure, number of members and composition of the Board.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Wan Kam To, Mr. Wan Sai Cheong, Joseph and Mr. Wang Peng. Mr. Wan Kam To is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The major duties of the Audit Committee are to review accounting policy, to monitor the performance of the Company's external auditor and the internal audit department, to review financial information, to oversee the financial reporting system, risk management and internal control systems, to consider and review the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and to report the results to the Board. The Audit Committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of Company.

During the Year, the Audit Committee held 2 meetings in March and July respectively, the agenda of which is set out below:

— reviewing annual results of 2017 and annual report of 2017, interim results of 2018 and interim report of 2018;

— reviewing audit and review reports of the auditors, recommendation reports of internal control and management;

— discussing and reviewing internal control management reports, audit monitoring plans and audit timetables of the internal audit department;

— reviewing the continuing connected transactions;

— considering the re-appointment of external auditor of the Company;

— reviewing the resources of accounting and financial reporting functions of the Group;

— reviewing the effectiveness of the Company's internal audit function; and

— reviewing staff malpractices monitoring reports.

The Audit Committee meets with the external auditor, at least once annually, in the absence of management, to discuss matters relating to its audit fees, any issue arising from the audit and any other matters the auditor may wish to raise. The Audit Committee and the Board have no disagreement in relation to the recommendation of the re-appointment of PricewaterhouseCoopers as the external auditor.

External Auditor

At the 2017 annual general meeting of the Company, the Shareholders approved the re-appointment of PricewaterhouseCoopers as the auditor of the Group. For the year ended 31 December 2018, remuneration paid and payable to PricewaterhouseCoopers in relation to audit and non-audit services is detailed as below:

	2018 **RMB**	2017 RMB
Fee for audit services (including Hong Kong Standard on Review Engagements 2410 review on interim results)	**3,100,000**	1,500,000
Fee for non-audit services:		
— Due diligence works with regard to project acquisitions	**1,622,000**	—
— Permitted service fees relating to corporate governance and others	**187,000**	—
	4,909,000	1,500,000

Risk Management Committee

The Risk Management Committee consists of three members, namely Mr. Chan Cheuk Hung (executive Director), Mr. Huang Fengchao (executive Director) and Mr. Wan Kam To (independent non-executive Director). Mr. Huang Fengchao is the chairman of the Risk Management Committee.

The major duties of the Risk Management Committee are to consider and formulate risk management framework, to review and assess the effectiveness of the Group's risk management framework, to monitor the implementation of risk control and ensure it is effectively implemented.

During the Year, the Risk Management Committee held 2 meetings in March and July respectively, the agenda of which is set out below:

— discussing and reviewing internal control management reports, monitoring plans and timetables of the internal audit department; and

— reviewing the changes of nature and extent of major risks and the response measures.

Corporate Governance Functions

The Audit Committee is delegated by the Board to perform the functions set out in the code provision D.3.1 of the CG Code contained in Appendix 14 of the Listing Rules. The terms of reference of the Audit Committee include (1) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (2) to review and monitor the training and continuous professional development of directors and senior management of the Company; (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company; and (5) to review the Company's compliance with the code and disclosure in the Corporate Governance Report of the Company.

Risk Management and Internal Control

The Group considers that effective risk management is of high importance for the Group to achieve sustainable development and long-term business success.

Responsibilities of the Board and the management

The Board recognises its responsibilities to evaluate and determine the nature and level of risks to be exposed of for achieving the Group's strategic objectives, and to ensure that the Group establishes and maintains applicable and effective risk management and internal control systems, and to oversee the management in design, implementation and monitoring of the risk management and internal control systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management is responsible for designing, implementing and monitoring the risk management system and the internal control system, and provides the recognition of the effectiveness of risk management and internal control to the Board.

Risk Management

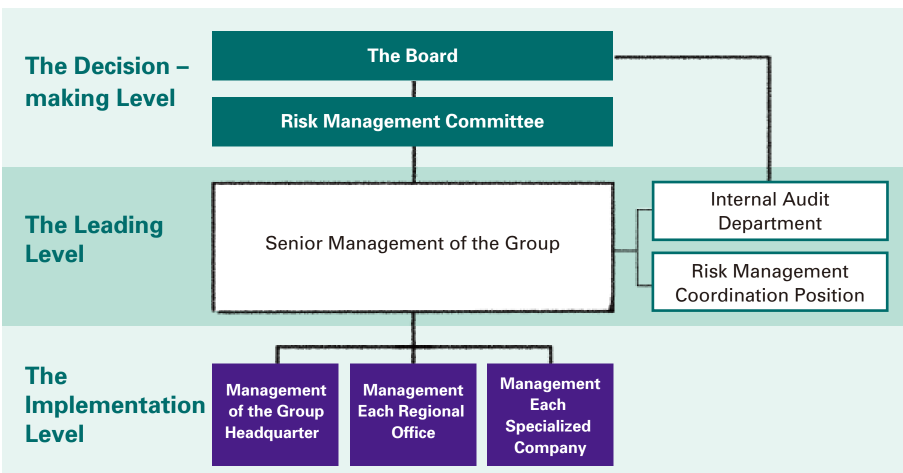
The design, implementation and maintenance of the risk management system

1) **Establishing the Risk Management Committee:** The Board has established the Risk Management Committee to oversee the design, implementation and maintenance of the risk management system of the Group and has issued the "Terms of Reference of the Risk Management Committee":

- Authorizing the Risk Management Committee and define its duties: the Risk Management Committee's duties regarding risk management and its authorisation have been recognised in the "Terms of Reference of the Risk Management Committee";
- Determining the organisation of the Risk Management Committee: providing the composition and quorum, requirements of the attendance at meetings, frequency of meetings and the manner of meetings; and
- Determining the procedure of reporting to the Board: stipulating the time of reporting to the Board by the Risk Management Committee, including the minutes mechanism.

2) **Establishing the structure of the risk management organisation:** It has built up the official risk management organisation structure from the level of the Group to its subsidiaries (see figure 1 below: risk management organisation chart of A-Living), and confirmed the direct management obligation of risk management and the risk information reporting procedure and frequency, and clarified the responsibilities of risk management positions, including integrating the requirement of risk management into the functional description of each position. The main features of the risk management organisation structure comprised:

- Clear levels and responsibilities: the levels of risk management organisation included the Risk Management Committee at the decision-making level, with the composition of leading level and implementation level and carrying out the division of the duties of risk management. It has confirmed the direct management obligation and the risk information reporting procedure and frequency;
- The wide span of level: the structure of risk management organisation is from the senior management of the Group to its managements of each regional office and specialized company; and
- Specific communication mechanism: it has confirmed that the management of each level communicate with each other with regard to the responsibilities, reporting procedure and reporting frequency of the risk management.



(Figure 1: risk management organisation chart of A-Living)

The roles and major responsibilities of different levels under the risk management structure are shown below:

The roles in the risk management structure	Major responsibilities
The Board (decision-making level)	• To evaluate and determine the nature and extent of the risks that the Group willing to take in achieving the strategic objectives • To ensure that the effective risk management and internal control systems are established and maintained • To oversee management in the design, implementation and monitoring of the risk management and internal control systems
The Risk Management Committee (decision-making level)	• To review and formulate the framework of risk management • To review and assess the effectiveness of the framework of the risk management of the Group on a regular basis • To coordinate and assist the Group's senior management in promoting risk management works • To oversee each business segment for setting up and implementing risk response programme and measures • To report any material risk management matters and recommend solutions to the Board • To monitor the frequency of major control failures or weak points, resulting in the extent of unforeseen consequences or emergencies which have caused, may have caused or will cause material impact on the financial performance or condition of the Company
The senior management of the Group (leading organisation)	• To carry out risk assessment from the Group's holistic perspective and each business segment, in order to formulate risk management measures • To design, implement and monitor the risk management and internal control systems • To confirm the effectiveness of risk management and internal control systems to the Board
The Group headquarter and the management of its subsidiaries (implementation organisation)	• To formulate and implement the relevant risk response programme of their business segment • To promote and implement specific risk management measures • To monitor and control different risks of their business and adjust risk management measures in time

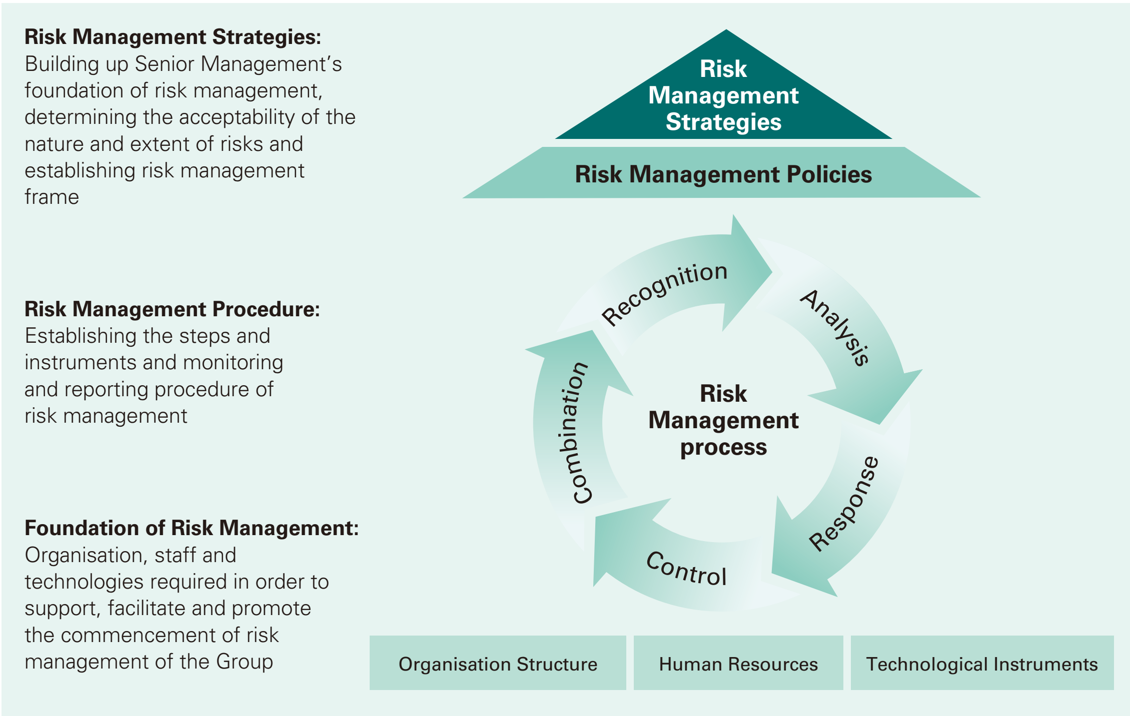
The roles in the risk management structure	Major responsibilities
The Internal Audit Department	• To coordinate the commencement of risk recognition and assessment • To prepare periodic risk assessment report and propose the summary of the report to the risk management leading team • To organise and coordinate risk management training and guidance • To act as the risk management monitoring organisation and be responsible for overseeing and evaluating risk management works implemented by the Group and its subsidiaries
The risk management coordination position	• The Office of the Secretary of the Board acts as the role of risk management coordination, including organising Risk Management Committee meetings and preparing minutes for record

3) **Establishing a systematic risk management system structure,** which comprised the following main elements and features:

- Comprehensive framework of risk management: the model of risk management framework has been established as the risk management system foundation (see figure 2 below for details: the model of risk management) including the main elements such as risk management strategies, risk management process and risk management basic structure;

- Clear risk management procedure: the risk management procedure includes recognition, analysis, response, monitor and control, and summarizing and reporting, which form a closed loop to control and manage the risks continuously; and

- Appropriate standard of risk assessment for the Group: according to the industry nature and operation features, strategic objectives of the Group as well as the risk preference of management, set up the applicable dimension and standard of risk assessment to each business segment. By using mutually agreed assessment method and standard, carry out assessment to the risks which are most likely to affect the achievement of corporate objectives in order to obtain the risk assessment result which is actually fitted with corporation.



(Figure 2: The model of risk management)

Through the above efforts, the Group has clarified direct management obligation of risk management and risk information reporting procedure and frequency, and established an official risk management framework which recognizes, analyzes, evaluates and determines procedure of corporate risks to integrate with and control risks systematically.

The commencement of risk assessment for the Group in 2018

Based on risk management system of the Group as mentioned above, the Senior Management, with the assistance from external advisory bodies, sustained its intensive risk management works in 2018.

Management has adopted a systematic evaluation to review the changes of nature and extent of major risks, recognized material risks exposed, streamlined the current condition of risk control and the next response measures and key risk management program, and reported to the Risk Management Committee with the assessment result.

The Risk Management Committee, on behalf of the Board, reviews and assesses the changes of nature and extent of major risks. It has finished the review of risk management system and considers the systems are effective and sufficient. Management will report major risks control situation formally to the Risk Management Committee on a half-yearly basis.

The internal control

The Board is responsible for formulating proper internal control system for the Group to safeguard the assets of the Group and the interests of the Shareholders. The Audit Committee shall conduct regular review on the effectiveness of the internal control system to ensure that the system is adequate.

The internal audit department of the Group is accountable and reports directly to the Audit Committee. It is responsible for constantly monitoring the work flow and risk assessment of each department of the Group, to assist the Board and Senior Management in complying with the regulatory requirements and guidelines, so as to improve the efficiency of internal control system. Through continuous internal audit and reporting from time to time, the internal audit department shall ensure the effective operation of the internal control system.

In order to standardise information management works, the Board has formulated an information management system (the "System"). The System includes procedures and internal controls for the handling and dissemination of inside information. The System provides, including but not limited to, the procedures of the obligation and execution of the management and publication of inside information, confidentiality arrangement, collection and evaluation of information and the manner of publication to ensure timely reporting of inside information to the Board and communication with the Group's stakeholders.

During 2018, the Audit Committee reviewed the effectiveness of internal control system of the Group in respect of finance, operation, compliance and business matters and reported the results to the Board. Should any material fault or any material weakness in monitoring is found, the internal audit department will report the same to the Audit Committee in timely manner.

The Group shall review the efficiency of the internal control system at least twice every year to ensure the effectiveness and adequacy of the system.

The Review and Summary of the Effectiveness of the Risk Management and Internal Control Systems

The Board has continuously overseen the management in the design, implementation and monitoring of the risk management and internal control systems, and conducted a comprehensive review of the risk management and internal control systems of the Company during 2018, and continuously oversaw major risks and regularly review the implementation of management and control measures covering the period of 2018 and considered that the systems are effective and sufficient.

The Review of Accounting, Financial Reporting and Internal Audit Functions

The Audit Committee reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions.

Directors' Responsibility in Respect of the Consolidated Financial Statements

The Directors have acknowledged their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2018.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the section headed "Independent Auditor's Report" on pages 87 to 90 of this annual report.

Joint Company Secretaries

Mr. Li Dalong, the chief financial officer of the Company, acts as a joint company secretary of the Company. Ms. Choy Yee Man of Tricor Services Limited, which is an external service provider, has been engaged by the Company as its joint company secretary and the primary contact person at the Company is Mr. Li Dalong.

All Directors have access to the advice and services of the joint company secretaries of the Company on corporate governance and board practices and matters.

Shareholders' Rights

The Company engages with Shareholders through various communication channels and a shareholders' communication policy is in place to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

Extraordinary general meetings may be convened by the Board on requisition of Shareholder(s) individually or jointly holding 10% or more of the Company's issued shares carrying voting rights in writing.

Putting Forward Proposals at General Meetings

When a general meeting is convened by the Company, the Board, Supervisory Committee and Shareholders who individually or jointly hold more than 3% or more of the Shares may propose resolutions to the Company.

Shareholders who individually or jointly hold more than 3% of the Shares may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting. The convener will issue a supplemental notice of the general meeting within two days upon receipt of the proposals.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company to the following:

Address: Tricor Investor Services Limited
Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong

Communication with Shareholders and Investor Relations

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

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

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

Specific enquiry has been made of all the Directors and Supervisors and they have confirmed that they had complied with the relevant Securities Dealing Codes during the period from the Listing Date to 31 December 2018.

The Company has also established written guidelines (the "Employees Written Guidelines") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company throughout the period from the Listing Date to 31 December 2018.

Constitutional Documents

During the Year, the Articles of Association of the Company was approved for amendment by the Shareholders at the annual general meeting of the Company held on 31 May 2018. The changes were mainly to reflect:

1. the number of shares and registered capital after the Company completed the initial public offering of overseas listed foreign shares; and

2. the number of Directors in the Board following the removal of Mr. Wang Wei as an executive Director of the Company.

The Articles of Association is available on the Company's website and the Hong Kong Stock Exchange's website.

Certain amendments of the Articles of Association will be proposed and considered by the Shareholders at the 2018 AGM. Details are set out in the circular of the Company dated 10 April 2019.

Environmental, Social and Governance Performance

As stakeholders have an increasing expectation on social and environmental protection responsibilities, the integration of corporate governance and sustainable development is of growing importance. In this regard, the Group keeps listening and responding to the appeals and expectations of stakeholders, continues to deepen the concept of sustainable development in corporate strategic decision-making and operation management, and actively takes measures relating to environmental and social responsibilities in a bid to achieve win-win development between the Company and stakeholders.

Practice of environmental protection responsibility

The Group strictly abides by the national and local laws and regulations on environmental protection, establishes an environmental management organization structure and reporting mechanism, formulates and strictly implements the energy consumption and waste-related management systems in a bid to reduce the impact of its business development on ecological environment and improve environmental protection benefits of its operation.

The Group actively explores its potentials in energy saving and consumption reduction and takes multiple energy saving and consumption reduction policies which include electricity and water saving equipment to improve utilization efficiency and recycling of the resources. Meanwhile, the Group makes full use of its idle resources to build small nursery garden to reduce its operating cost effectively and improve the landscaping quality of the community so as to gradually raise the green low-carbon operation level.

Build a harmonious and healthy ecological environment

The sustainable development of enterprise is inseparable from the trust and support of all stakeholders. Adhering to the "craftsman's spirit" and concept of integrity service, the Group conducts compliance operation, builds a harmonious and healthy operating environment from many respects, and keeps creating value for property owners, employees, partners, the industry and society to achieve win-win development.

The Group strictly abides by the national and local laws and regulations, and regularly reviews its risk management and internal control systems to ensure the efficient and stable development of the Group. Meanwhile, the Group strictly implements an internal code of business conduct and anti-corruption system, information declaration system of suppliers and senior management members and so on, and enhances anti-corruption education and training for its employees to create an incorruptible employment cultural atmosphere and ensure the honest operation of the Group.

Upholding the corporate mission of "provide high quality services with ingenuity, build delicate life with sincerity", the Group is committed to providing property owners with professional, standardized and refined first-class services. In active response to the activity themed on "The Year of Service Quality Improvement" advocated by China Property Management Association, the Group fully launches special training for service improvement and special campaigns for window service improvement, optimizes and implements standardized documents and procedures, and keeps building benchmark projects to improve the quality of property services. Meanwhile, the Group continuously optimizes the whole-chain of digital property service for "A-Steward" which comprises three main aspects, i.e. "communities with everything interconnected", "lateral extension of service" and "vertical management of systems" to bring property owners comfortable and convenient intelligent life experience and drive the development of the smart society and cities.

Human resource is a cornerstone for the sustainable development of an enterprise. The Group formulates competitive salaries & welfares schemes, consistently improves the human resources system and practically protects the basic rights and interests of the employees. Meanwhile, the Group makes every effort to provide employees with an all-round training system and a wide development platform based on the strategy of “building a mechanism for training all-round talent” to realize the benign interaction between personal growth and enterprise development.

The sustainable development of supply chain is an important safeguard for the continuous development and growth of an enterprise. The Group established a well-developed supplier and bidding management system, strictly selects high quality suppliers, dynamically optimizes the supplier base and encourages its partners to fulfill their environmental and social responsibilities to drive the coordinative development of the Group, its partners and the society.

The Group actively implements the philosophy of “Love and Happiness in Neighbourhoods” in community cultural activities and propels the harmonious and healthy development of communities through holding themed events and other activities. Meanwhile, in active response to poverty alleviation strategies of China, the Group launches the contract agriculture, a new targeted poverty alleviation mode, through quality resources integration, which highly integrates public welfare-based assistance to agriculture with community service.

In addition, the Group actively participates in the standardization of property industry practice and provides relevant assistance to enterprises which provide property service in poverty-stricken areas for improving the management level and service ability of the industry.

As a listed company in Hong Kong, the Group strictly complies with the disclosure requirements of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The Group will publish an independent environmental, social, and governance report pursuant to the Environmental, Social and Governance Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, which will cover its environmental and social performance data, management system and compliance situation in 2018 to comprehensively demonstrate its strategies, commitments and performances in fulfilling its environmental and social responsibilities.

Report of the Board of Directors

The board (the "Board") of directors (the "Directors") of A-Living Services Co., Ltd. (the "Company", together with its subsidiaries, the "Group") is pleased to present the annual report of the Company together with the audited consolidated financial statements for the year ended 31 December 2018.

Principal Place of Business

The Company is a company established and has its registered office in the People's Republic of China (the "PRC" or "China"). The Company's principal place of business in Hong Kong is situated at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Principal Activities

The Group is principally engaged in property management, property sales, property inspection, advertising and tourism services.

Results and Overall Performance

The Group's results for the year ended 31 December 2018 are set out on pages 6 to 7 of this annual report.

Business Review

The business review of the Group during the Year and a discussion of the Group's future business development and the major risks and uncertainties of the Group are set out in the section headed "Chairman's Statement" on pages 11 to 15 of this annual report and the section headed "Management Discussion and Analysis" on pages 16 to 25 of this annual report, respectively. An analysis of the Group's performance during 2018 based on the financial key performance indicators is set out on pages 173 to 174 of this annual report under the section headed "Five-Year Financial Summary".

The Group believes that sustainable development is crucial to the development of a corporate and actively implements the concept of sustainable development at every level of the operation so as to create a better future for the community and the corporate. The Company will issue separately an Environmental, Social and Governance Report under the Environmental, Social and Governance Reporting Guide as specified in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Consolidated Financial Statements

The profit of the Group for the year ended 31 December 2018 and the state of the Company's and the Group's affairs as at 31 December 2018 are set out in the consolidated financial statements on pages 91 to 172 of this annual report.

Environmental Protection and Compliance with Laws and Regulations

The Group is principally engaged in property management, property sales, property inspection, advertising and tourism services in China. As a property manager in China, the Group is required to comply with various national and local laws and regulations on environmental protection, including laws and regulations of air pollution, sound pollution, waste and sewage. The Group has complied with the laws and regulations which are significant to the operation of the Group. Further, any changes in applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

Relationship with Stakeholders

The Group is of the view that its employees, customers and business partners are important to its sustainable development. The Group is committed to maintaining close relationship with its employees, providing high quality services to customers and strengthening the cooperation with its business partners. The Company provides a fair and safe workplace, promotes diversity to the staff, provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

The Group understands that it is important to maintain good relationship with customers and provide the products in a way that satisfy the needs and requirements of the customers. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the services so that the Group can respond proactively. The Group has also established procedures in place for handling customers' complaints to ensure customers' complaints are dealt with in a prompt and timely manner.

The Group is also dedicated to developing good relationship with suppliers and contractors as long-term business partners to ensure stability of the Group's business. The Group reinforces business partnerships with suppliers and contractors by ongoing communication in a proactive and effective manner so as to ensure quality and timely delivery.

Annual dividend

The Board proposed the distribution of a final dividend of RMB0.15 per share (before tax) and a special dividend of RMB0.15 per share (before tax) for the year ended 31 December 2018 (collectively the "Annual Dividend"), the dividend payout ratio will be equivalent to 50%, and the amount of which will be subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 28 May 2019 ("2018 AGM"). Annual Dividend payable to the shareholders of Domestic Shares will be paid in Renminbi, whereas Annual Dividend payable to the shareholders of the H Shares and the shareholders of Unlisted Foreign Shares will be declared in Renminbi and paid in Hong Kong dollars, the exchange rate of which will be calculated based on the average exchange rate of RMB against Hong Kong dollars published by The People's Bank of China five business days prior to the 2018 AGM. Subject to the approval of the 2018 AGM, the Annual Dividend will be paid on or about Thursday, 18 July 2019.

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) which came into effect on 1 January 2008, and amended on 24 February 2017 and 29 December 2018, the Provision for Implementation of Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》) which took effect on 1 January 2008, and the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008] 897號)), which was promulgated by the State Administration of Taxation and came into effect on 6 November 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from 1 January 2008 to non-resident enterprise shareholders, it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the Annual Dividend as enterprise income tax, distribute the Annual Dividend to non-resident enterprise shareholders whose names appear on the H Shares register of members of the Company, i.e. any shareholders who hold H Shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or shareholders of H Shares registered in the name of other organizations and groups. After receiving dividends, the non-resident enterprises shareholders may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such taxation treaties (arrangement). After the tax authorities have verified that there is no error, it shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant taxation treaties (arrangement).

In accordance with requirement of the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994] 020號)) which was promulgated by the Ministry of Finance and the State Administration of Taxation and came into effect on 13 May 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises. Therefore, as a foreign-invested enterprise, the Company will not withhold PRC individual income tax on behalf of overseas individual shareholders whose names appear on the H Shares register of members of the Company when the Company distributes the dividends.

Closure of Register of Members for the 2018 AGM

The 2018 AGM will be held on Tuesday, 28 May 2019 and for the purpose of determining the Shareholders' eligibility to attend and vote at the 2018 AGM, the register of members of the Company will be closed from Saturday, 27 April 2019 to Tuesday, 28 May 2019, both days inclusive, during which period no transfer of the shares will be registered. In order to qualify for attending and voting at the 2018 AGM, shareholders of H Shares of the Company whose transfer documents have not been registered are required to deposit all properly completed share transfer forms together with the relevant share certificates to the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 26 April 2019.

Closure of Register of Members for the Entitlement of Annual Dividend

Upon obtaining approval of the Shareholders at the forthcoming 2018 AGM, the Annual Dividend will be payable to Shareholders whose names appear on the register of members of the Company as at the close of business on Thursday, 6 June 2019. For the purpose of determining the entitlement of shareholders of H Shares of the Company to the Annual Dividend, the H share register of members of the Company will be closed from Saturday, 1 June 2019 to Thursday, 6 June 2019, both days inclusive, during which period no transfer of H Shares will be registered. In order for shareholders of H Shares to qualify for the proposed Annual Dividend, all properly completed share transfer forms together with the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 31 May 2019.

Share Capital

Details of the movements in the share capital of the Company for the year ended 31 December 2018 and as at 31 December 2018 is set out in note 22 to the consolidated financial statements.

Reserves and Distribution Reserve

Details of the movements in the reserves of the Company and of the Group for the year ended 31 December 2018 are set out in note 31(a) and note 23 to the consolidated financial statements and pages 94 to 95 of this annual report under the section headed "Consolidated Statement of Changes in Equity".

As of 31 December 2018, the Company's aggregate amount of reserve available for distribution to equity shareholders was approximately RMB456.6 million.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group for the year ended 31 December 2018 are set out in note 15 to the consolidated financial statements.

Intangible Assets

Details of the movements in intangible assets of the Group for the year ended 31 December 2018 are set out in note 16 to the consolidated financial statements.

Borrowings

The Group did not make any borrowings for the year ended 31 December 2018.

Charitable Donations

The Group did not make any charitable donations for the year ended 31 December 2018.

Retirement Benefit Scheme

Details of retirement benefit scheme of the Group are set out in note 8 to the consolidated financial statements.

Five Years Financial Summary

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on pages 173 to 174 of this annual report.

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

H Shares of the Company was listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 9 February 2018 (the "Listing Date"). The over-allotment option in relation to allotment and issuance up to an aggregate of 50,000,000 additional H Shares was not exercised.

Save as disclosed above, from the Listing Date and up to 31 December 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Pre-Emptive Rights

There is no arrangement of pre-emptive rights in accordance with the laws of the PRC and the requirements of the Articles of Association of the Company.

Directors and Supervisors

The Directors and the supervisors of the Company (the "Supervisors") during 2018 and up to the date of this annual report are:

Directors

Executive Directors

Mr. Chan Cheuk Hung *(Co-chairman) (re-designated from non-executive Director and co-chairman of the Board to executive Director and co-chairman of the Board on 31 May 2018)*

Mr. Huang Fengchao *(Co-chairman & acting as Chief Executive Officer) (acting as Chief Executive Officer since 9 November 2018)*

Mr. Liu Deming *(the former Chief Executive Officer) (resigned on 9 November 2018)*

Mr. Feng Xin *(Vice President)*

Mr. Wang Wei *(removed with effect from 31 May 2018*)*

Non-executive Director

Mr. Wei Xianzhong

Independent non-executive Directors

Mr. Wan Kam To

Mr. Wan Sai Cheong, Joseph

Mr. Wang Peng

Supervisors

Ms. Chen Liru

Ms. Huang Zhixia

Mr. Shi Zhengyu

Mr. Li Jianhui

Mr. Wang Shao

* Mr. Wang Wei had been removed as an executive Director at the annual general meeting of the Company held on 31 May 2018 following the shareholders requisition by Greenland Financial Overseas Investment Group Co., Ltd. and Ningbo Lvjin Investment Management Co., Ltd.* (寧波綠璡投資管理有限公司) as Mr. Wang Wei had ceased to be an employee of the group of Greenland Holdings Group Company Limited* (綠地控股集團股份有限公司).

Independence Confirmation

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

Directors' and Supervisors' Service Contracts

Each of the executive Directors, the non-executive Director and the Supervisors has entered into a service contract with the Company and each of the independent non-executive Directors has signed an appointment letter with the Company.

The appointment of all the Directors is effective from the respective appointment date until the expiry of the term of the first session of the Board. The appointment of all the Supervisors is effective from the respective appointment date until the expiry of the term of the first session of the Supervisory Committee.

No Director or Supervisor has a service contract/letter of appointment with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

Directors' and Supervisors' Interests in Transactions, Arrangements or Contracts of Significance

Other than those transactions disclosed in note 32 to the consolidated financial statements, no Director or Supervisor had a material beneficial interest in, either directly or indirectly, any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

Directors' and Supervisors' Interest in Competing Business

Mr. Liu Deming resigned as an executive Director on 9 November 2018 ("Mr. Liu's Resignation Date"). As of Mr. Liu's Resignation Date, he held certain equity interests in Shandong Mingde Property Management Group Co., Ltd. (山東明德物業管理集團有限公司) ("Shandong Mingde"), Anhui Mingde Property Management Co., Ltd. (安徽明德物業管理有限公司) ("Anhui Mingde"), Yunnan Mingde Property Services Co., Ltd. (雲南明德物業服務有限公司) ("Yunnan Mingde"), Heilongjiang Mingde Property Management Co., Ltd. (黑龍江明德物業管理有限公司) ("Heilongjiang Mingde"), Shenyang Mingde Property Services Co., Ltd. (瀋陽明德物業服務有限公司) ("Shenyang Mingde") and Qingdao Fuwanjia Property Management Co., Ltd. (青島富萬家物業管理有限公司) ("Qingdao Fuwanjia") (collectively referred to as the "Mingde Group").

The table below set forth the shareholding structure and business scope of each member of the Mingde Group.

Company	Shareholding Structure	Business Scope
Shandong Mingde	24.5% by Mr. Liu Deming; 25.5% by the spouse of Mr. Liu Deming	Provision of property management services to nationwide properties of or occupied by higher education institutions and hospitals; government facilities; and residential properties
Anhui Mingde	51% by Shandong Mingde; 25% directly by Mr. Liu Deming	Provision of property management services to properties of or occupied by higher education institutions and hospitals; government facilities; and residential properties in Anhui province
Yunnan Mingde	51% by Shandong Mingde; 19% directly by Mr. Liu Deming	Provision of property management services to properties of or occupied by higher education institutions and hospitals; industrial parks; government facilities; and residential properties in Yunnan province, Jiangsu province and Guizhou province
Heilongjiang Mingde	70% by Mr. Liu Deming	Provision of property management services to properties of or occupied by higher education institutions and hospitals; and government facilities in Heilongjiang province and Inner Mongolia autonomous region
Shenyang Mingde	60% by Mr. Liu Deming	Provision of property management services to properties of or occupied by higher education institutions and hospitals in Liaoning province
Qingdao Fuwanjia	40% by Mr. Liu Deming	Provision of property management services to residential buildings in Qingdao

The Directors are of the view that apart from the management of residential properties, there was no overlap between the business of Mingde Group and the Group given the different types of real estate for which management services were provided by each group. Having taken into account that (a) the Company provided property management services primarily to mid-to high-end residential development projects which, as confirmed by Mr. Liu Deming, was not the category of residential market in which Mingde Group operates and was not the target market of Mingde Group; and (b) Mr. Liu Deming had undertaken to procure Mingde Group not to engage in any business that might compete with the business of the Group (save for continuation of the categories of residential properties for which management services were provided by Mingde Group as of the date of the undertaking), the Directors are of the view that no material competition existed between Mingde Group and the Group as of Mr. Liu's Resignation Date.

Although Mr. Liu Deming served as the chairman of Shandong Mingde and held certain equity interests in Mingde Group, he did not participate in the daily operations of Mingde Group. On the contrary, Mr. Liu Deming primarily focused on the business operations of the Group as an executive Director and Chief Executive Officer and was responsible for the Group's overall operations and management and major decision making before Mr. Liu's Resignation Date.

Furthermore, Mr. Liu Deming was not able to exercise control over the Board and did not have veto power on any matter when he was one of the members of the Board. The Directors believe that the Group had formulated adequate corporate governance measures to monitor and manage any potential conflict of interests of the Directors.

Save as disclosed in this annual report, at no time during the Year, the Directors, the Supervisors or their respective close associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during 2018.

Permitted Indemnity Provision

According to the duty indemnity policy for the Directors, the Supervisors and the Senior Management, each Director, Supervisor and Senior Management is entitled to be indemnified by the Company against all losses or liabilities which he/she may sustain or incur in carrying out his/her functions. The Company has also arranged appropriate insurance in respect of potential legal actions against the Directors, the Supervisors and the Senior Management arising out of corporate activities.

Compliance with the Deed of Non-Competition

None of the controlling shareholders of the Company (the "Controlling Shareholders") is interested in any business which is, whether directly or indirectly, in competition with our business. To ensure that competition will not exist in the future, each of the Controlling Shareholders has entered into the Deed of Non-Competition (as defined below) in favor of the Company.

Each of the Controlling Shareholders has undertaken to us in the deed of non-competition and compensation (the "Deed of Non-Competition") on 22 January 2018 that it/he/she will not, and will procure its/his/her close associates (other than members of the Group) not to directly or indirectly be involved in or undertake any business (other than the Group's business) that directly or indirectly competes, or may compete, with the Group's business, which includes providing property management services, property sales services, property inspection services, advertising and tourism services (collectively referred to as the "Restricted Activities"), or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by the Group from time to time except where the Controlling Shareholders and their close associates hold less than 5% of the total issued share capital of any company (whose shares are listed on the Hong Kong Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of the Group and they do not control 10% or more of the composition of the board of directors of such company.

The Deed of Non-Competition will lapse automatically if the Controlling Shareholders and their close associates cease to hold, whether directly or indirectly, 50% or above of the Shares with voting rights or the Shares cease to be listed on the Hong Kong Stock Exchange.

For details of the above Deed of Non-Competition, please refer to the section headed "Relationship with Our Controlling Shareholders" in the prospectus of the Company dated 29 January 2018.

Each of the Controlling Shareholders has provided written confirmation to the Company, pursuant to which it/he/she confirmed that from the Listing Date and up to the date of this annual report, (1) each of them has fully complied with all terms and requirements of the Deed of Non-Competition, (2) each of them not to directly or indirectly be involved in or undertake any business (other than our business) that directly or indirectly competes, or may compete, with the Restricted Activities, and (3) each of them does not hold more than 5% of the shares or interest in any companies or business that compete directly or indirectly with the business engaged by the Group from time to time and controls 10% or more of the composition of the board of directors of such company.

The independent non-executive Directors have reviewed all the necessary information provided by the Controlling Shareholders for compliance with the Deed of Non-Competition and confirmed that as of the date of this annual report, the Controlling Shareholders had fully complied with and did not breach all terms and requirements of the Deed of Non-Competition.

Biographical Details of Directors, Supervisors and Senior Management

Biographical details of the Directors, the Supervisors and senior management members of the Company are set out in the sections headed "Biographies of Directors", "Biographies of Supervisors" and "Biographies of Senior Management", respectively, of this annual report.

Changes in Information of Directors

Pursuant to Rule 13.51B of the Listing Rules, the change in information of Directors subsequent to the date of the 2018 interim report is that Mr. Huang Fengchao has performed the duties of the Chief Executive Officer and general manager of the Company with effect from 9 November 2018.

Equity Linked Agreement

No equity linked agreements were entered into by the Company during 2018.

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

As of 31 December 2018, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Codes as defined in the Corporate Governance Report in this annual report (the "Securities Dealing Codes"), were as follows:

(i) Interest in Shares of the Company

Name of Director	Nature of Interest	Class of Shares[1]	Number of Shares[2]	Approximate Percentage of the Relevant Class of Shares in Issue	Approximate Percentage of the Company's Issued Share Capital
Mr. Chan Cheuk Hung[3]	Beneficiary of a trust	Unlisted shares	720,000,000 (L)	80.00%	54.00%

Notes:

(1) Unlisted shares of the Company include domestic shares and unlisted foreign shares of the Company.

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

(3) Mr. Chan Cheuk Hung is the beneficiary of a family trust ("Chen's Family Trust", which is deemed to be interested in 720,000,000 unlisted shares of the Company), therefore, Mr. Chan Cheuk Hung is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.

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

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

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

Save as disclosed above, as of 31 December 2018, neither any of the Directors, the Supervisors nor the chief executives had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Codes.

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

So far as known to any Director or chief executives of the Company, as of 31 December 2018, the persons (other than Directors, Supervisors or chief executives of the Company) or corporations who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Classes of Shares[1]	Number of Shares[2]	Approximate Percentage of the Relevant Class of Shares in Issue	Approximate Percentage of the Company's Issued Share Capital
Zhongshan A-Living Enterprises Management Services Co., Ltd.* (中山雅生活企業管理服務有限公司)	Beneficial owner	Unlisted shares	712,800,000(L)	79.20%	53.46%
Deluxe Star International Limited[3]	Interest of a controlled corporation	Unlisted shares	712,800,000(L)	79.20%	53.46%
	Beneficial owner	Unlisted shares	7,200,000(L)	0.80%	0.54%
Makel International (BVI) Limited[4]	Interest of a controlled corporation	Unlisted shares	720,000,000(L)	80.00%	54.00%
Genesis Global Development (BVI) Limited[5]	Interest of a controlled corporation	Unlisted shares	720,000,000(L)	80.00%	54.00%
Eastern Supreme Group Holdings Limited[6]	Interest of a controlled corporation	Unlisted shares	720,000,000(L)	80.00%	54.00%
Agile Group Holdings Limited[7]	Interest of a controlled corporation	Unlisted shares	720,000,000(L)	80.00%	54.00%
Full Choice Investments Limited[8]	Trustee of a trust	Unlisted shares	720,000,000(L)	80.00%	54.00%
Top Coast Investment Limited[9]	Interest of a controlled corporation	Unlisted shares	720,000,000(L)	80.00%	54.00%
Mr. Chen Zhuo Lin[10]	Beneficiary of a trust	Unlisted shares	720,000,000(L)	80.00%	54.00%
Mr. Chan Cheuk Yin[10]	Beneficiary of a trust	Unlisted shares	720,000,000(L)	80.00%	54.00%
Ms. Luk Sin Fong, Fion[10]	Beneficiary of a trust	Unlisted shares	720,000,000(L)	80.00%	54.00%
Mr. Chan Cheuk Hei[10]	Beneficiary of a trust	Unlisted shares	720,000,000(L)	80.00%	54.00%
Mr. Chan Cheuk Nam[10]	Beneficiary of a trust	Unlisted shares	720,000,000(L)	80.00%	54.00%
Ms. Zheng Huiqiong[11]	Spouse	Unlisted shares	720,000,000(L)	80.00%	54.00%
Ms. Lu Liqing[12]	Spouse	Unlisted shares	720,000,000(L)	80.00%	54.00%
Ms. Lu Yanping[13]	Spouse	Unlisted shares	720,000,000(L)	80.00%	54.00%

* for identification purpose only

Name of Shareholder	Nature of Interest	Classes of Shares[1]	Number of Shares[2]	Approximate Percentage of the Relevant Class of Shares in Issue	Approximate Percentage of the Company's Issued Share Capital
Ms. Chan Siu Na[14]	Spouse	Unlisted shares	720,000,000(L)	80.00%	54.00%
Ningbo Lvjin Investment Management Co., Ltd.*(寧波綠璡投資管理有限公司)	Beneficial owner	Unlisted shares	100,000,000(L)	11.11%	7.50%
Greenland Financial Overseas Investment Group Co., Ltd. ("Greenland Overseas")	Beneficial owner	H shares	100,000,000(L)	23.08%	7.50%
Greenland Financial Holdings Group Co., Ltd.[15]	Interest of a controlled corporation	Unlisted shares	100,000,000(L)	11.11%	7.50%
	Interest of a controlled corporation	H shares	100,000,000(L)	23.08%	7.50%
Greenland Holding Group* (綠地控股集團有限公司)[16]	Interest of a controlled corporation	Unlisted shares	100,000,000(L)	11.11%	7.50%
	Interest of a controlled corporation	H shares	100,000,000(L)	23.08%	7.50%
Greenland Holdings Group Company Limited* (綠地控股集團股份有限公司) ("Greenland Holdings")[17]	Interest of a controlled corporation	Unlisted shares	100,000,000(L)	11.11%	7.50%
	Interest of a controlled corporation	H shares	100,000,000(L)	23.08%	7.50%
Gongqingcheng A-Living Investment Management Limited Partnership* (共青城雅生活投資管理合夥企業(有限合夥)) ("Gongqingcheng Investment")	Beneficial owner	Unlisted shares	80,000,000(L)	8.89%	6.00%
Gongqingcheng Yagao Investment Management Co., Ltd.* (共青城雅高投資管理有限公司)[18]	Interest of a controlled corporation	Unlisted shares	80,000,000(L)	8.89%	6.00%
Liu Deming[19]	Interest of a controlled corporation	Unlisted shares	80,000,000(L)	8.89%	6.00%
Pan Zhiyong[20]	Interest of a controlled corporation	Unlisted shares	80,000,000(L)	8.89%	6.00%
Toscafund Asset Management LLP	Investment manager	H shares	39,018,109 (L)	9.00%	2.93%

* for identification purpose only

Notes:

(1) Unlisted shares of the Company include domestic shares and unlisted foreign shares of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(19) Mr. Liu Deming owns 49.9% of Gongqingcheng Investment, which in turns owns 80,000,000 unlisted shares of the Company. Hence, Mr. Liu Deming is deemed to be interested in the shares of the Company held by Gongqingcheng Investment.

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

Save as disclosed above, as of 31 December 2018, the Directors, the Supervisors and the chief executives of the Company are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Major Customers and Suppliers

For the year ended 31 December 2018, the aggregate sales and purchases attributable to the Group's five largest customers and suppliers were approximately 44.8% of the Group's total revenue and approximately 20.8% of the Group's total purchase during 2018 respectively.

For the year ended 31 December 2018, the aggregate sales attributable to the Group's largest customer was approximately 36.8% of the Group's total revenue.

None of the Directors, Supervisors and their respective close associates nor any Shareholders (who are interested in more than 5% of the issued shares of the Company according to the knowledge of the Directors) had any interests in any of the five largest customers or suppliers of the Group.

Employee and Remuneration Policies

As at 31 December 2018, the Group had a total of 18,859 employees. The related employees' costs amounted to approximately RMB1,472.5 million. The compensation plan of the Group is determined with reference to the market levels, the performance of employees and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

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

Related Party Transactions

A summary of all related party transactions, in accordance with the Hong Kong Financial Reporting Standards, entered into by the Group during the year ended 31 December 2018 is contained in note 30 to the consolidated financial statements. The transactions reported under "Rental expenses" of note 30 fell under the definition of "continuing connected transactions" under Chapter 14A of the Listing Rules and are subject to the reporting, annual review, and announcement requirements but are exempt from the independent shareholders' approval requirement, while the transactions reported under "Provision of services" of note 30, except for the transactions entered into between the Group and Guangzhou Lihe Real Estate Development Co., Ltd.*(廣州利合房地產開發有限公司), fell under the definition of "continuing connected transactions" as disclosed in the section headed "Continuing Connected Transactions" below. Other related party transactions did not constitute "connected transactions" or "continuing connected transactions" under Chapter 14A of the Listing Rules.

As the Company had not been listed on the Hong Kong Stock Exchange before 9 February 2018, the transactions do not fall under “Connected Transactions” or “Continuing Connected Transactions” in accordance with Chapter 14A of the Listing Rules during the period from 1 January 2018 to 8 February 2018.

Save for the continuing connected transactions disclosed below, during the Year, there were no other transactions which, in the opinion of the Directors, constituted connected transactions or continuing connected transactions that were subject to the reporting requirements under the Listing Rules.

The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions or continuing connected transactions entered into by the Group during the period from 9 February 2018 to 31 December 2018.

Continuing Connected Transactions

For the year ended 31 December 2018, the Group entered into the following continuing connected transactions, as defined in the Listing Rules, with connected persons of the Company.

(A) Continuing connected transactions with full exemption

1. Trademark Licensing Agreements

(a) Between the Company and Agile Group Holdings Limited (“Agile Holdings”)

On 23 January 2018, a deed of trademark licensing was entered into between the Company and Agile Holdings (the “Deed of Agile Trademark Licensing”), pursuant to which Agile Holdings agreed to procure Stand Power Investments Limited to irrevocably and unconditionally grant to the Company and other members of the Group a non-transferable license to use the “ ” (the “Agile Trademark”) registered in Hong Kong for a perpetual term commenced from the Listing Date on a royalty-free basis.

Stand Power Investments Limited as the registered proprietor of the Agile Trademark is an indirect wholly-owned subsidiary of Agile Holdings. Agile Holdings is one of the Controlling Shareholders and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transaction under the Deed of Agile Trademark Licensing will constitute as a de minimis continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

(b) Between Shanghai Greenland Property Services Co., Ltd.* (上海綠地物業服務有限公司) (“Greenland Property Services”) and Greenland Holdings

On 23 January 2018, a trademark licensing agreement was entered into between Greenland Property Services, a wholly-owned subsidiary of the Company, and Greenland Holdings (the “Greenland Trademark Licensing Agreement”) pursuant to which Greenland Holdings agreed to irrevocably and unconditionally grant to Greenland Property Services a non-transferable license to use the “绿地” (the “Greenland Trademark”) registered in the PRC for a term of five years commenced from 1 January 2018 on a royalty-free basis, for use in its property management business.

Each of Ningbo Lvjin Investment Management Co., Ltd.* (寧波綠璡投資管理有限公司) ("Ningbo Lvjin") and Greenland Financial Overseas Investment Group Co., Ltd. ("Greenland Overseas"), the substantial shareholders of the Company, is an indirectly wholly-owned subsidiary of Greenland Holdings. Therefore, Greenland Holdings is a connected person of the Company under the Listing Rules. Accordingly, the transaction under the Greenland Trademark Licensing Agreement will constitute as a de minimis continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

2. **The property lease framework agreement with Greenland Holdings**

Several property lease agreements were entered between Greenland Property Services and certain subsidiaries of Greenland Holdings (the "Greenland Property Lease Agreements"), pursuant to which the Company leases premises for office use from certain subsidiaries of Greenland Holdings.

The details of the Greenland Property Lease Agreements are list out below:

Date of Greenland Property Lease Agreements	Landlord	Tenant	Premises	Term	Annual rental	Area of the property	Use of the property
20 October 2010	Shanghai Jinpu Real Estate Development Co., Ltd.* (上海錦普房地產開發有限公司)	Greenland Property Services	27/F, 201 Ningxia Road, Putuo District, Shanghai, PRC	From 20 October 2010 to 19 October 2020	Free	approximately 1,200 sq.m.	Office
23 January 2018	Shijiazhuang Zhongdi Real Estate Development Co., Ltd.* (石家莊中迪房地產開發有限公司)	Shijiazhuang branch office of Greenland Property Services	Room 108, Block B, No. 28 Dajing Road, Shijiazhuang, Hebei Province, PRC	From Listing Date to 31 December 2020	Free	132.82 sq.m.	Office
23 July 2015	Guangzhou Greenland Real Estate Development Co., Ltd.* (廣州綠地房地產開發有限公司)	Greenland Property Services	Unit 602, No. 882 Yucheng West Road, Baiyun District, Guangzhou, Guangdong Province, PRC	From 23 July 2015 to 22 July 2020	RMB12	452.3051 sq.m.	Office

* for identification purposes only

Shanghai Jinpu Real Estate Development Co., Ltd.* (上海錦普房地產開發有限公司), Shijiazhuang Zhongdi Real Estate Development Co., Ltd.* (石家莊中迪房地產開發有限公司) and Guangzhou Greenland Real Estate Development Co., Ltd.* (廣州綠地房地產開發有限公司) are the indirect wholly-owned subsidiaries of Greenland Holdings. Greenland Holdings is the indirect holding company of Ningbo Lvjin and Greenland Overseas, the substantial shareholders of the Company, and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Greenland Property Lease Agreements will constitute de minimis continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

3. **Tourism Services Framework Agreement**

On 23 January 2018, Guangzhou Yafang Travel Co., Ltd.* (廣州市雅方旅遊有限公司) ("Guangzhou Yafang") entered into a tourism services framework agreement (the "Tourism Services Framework Agreement") with Agile Holdings, pursuant to which Guangzhou Yafang agreed to provide tourism services to Agile Holdings, its subsidiaries and affiliated companies (excluding the Group) (the "Parent Group"), including but not limited to organizing tours for potential buyers to visit properties developed by the Parent Group and the provision of traditional travel agency services to the Parent Group (the "Tourism Services"), for a term commencing from the Listing Date until 31 December 2020.

Agile Holdings is one of the Controlling Shareholders and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Tourism Services Framework Agreement will constitute de minimis continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

(B) Continuing connected transactions subject to the reporting, annual review, announcement requirements but exempt from the independent shareholders' approval requirement

1. **Lease agreements**

(a) Property lease framework agreement with Agile Holdings

On 23 January 2018, the Company entered into a property lease framework agreement with Agile Holdings (the "Agile Property Lease Framework Agreement"), pursuant to which the Company may lease from the Parent Group office, clubhouse, employees dormitory and parking lot premises. The Agile Property Lease Framework Agreement has a term commencing from the Listing Date until 31 December 2020 and will automatically be renewable for successive periods of three years thereafter, subject to compliance with the then applicable provisions of the Listing Rules, unless it is terminated earlier by either party giving not less than 30 business days' written notice to the other party in advance or otherwise pursuant to the Agile Property Lease Framework Agreement. Relevant subsidiaries or associated companies of both parties will enter into separate lease agreements which will set out the specific terms and conditions according to the principles provided in the Agile Property Lease Framework Agreement.

The Directors estimate that the maximum annual fee payable by the Company under the Agile Property Lease Framework Agreement for each of the three years ending 31 December 2020 will not exceed RMB5,185,000, RMB5,444,000 and RMB5,980,000, respectively. For the year ended 31 December 2018, the annual fee payable by the Company to Agile Holdings under the Agile Property Lease Framework Agreement was approximately RMB5,147,696, which is within the annual cap of RMB5,185,000.

Agile Holdings is one of the Controlling Shareholders and therefore, is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Agile Property Lease Framework Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

(b) ***Lease agreements with Zhongshan Changjiang Golf Course and Mr. Chan Cheuk Yin***

The Company has entered into the following lease agreements (the "Chen Family Lease Agreements") with Zhongshan Changjiang Golf Course and Mr. Chan Cheuk Yin.

Date of Chen Family Lease Agreements	Landlord	Tenant	Premises	Term	Annual rental	Area of the property	Use of the property
(1) 23 January 2018	Zhongshan Changjiang Golf Course (中山長江高爾夫球場)	Kaiyin new town branch office of the Company	Building 2, Staff Village, Kaiyin New Town, Changjiang Management District, East of Zhongshan City, Guangdong province, PRC	From the Listing Date to 31 December 2020	2018: RMB2,689,156 2019: RMB2,823,614 2020: RMB2,823,614	6,114 sq.m.	Employees dormitory
(2) 23 January 2018	Mr. Chan Cheuk Yin	the Company	Level 1 to 6, Service Building, Agile Garden, Sanxiang Town, Zhongshan, Guangdong province, PRC	From the Listing Date to 31 December 2020	2018: RMB445,464 2019: RMB467,737 2020: RMB467,737	1,713.1 sq.m.	Office

For the period from the Listing Date to 31 December 2018, the rental fee payable by the Company to Zhongshan Changjiang Golf Course and Mr. Chan Cheuk Yin under the Chen Family Lease Agreements was RMB2,689,156 and RMB445,464 respectively.

Zhongshan Changjiang Golf Course is a wholly-owned subsidiary of Honest Champion Holdings Limited (誠昌控股有限公司), which is owned by Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam, each a Controlling Shareholder and therefore, Zhongshan Changjiang Golf Course and Mr. Chan Cheuk Yin are connected persons of the Company under the Listing Rules. Accordingly, the transactions under the Chen Family Lease Agreements will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In respect of the transactions under the Agile Property Lease Framework Agreement and the Chen Family Lease Agreements, the Company has applied for, and the Hong Kong Stock Exchange has granted, waivers exempting the Company from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

2. **Turnkey Furnishing Services Framework Agreement**

On 27 April 2018, the Company entered into a turnkey furnishing services framework agreement (the "Turnkey Furnishing Services Framework Agreement") with Agile Holdings, pursuant to which the Group will provide turnkey furnishing services and relevant design, construction, management and after-sales services for properties developed by the Parent Group (collectively, the "Provision of Furnishing Services).

Pursuant to the Turnkey Furnishing Services Framework Agreement, the annual caps for the Provision of Furnishing Services for each of the financial years ending 31 December 2018, 2019 and 2020 is expected not to exceed RMB30,000,000, RMB50,000,000 and RMB60,000,000, respectively. For the period commencing from 9 February 2018 to 31 December 2018, the annual fee payable by Agile Holdings to the Company under Turnkey Furnishing Services Framework Agreement was approximately RMB29,093,666, which is within the annual cap of RMB30,000,000.

Agile Holdings is one of the Controlling Shareholders and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Turnkey Furnishing Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

(C) Continuing connected transactions subject to the reporting, annual review, announcement and independent shareholders' approval requirement

1. **Property Management Services Framework Agreements**

(a) the Group and the Parent Group

On 23 January 2018, the Group entered into a property management services framework agreement (the "Agile Property Management Services Framework Agreement") with Agile Holdings, pursuant to which the Group agreed to provide to the Parent Group property management services, including but not limited to (i) the on-site security, cleaning, greening and gardening, repair and maintenance services as well as customer services to the property sales center of Agile Holdings at the pre-delivery stage; and (ii) the operations and management services for the unsold property units (the "Agile Property Management Services"), for a term commencing from the Listing Date until 31 December 2020.

Agile Holdings is one of the Controlling Shareholders and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Agile Property Management Services Framework Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The Directors estimate that the maximum annual fee payable by the Parent Group in relation to the services to be provided by the Group under the Agile Property Management Services Framework Agreement for each of the three years ending 31 December 2020 will not exceed RMB458,500,000, RMB518,800,000 and RMB597,000,000, respectively. For the period commencing from 9 February 2018 to 31 December 2018, the annual fee payable by the Parent Group to the Group under the Agile Property Management Services Framework Agreement was approximately RMB458,303,291, which is within the annual cap of RMB458,500,000.

In respect of the transactions under the Agile Property Management Services Framework Agreement, the Company has applied for, and the Hong Kong Stock Exchange has granted, waivers exempting the Company from strict compliance with the announcement and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

(b) the Group and Greenland Holdings

On 23 January 2018, the Company entered into a property management services framework agreement (the "Greenland Property Management Services Framework Agreement") with Greenland Holdings, pursuant to which the Group agreed to provide to Greenland Holdings and its subsidiaries (the "Greenland Group") property management services, including but not limited to (i) the on-site security, cleaning and other related services as well as customer services to the property sales center of Greenland Group at the pre-delivery stage; and (ii) the operations and management services for the unsold property units (the "Greenland Property Management Services"), for a term commencing from the Listing Date until 31 December 2020.

The Directors estimate that the maximum annual fee payable by the Greenland Group in relation to the services to be provided by the Group under the Greenland Property Management Services Framework Agreement for each of the three years ending 31 December 2020 will not exceed RMB171,000,000, RMB210,000,000 and RMB250,000,000, respectively. For the period commencing from 9 February 2018 to 31 December 2018, the annual fee payable by the Greenland Group to the Group under the Greenland Property Management Services Framework Agreement was approximately RMB169,529,493, which is within the annual cap of RMB171,000,000.

Greenland Holdings is the indirect holding company of Ningbo Lvjin and Greenland Overseas, the substantial shareholders of the Company, and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Greenland Property Management Services Framework Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In respect of the transactions under the Greenland Property Management Services Framework Agreement, the Company has applied for, and the Hong Kong Stock Exchange has granted, waivers exempting the Company from strict compliance with the announcement and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

2. Property Agency Services Framework Agreement

On 23 January 2018, A-TRO Properties Consultancy Co., Ltd.* (雅卓房地產顧問有限公司) ("A-TRO Properties") (formerly known as Guangzhou Yazhuo Real Estate Sales Co., Ltd.* (廣州市雅卓房地產營銷有限公司)) entered into a property agency services framework agreement (the "Property Agency Services Framework Agreement") with Agile Holdings, pursuant to which A-TRO Properties agreed to provide property agency services, including but not limited to, providing marketing and sales services for properties developed by the Parent Group (the "Property Agency Services"), for a term commencing from the Listing Date until 31 December 2020. Under such arrangement, the Parent Group will cease to conduct direct marketing and sales services for properties developed by it and will engage the Group and other independent service providers to provide such services.

On 17 August 2018, A-TRO Properties entered into a supplemental agreement with Agile Holdings (the "Supplemental Agreement") pursuant to which the parties agreed to revise the annual caps (the "Revised Annual Caps") for the provision of the Property Agency Services for the three years ending 31 December 2018, 31 December 2019 and 31 December 2020 as follows:

Year ending 31 December	Revised Annual Caps for the provision of the Property Agency Services pursuant to the Supplemental Agreement RMB
2018	633,000,000
2019	835,000,000
2020	1,010,000,000

The transactions contemplated under the Supplemental Agreement and the Revised Annual Caps were passed by the independent Shareholders by way of ordinary resolution at the Company's extraordinary general meeting held on 5 November 2018.

For the period commencing from 9 February 2018 to 31 December 2018, the annual fee payable by Agile Holdings to the Group under the Property Agency Services Framework Agreement was approximately RMB548,387,331, which is within the Revised Annual Cap of RMB633,000,000.

Agile Holdings is one of the Controlling Shareholders and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Property Agency Services Framework Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In respect of the transactions under the Property Agency Services Framework Agreement, the Company has applied for, and the Hong Kong Stock Exchange has granted, waivers exempting the Company from strict compliance with the announcement and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective Revised Annual Caps (as stated above).

3. **Pre-delivery Inspection Services Framework Agreement**

On 23 January 2018, Guangzhou Yaxin Engineering Consulting Co., Ltd.* (廣州市雅信工程諮詢有限公司) ("Guangzhou Yaxin") entered into a pre-delivery inspection services framework agreement (the "Pre-delivery Inspection Services Framework Agreement") with Agile Holdings, pursuant to which Guangzhou Yaxin agreed to provide pre-delivery inspection services, including but not limited to conducting house inspection on properties developed by the Parent Group upon completion of construction and before delivery of the same to homeowners ("Pre-delivery Inspection Services"), for a term commencing from the Listing Date until 31 December 2020.

The Directors estimate that the maximum annual fee payable by the Parent Group in relation to the services to be provided by Guangzhou Yaxin under the Pre-delivery Inspection Services Framework Agreement for each of the three years ending 31 December 2020 will not exceed RMB50,000,000, RMB60,000,000 and RMB73,000,000, respectively. For the period commencing from 9 February 2018 to 31 December 2018, the annual fee payable by the Parent Group to Guangzhou Yaxin under the Pre-delivery Inspection Services Framework Agreement was approximately RMB49,997,441, which is within the annual cap of RMB50,000,000.

Agile Holdings is one of the Controlling Shareholders and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Pre-delivery Inspection Services Framework Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In respect of the transactions under the Pre-delivery Inspection Services Framework Agreement, the Company has applied for, and the Hong Kong Stock Exchange has granted, waivers exempting the Company from strict compliance with the announcement and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

4. **Advertising and Public Relations Services Framework Agreement**

On 23 January 2018, Guangzhou Yatao Advertising Co., Ltd.* (廣州市雅韜廣告有限公司) ("Guangzhou Yatao") entered into an advertising services framework agreement (the "Advertising and Public Relations Services Framework Agreement") with Agile Holdings, pursuant to which Guangzhou Yatao agreed to provide services such as advertisement design and public relations (the "Advertising and PR Services") to the Parent Group, for a term commencing from the Listing Date until 31 December 2020.

The Directors estimate that the maximum annual fee payable by the Parent Group in relation to the services to be provided by Guangzhou Yatao under the Advertising and Public Relations Services Framework Agreement for each of the three years ending 31 December 2020 will not exceed RMB9,000,000, RMB13,500,000 and RMB17,550,000, respectively. For the period commencing from 9 February 2018 to 31 December 2018, the annual fee payable by the Parent Group to Guangzhou Yatao under Advertising and Public Relations Services Framework Agreement was approximately RMB8,545,106, which is within the annual cap of RMB9,000,000.

Agile Holdings is one of the Controlling Shareholders and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Advertising and Public Relations Services Framework Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In respect of the transactions under the Advertising and Public Relations Services Framework Agreement, the Company has applied for, and the Hong Kong Stock Exchange has granted, waivers exempting the Company from strict compliance with the announcement and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

5. **Technology Services Framework Agreement**

On 27 April 2018, the Company entered into a technology services framework agreement (the "Technology Services Framework Agreement") with Agile Holdings, pursuant to which the Company and/or its subsidiaries will provide technology products and relevant services to Agile Holdings and/or its subsidiaries, including but not limited to (i) intelligent products (智能產品); (ii) access control products (門禁產品); (iii) software; (iv) residential accessory products (家居配套產品); (v) software development; (vi) information system integration services; (vii) software platform technology services; and (viii) relevant consultation services (collectively, the "Provision of Technology Services").

Pursuant to the Technology Services Framework Agreement, the annual caps for the Provision of Technology Services for each of the financial years ending 31 December 2018, 2019 and 2020 are expected not to exceed RMB101,000,000, RMB132,000,000 and RMB182,000,000, respectively. For the period commencing from 9 February 2018 to 31 December 2018, the annual fee payable by Agile Holdings to the Company under Technology Services Framework Agreement was approximately RMB25,972,712, which is within the annual cap of RMB101,000,000.

Agile Holdings is one of the Controlling Shareholders and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Technology Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

6. **Consultation Services Framework Agreement**

On 27 April 2018, the Company entered into a consultation services framework agreement (the "Consultation Services Framework Agreement") with Agile Holdings, pursuant to which the Group will provide consultation services in relation to property management to the property projects of the Parent Group at their preparation stage, design stage, assessment of construction design stage, construction stage and delivery stage (項目準備階段、規劃設計階段、施工圖會審階段、施工建設階段及交付使用階段), including but not limited to (i) formulation of property management services plan in accordance with the construction of the project and the target customers; (ii) provision of consultation on the master plan of the project and relevant design in relation to accessory facilities; (iii) inspection of construction progress and quality; and (iv) monitoring of repair and rectification service (返修整改服務) (collectively, the "Provision of Consultation Services").

Pursuant to the Consultation Services Framework Agreement, the annual caps for the Provision of Consultation Services for each of the financial years ending 31 December 2018, 2019 and 2020 are expected not to exceed RMB173,000,000, RMB216,000,000 and RMB237,000,000, respectively. For the period commencing from 9 February 2018 to 31 December 2018, the annual fee payable by Agile Holdings to the Company under Consultation Services Framework Agreement was approximately RMB74,829,000, which is within the annual cap of RMB173,000,000.

Agile Holdings is one of the Controlling Shareholders and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Consultation Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

7. Consultation and Pre-delivery Inspection Services Framework Agreement

On 27 April 2018, the Company entered into a consultation and pre-delivery inspection services framework agreement (the "Consultation and Pre-delivery Inspection Services Framework Agreement") with Greenland Holdings, pursuant to which the Group will provide:

(a) consultation services in relation to property management to the property projects of Greenland Group at their preparation stage, design stage, assessment of construction design stage, construction stage and delivery stage (項目準備階段、規劃設計階段、施工圖會審階段、施工建設階段及交付使用階段), including but not limited to (i) formulation of property management services plan in accordance with the construction of the project and the target customers; (ii) provision of consultation on the master plan of the project and relevant design in relation to accessory facilities; (iii) inspection of construction progress and quality; and (iv) monitoring of repair and rectification service (返修整改服務); and

(b) pre-delivery inspection services, including but not limited to (i) house safety assessment; (ii) decoration quality assessment; (iii) construction site quality assessment; (iv) unit inspection services; (v) construction technology consultation services; (vi) construction project management services; and (vii) construction supervision services (collectively the "Provision of Consultation and Pre-delivery Inspection Services").

Pursuant to the Consultation and Pre-delivery Inspection Services Framework Agreement, the annual caps for the Consultation and Pre-delivery Inspection Services Framework Agreement for each of the financial years ending 31 December 2018, 2019 and 2020 are expected not to exceed RMB130,000,000, RMB136,500,000 and RMB143,500,000, respectively. For the period commencing from 9 February 2018 to 31 December 2018, the annual fee payable by Greenland Group to the Company under Consultation and Pre-delivery Inspection Services Framework Agreement was approximately RMB31,998,053, which is within the annual cap of RMB130,000,000.

Greenland Holdings is the substantial shareholder of the Company and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Consultation and Pre-delivery Inspection Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

8. Property Agency Services Framework Agreement

On 27 April 2018, the Company entered into a property agency services framework agreement (the "Property Agency Services Framework Agreement") with Greenland Holdings, pursuant to which the Group will provide property agency services, including but not limited to, providing marketing and sales services for properties developed by Greenland Group (collectively, the "Provision of Agency Services"). Under such arrangement, Greenland Group will cease to conduct direct marketing and sales services for properties developed by it and will engage the Company and/or other independent service providers to provide such services.

Pursuant to the Property Agency Services Framework Agreement, the annual caps for the Provision of Agency Services for each of the financial years ending 31 December 2018, 2019 and 2020 are expected not to exceed RMB120,000,000, RMB126,000,000 and RMB135,000,000, respectively. For the period commencing from 9 February 2018 to 31 December 2018, the annual fee payable by Greenland Holdings to the Company under Property Agency Services Framework Agreement was RMB0.00, which is within the annual cap of RMB120,000,000.

Greenland Holdings is the substantial shareholder of the Company and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions under the Property Agency Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Confirmation of Independent Non-Executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, all the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that they have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms; and

(iii) in accordance with the relevant framework agreements on terms that are fair and reasonable and in the interests of Shareholders as a whole.

Confirmation of the Auditors

The Company's auditor was engaged to report on the Group's continuing connected transactions for the period commencing from the Listing Date to 31 December 2018 in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

Events after the Reporting Period

Important events which have occurred after 31 December 2018 are disclosed in note 33 to the consolidated financial statements.

Litigation

During the year ended 31 December 2018, the Company was not involved in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, for the year ended 31 December 2018 and as of the date of this annual report, the Company had maintained sufficient public float as required under the Listing Rules.

Corporate Governance

The Company had adopted the principles and code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules and complied with the applicable code provisions throughout the year except for the deviation as specified under the paragraph of "Co-chairman and Chief Executive Officer" in the Corporate Governance Report of this annual report.

Auditor

The consolidated financial statements of the Group for the year ended 31 December 2018 have been audited by PricewaterhouseCoopers, Certified Public Accountants, who shall retire at the 2018 AGM. A resolution will be proposed at the 2018 AGM to re-appoint PricewaterhouseCoopers, Certified Public Accountants, as auditor of the Company.

Audit Committee

The audit committee of the Company had discussed with the management, and reviewed, the audited consolidated financial statements of the Group for the year ended 31 December 2018 as set out in this annual report.

Tax Relief and Exemption of Holders of Listed Securities

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

Sustainable Development

The Group believes that promoting sustainability is as important as achieving long-term business growth. It has therefore made continuous efforts to maintain a high degree of sustainability in its operations. Moreover, it values opportunities to learn more about the needs and expectations of the communities in which it operates, as well as those of other stakeholders. The Group is committed to strengthening its management efforts to promote sustainability through good corporate governance, environmental protection, community investment and workplace practices.

To demonstrate its commitment to transparency and accountability to its stakeholders, the Company will issue separately an Environmental, Social and Governance Report under Environmental, Social and Governance Reporting Guide as specified in Appendix 27 to the Listing Rules. The report will present the Company's commitment to sustainable development during the Year under review, and it will cover the significant economic, environmental and social achievements and impacts arising from the activities of the Group and its joint ventures.

On behalf of the Board

A-Living Services Co., Ltd.
Chan Cheuk Hung/Huang Fengchao
Co-chairman of the Board

Hong Kong, 18 March 2019

Report of the Supervisory Committee

I. Composition of the Supervisory Committee

As of 31 December 2018, the supervisory committee of the Company (the "Supervisory Committee") consisted of five members, of which there were two employee representative Supervisors, one shareholder representative Supervisor and two external Supervisors (collectively, the "Supervisors"). The terms of office of Supervisors shall be three years, and is renewable upon re-election after the expiry of his/her term in accordance with the requirements of the articles of association of the Company (the "Articles of Association").

The composition of the Supervisory Committee is as follows:

Name	Position	Date of Appointment	Responsibilities
Ms. Chen Liru	President of the Supervisory Committee, employee representative Supervisor	21 July 2017	Presiding the work of the Supervisory Committee, responsible for supervising the board of directors (the "Board") and the senior management of the Company
Ms. Huang Zhixia	Employee representative Supervisor	21 July 2017	Responsible for supervising the Board and the senior management of the Company
Mr. Shi Zhengyu	Shareholder representative Supervisor	21 July 2017	Responsible for supervising the Board and the senior management of the Company
Mr. Li Jianhui	External Supervisor	21 August 2017	Responsible for supervising the Board and the senior management of the Company
Mr. Wang Shao	External Supervisor	21 August 2017	Responsible for supervising the Board and the senior management of the Company

II. Major Works of the Supervisory Committee in 2018

In 2018, being accountable to all shareholders of the Company (the "Shareholders"), the members of the Supervisory Committee of the Company strengthened the coordination and cooperation between the Board and the senior management and seriously performed the duties of supervision, for purposes of better playing a supervisory role of the Supervisory Committee, promoting the standardized operation and healthy development of the Company, and safeguarding the rights and interests of the Company and the Shareholders.

(i) Convening meetings of the Supervisory Committee according to law, and earnestly performing supervisory duties

In 2018, the Supervisory Committee held a total of 3 meetings of the Supervisory Committee.

The Supervisors carefully reviewed the meeting materials and fully studied and discussed the proposals before attending the meetings of the Supervisory Committee. The Supervisors attended meetings of the Supervisory Committee and earnestly performed supervisory duties. The details of Supervisors attendance at the meetings of the Supervisory Committee held are as follows:

Name	Number of supervisory meetings eligible to attend	Attendance in person	Attendance by proxy	Absence
Ms. Chen Liru	3	3	0	0
Ms. Huang Zhixia	3	3	0	0
Mr. Shi Zhengyu	3	3	0	0
Mr. Li Jianhui	3	3	0	0
Mr. Wang Shao	3	2	1	0

(ii) Supervising the Directors and Senior Management of the Company in their performance of duties

In 2018, the members of the Supervisory Committee reviewed the resolutions of the Board by attending board meetings, examined the daily operation and management of the Company and supervised the directors and senior management of the Company in their performance of duties.

(iii) Supervising the Continuing Connected Transactions of the Company with connected persons

In 2018, the members of the Supervisory Committee reviewed the continuing connected transactions of the Company by attending Supervisory Committee meetings. The members of the Supervisory Committee also attended the 2017 annual general meeting held on 31 May 2018 and the subsequent extraordinary general meeting held on 5 November 2018 to examine the Shareholders' approval for annual caps of the continuing connected transactions.

(iv) Monitoring Company's Operation

In 2018, members of the Supervisory Committee participated in discussions of major operating decisions, reviewed proposals submitted to the Board for consideration and examined and monitored the operation of the Company through attending Board meetings and general meetings of the Shareholders held by the Company. The Supervisory Committee is of the opinion that the business activities of the Company complied with relevant laws and regulations and the Articles of Association. Meanwhile, the Directors and senior management of the Company have diligently performed their duties and earnestly implemented the resolutions of the general meetings of the shareholders to safeguard the interests of the Shareholders and the benefit of the Company. In the course of examining the operation of the Company and supervising the performance of duties of the Directors and senior management, the Supervisory Committee has not found any of their behaviors that contravened any applicable laws and regulations or the Articles of Association or any issues that has caused damage to the interests of the Shareholders and the Company.

(v) Focusing on strategy fulfillment and implementation of effective supervision

The Supervisory Committee actively supported the Company's major work, assisted in the completion of listing H shares of the Company and paid close attention to the Company's major events and performed well in supervision and promotion duties.

III. Independent Opinions of Supervisory Committee

(i) Lawful Operation

In 2018, the Company's operations were in compliance with laws and regulations, and its decision-making procedures conformed to relevant laws, regulations and the Articles of Association. Directors and senior management of the Company duly performed their duties. The Supervisors Committee is not aware of any breach of laws, regulations and the Articles of Association or any actions which might be detrimental to the interests of the Company when Directors and senior management were performing their duties.

(ii) Annual Report

The preparation and review procedures of this annual report complies with laws and regulations and regulatory provisions. The contents of this annual report reflected the Company's actual situation truly, accurately and completely.

(iii) Performance Appraisal Results of Directors and Senior Management

In the view of the Supervisory Committee, Directors and senior management of the Company were in compliance with laws and carried out their duties responsibly and they performed their work in a practicable, diligent and due manner. The decision-making procedures were lawful.

(iv) Continuous Connected Transactions

In 2018, the continuous connected transactions of the Company were conducted based on business principles. There were no activities which impaired the interests of the Company in continuous connected transactions. The approval, voting, disclosure and implementation of continuous connected transactions complied with applicable laws and regulations and the Articles of Association.

IV. Major Initiatives for 2019

The Supervisory Committee will be strictly in accordance with the laws and regulations, Articles of Association and the Terms of Reference of the Supervisory Committee of the Company and other requirements of the relevant provisions to conduct discussion of daily business of the Supervisory Committee and diligently and responsibly perform their duties, including (1) to convene meetings of the Supervisory Committee according to the actual situation of the Company and review and consider various resolutions; (2) to review the Company's financial position by regularly understanding and reviewing financial reports, and monitor the financial operation of the Company in order to prevent against operational risks; and (3) diligently, responsibly and actively to participate in the Board meetings, general meetings and other important meetings as well as the decision-making process in relation to material matters to better safeguard the interests of the Company and the Shareholders.

pwc

羅兵咸永道

To the Shareholders of A-Living Services Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

Opinion

What we have audited

The consolidated financial statements of A-Living Services Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 91 to 172, which comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2018;
- the consolidated balance sheet as at 31 December 2018;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

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Tel: +852 2289 8888, Fax: +852 2810 9888, www.pwchk.com

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to goodwill impairment assessment.

Key Audit Matter	How our audit addressed the Key Audit Matter
Goodwill impairment assessment *Refer to notes 4(a) and 16 to the consolidated financial statements.* As at 31 December 2018, the Group had goodwill of RMB1,045,362,000 primarily in relation to the Group's acquisition of other property management services groups (the "Acquirees"). Goodwill is tested for impairment annually. For the purpose of impairment assessment, goodwill of RMB1,045,362,000 was allocated to respective Acquirees. Management assessed the recoverable amount of major Acquirees with the assistance of an independent external valuer (the "External Valuer") and determined based on a value-in-use ("VIU") calculation using cash flow projections based on financial budgets approved by management. The key assumptions considered primarily include (i) annual revenue growth rate, (ii) gross margin, (iii) long-term growth rate; and (iv) pre-tax discount rate. We focused on this area because of the materiality of the goodwill balance and because it involves complex and subjective judgements by the management about the key assumptions.	In connection with the goodwill impairment assessment, we have performed the following procedures: • Evaluated the competency, capabilities and objectivity of the External Valuer; • Evaluated the appropriateness of the methodology and the reasonableness of key assumptions adopted with the involvement of our internal valuation specialists; • Assessed the pre-tax discount rate with reference to comparable listed companies based on our industry knowledge and independent research done by us. For the annual revenue growth rate during the forecast period and gross margins, we compared them with historical financial data and approved budgets of the Acquirees. For the long-term growth rate, we assessed it with reference to the long-term expected inflation rate based on our independent research; • Tested source data to supporting evidence on a sample basis, such as approved budgets and available market data and considered the reasonableness of these budgets; and • Performed sensitivity analysis on the key assumptions adopted in the impairment assessment so as to assess the potential implication on the results of the impairment assessment if these key assumptions are to be changed within a reasonable range. We found that the valuation methodology was appropriate and the key assumptions adopted in the goodwill impairment assessment were supported by available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yeung Chor Ho.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 March 2019

Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December 2018 RMB'000	2017 RMB'000
Revenue	6	**3,376,749**	1,760,753
Cost of sales	7	**(2,086,808)**	(1,170,188)
Gross profit		**1,289,941**	590,565
Selling and marketing expenses	7	**(45,951)**	(32,629)
Administrative expenses	7	**(302,246)**	(171,222)
Reversal of impairment losses on financial assets		**2,750**	1,207
Other income	9	**102,297**	11,395
Other expenses		**(1,828)**	(799)
Other gains/(losses) — net	10	**31,317**	(100)
Operating profit		**1,076,280**	398,417
Finance (expenses)/income — net	11	**(917)**	4,279
Profit before income tax		**1,075,363**	402,696
Income tax expenses	13	**(264,484)**	(102,489)
Profit and total comprehensive income for the year		**810,879**	300,207
Profit and total comprehensive income attributable to:			
— Shareholders of the Company		**801,045**	289,727
— Non-controlling interests		**9,834**	10,480
		810,879	300,207
Earnings per share (expressed in RMB per share)			
— Basic and diluted earnings per share	14	**0.62**	0.35

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

Consolidated Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December 2018 RMB'000	2017 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	15	**80,006**	70,704
Other intangible assets	16	**166,448**	110,303
Goodwill	16	**1,045,362**	918,967
Deferred income tax assets	25	**15,629**	11,834
Investment accounted for using the equity method		**422**	—
		1,307,867	1,111,808
Current assets			
Inventories	18	**15,190**	17,397
Trade and other receivables	19	**1,164,913**	488,189
Loans and interest receivables due from related parties	20	**—**	13,248
Restricted cash		**586**	384
Cash and cash equivalents	21	**4,807,993**	879,771
		5,988,682	1,398,989
Total assets		**7,296,549**	2,510,797
Equity			
Equity attributable to shareholders of the Company			
Share capital	22	**1,333,334**	1,000,000
Reserves	23	**3,265,887**	373,543
Retained earnings		**823,119**	98,409
		5,422,340	1,471,952
Non-controlling interests		**87,697**	2,117
Total equity		**5,510,037**	1,474,069

	Note	As at 31 December 2018 RMB'000	2017 RMB'000
Liabilities			
Non-current liabilities			
Other payables	24	**23,656**	—
Deferred income tax liabilities	25	**36,562**	22,118
		60,218	22,118
Current liabilities			
Contract liabilities	6(a)	**365,499**	—
Trade and other payables	24	**1,168,900**	952,375
Current income tax liabilities		**191,895**	62,235
		1,726,294	1,014,610
Total liabilities		**1,786,512**	1,036,728
Total equity and liabilities		**7,296,549**	2,510,797

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

The financial statements on pages 91 to 172 were approved by the Board of Directors on 18 March 2019 and were signed on its behalf.

Chan Cheuk Hung
Director

Huang Fengchao
Director

Consolidated Statement of Changes in Equity

(All amounts in RMB thousands unless otherwise stated)

		Attributable to shareholders of the Company					
	Note	Share capital RMB'000 (Note 22)	Reserves RMB'000 (Note 23)	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2018		1,000,000	373,543	98,409	1,471,952	2,117	1,474,069
Comprehensive income							
Profit for the year		–	–	801,045	801,045	9,834	810,879
Transactions with shareholders of the Company							
Dividends	26	–	–	(50,000)	(50,000)	–	(50,000)
Acquisition of a subsidiary	29	–	–	–	–	74,674	74,674
Capital contribution from the non-controlling interests (the "NCI")		–	–	–	–	1,072	1,072
Issue of H shares	22(b)	333,334	2,866,009	–	3,199,343	–	3,199,343
Appropriation of statutory reserves	23(a)	–	26,335	(26,335)	–	–	–
		333,334	2,892,344	(76,335)	3,149,343	75,746	3,225,089
Balance at 31 December 2018		1,333,334	3,265,887	823,119	5,422,340	87,697	5,510,037

		Attributable to shareholders of the Company					
	Note	Share capital RMB'000 (Note 22)	Reserves RMB'000 (Note 23)	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2017		50,000	105,497	124,144	279,641	23,841	303,482
Comprehensive income							
Profit for the year		—	—	289,727	289,727	10,480	300,207
Transactions with shareholders of the Company							
Capital contribution from the then shareholders		—	1,000	—	1,000	—	1,000
Dividends	26	—	—	(269,605)	(269,605)	(28,370)	(297,975)
Effect of the Company's conversion from a limited liability company into a joint stock company		—	5,103	(5,103)	—	—	—
Transaction with the NCI		—	4,944	—	4,944	(6,324)	(1,380)
Effect of the reorganisation of the Group		—	(32,392)	—	(32,392)	—	(32,392)
Capital contribution from the NCI		—	—	—	—	2,490	2,490
Issue of ordinary shares		28,000	1,170,637	—	1,198,637	—	1,198,637
Transfer from share premium to share capital		922,000	(922,000)	—	—	—	—
Appropriation of statutory reserves	23(a)	—	40,754	(40,754)	—	—	—
		950,000	268,046	(315,462)	902,584	(32,204)	870,380
Balance at 31 December 2017		1,000,000	373,543	98,409	1,471,952	2,117	1,474,069

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

Consolidated Statement of Cash Flows

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December 2018 RMB'000	2017 RMB'000
Cash flows from operating activities			
Cash generated from operations	27(a)	**1,026,488**	363,731
Income tax paid		**(143,323)**	(76,432)
Net cash generated from operating activities		**883,165**	287,299
Cash flows from investing activities			
Purchases of property, plant and equipment ("PPE")		**(19,234)**	(16,851)
Proceeds from disposal of PPE		**1,242**	380
Purchase of other intangible assets		**(1,891)**	(12,713)
Loans repayments received from related parties	30(e)	**13,248**	1,036,000
Purchase of wealth management products		**–**	(2,790,000)
Redemption of wealth management products		**–**	2,790,000
Interest received		**–**	46,108
Cash advances to related parties		**(3,643)**	(25,392)
Acquisition of subsidiaries (net of cash and cash equivalent acquired)	29	**(116,402)**	(981,182)
(Increase)/decrease in restricted bank deposits		**(202)**	2,920
Gains on forward foreign exchange contracts	10	**14,641**	–
Net cash (used in)/generated from investing activities		**(112,241)**	49,270
Cash flows from financing activities			
Capital contribution from the then shareholders		**–**	1,000
Capital contribution from NCI		**1,072**	2,490
Proceeds from issue of ordinary shares		**3,313,422**	1,198,637
Repayments of borrowings	27(b)	**(12,000)**	(809,000)
Interest paid		**(376)**	(32,727)
(Repayment)/receipt of cash advances from related parties	27(b)	**(19,549)**	6,700
Acquisition of subsidiaries from the then shareholders for reorganisation		**–**	(33,772)
Dividends paid to the then shareholders	27(b)	**(50,000)**	(269,605)
Dividends paid to the NCI		**–**	(28,370)
Listing expenses paid		**(90,166)**	(15,314)
Net cash generated from financing activities		**3,142,403**	20,039
Net increase in cash and cash equivalents		**3,913,327**	356,608
Cash and cash equivalents at beginning of year		**879,771**	523,163
Effect of exchange rate changes on cash and cash equivalents		**14,895**	–
Cash and cash equivalents at end of year	21	**4,807,993**	879,771

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

1 General information

The Company was established in the People's Republic of China (the "PRC") on 26 June 1997. On 21 July 2017, the Company was converted from a limited liability company into a joint stock company with limited liability. The address of the Company's registered office is Management Building, Xingye Road, Agile Garden, Sanxiang Town, Zhongshan, Guangdong Province, PRC.

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

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

The Company and its subsidiaries (together the "Group") are primarily engaged in the provision of property management services and related value-added services in the PRC.

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

2 Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") and disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

- HKFRS 9 *Financial Instruments*
- HKFRS 15 *Revenue from Contracts with Customers*
- *Classification and Measurement of Share-based Payment Transactions — Amendments to HKFRS 2*
- *Annual Improvements 2014–2016 cycle*
- *Transfers to Investment Property — Amendments to HKAS 40*
- *Interpretation 22 Foreign Currency Transactions and Advance Consideration*

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group (continued)

The Group had to change its accounting policies and make certain retrospective adjustments following the adoption of HKFRS 9 and HKFRS 15 (note 2.2). Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards not yet adopted

The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2018 and have not been early adopted:

		Effective for annual periods beginning on or after
HKFRS 16	Leases	1 January 2019
HK (IFRIC) 23	Uncertainty over Income Tax Treatments	1 January 2019
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures	1 January 2019
HKFRS 9 (Amendment)	Prepayment features with negative compensation	1 January 2019
HKAS 19 (Amendment)	Plan amendment, curtailment or settlement	1 January 2019
Annual Improvements to HKFRSs 2015–2017 cycle	Clarifying previously held interest in a joint operation under HKFRS 3 Business Combinations and HKFRS 11 Joint Arrangements Clarifying income tax consequences of payments on financial instruments classified as equity under HKAS 12 Income Taxes Clarifying borrowing costs eligible for capitalisation under HKAS 23 Borrowing Costs	1 January 2019
HKFRS 3 (Amendment)	Definition of a Business	1 January 2020
HKAS 1 and HKAS 8	Amendment definition of material	1 January 2020
HKFRS 17	Insurance contract	1 January 2021
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) New and amended standards not yet adopted (continued)

The Group has already commenced an assessment of the impact of these new or revised standards, interpretation and amendments, certain of which are relevant to the Group's operations. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) HKFRS 16 Leases

Nature of change

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Impact

The Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in HKFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB39,344,000 (note 28(b)). Of these commitments, approximately RMB15,511,000 relate to short-term leases and RMB1,621,000 relate to low value leases which will both be recognised on a straight-line basis as expense in profit or loss.

For the remaining lease commitments, the Group expects to recognise right-of-use assets of approximately RMB21,273,000 on 1 January 2019, lease liabilities of RMB21,273,000 (after adjustments for prepayments and accrued lease payments recognised as at 31 December 2018).

The Group expects that net profit after tax will decrease by approximately RMB95,000 for 2019 as a result of adopting the new rules.

Operating cash flows will increase and financing cash flows decrease by approximately RMB15,988,000 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

Date of adoption by Group

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 Summary of significant accounting policies (continued)

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers on the Group's financial statements and also discloses the new accounting policies.

2.2.1 Impact on the financial statements

The Directors of the Group consider that the changes in the Group's accounting policies do not have any material impacts on prior year financial statements.

2.2.2 HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 only resulted in changes in accounting policies. No adjustments were made to the amounts recognised in the financial statements. The new accounting policies are set out in note 2.11 below.

The changes on the classification and measurement models introduced by HKFRS 9 do not have material impact on the Group's existing financial assets and liabilities, as they are comprised of loans and receivables and financial liabilities at amortised costs as determined under HKAS 39, which are similar to the financial assets and liabilities measured at amortised cost under HKFRS 9, and are expected to continuously be initially recognised at fair value and subsequently measured at amortised cost.

The Group's trade and other receivables (excluding prepayments) are subject to HKFRS 9's new expected credit loss model. The Group was required to revise its impairment methodology under HKFRS 9 for trade and other receivables (excluding prepayments).

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. The Group has assessed that there is no significant increase of credit risk for other receivables (excluding prepayments), thus the impairment provision is determined as 12 months expected credit losses. The Directors of the Group consider that there is no material impact of the change in impairment methodology on the Group's retained earnings and equity.

2.2.3 HKFRS 15 Revenue from Contracts with Customers

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies. The new accounting policies are set out in note 2.23 below. The Directors of the Group consider that, except that for the liabilities related to contracts with customers that were previously presented as part of trade and other payables were classified as contract liabilities, the changes on the Group's revenue recognition policies do not have material impact on the amounts recognised in the financial statements.

2 Summary of significant accounting policies (continued)

2.3 Principles of consolidation and equity accounting

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.4).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

2.3.2 Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.10.

2 Summary of significant accounting policies (continued)

2.4 Business combinations

(a) Business combinations under common control

The consolidated financial statements incorporates the financial statement items of the entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

A uniform set of accounting polices is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

(b) Business combinations not under common control

Except for the reorganisation, the Group applies the acquisition method to account for business combinations not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

(c) Acquisition-related costs are expensed as incurred

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

2 Summary of significant accounting policies (continued)

2.4 Business combinations (continued)

(c) Acquisition-related costs are expensed as incurred (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

2 Summary of significant accounting policies (continued)

2.7 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within "other gains/(losses) — net" in the consolidated statement of comprehensive income.

2.8 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

— Buildings	20–60 years
— Transportation equipment	4–10 years
— Office equipment	5–10 years
— Machinery	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) — net" in the consolidated statement of comprehensive income.

2 Summary of significant accounting policies (continued)

2.9 Intangible assets

(a) Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill is not amortised but its impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared with the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Trademarks

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 5–10 years.

(c) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of 6–8 years for the customer relationship.

(d) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (2 to 10 years).

(e) Research and development

Research and development costs that are directly attributable to the design and testing of identifiable and unique software products, for example, applications, controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;
- There is an ability to use the software product;

2 Summary of significant accounting policies (continued)

2.9 Intangible assets (continued)

(e) Research and development (continued)

- It can be demonstrated how the software product will generate probable future economic benefits;

- Adequate technical, financial and other resources to complete the research and development and to use the software product are available; and

- The expenditure attributable to the software product during its research and development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.10 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Investments and other financial assets

(a) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

2 Summary of significant accounting policies (continued)

2.11 Investments and other financial assets (continued)

(a) Classification (continued)

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (the "FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in consolidated income statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in consolidated income statement.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 Summary of significant accounting policies (continued)

2.11 Investments and other financial assets (continued)

(c) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(d) Accounting policies applied until 31 December 2017

Classification

The Group classifies its financial assets in the following categories: loans and receivables, available for sale financial assets and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the consolidated balance sheet.

2 Summary of significant accounting policies (continued)

2.11 Investments and other financial assets (continued)

(d) Accounting policies applied until 31 December 2017 (continued)

Classification (continued)

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Derivatives not designated for hedge are categorised as financial assets at fair value through profit or loss. Derivatives are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current. Derivatives financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The change of fair value is recognised immediately in profit or loss within “Finance (expenses)/income - net”.

When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as “other gains/(losses) – net”.

Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group’s right to receive payments is established.

Changes in the fair value of monetary and non-monetary equity instruments classified as available for sale are recognised in other comprehensive income.

Impairment of financial assets

(i) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

2 Summary of significant accounting policies (continued)

2.11 Investments and other financial assets (continued)

(d) Accounting policies applied until 31 December 2017 (continued)

Impairment of financial assets (continued)

(i) Assets carried at amortised cost (continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(ii) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 Summary of significant accounting policies (continued)

2.14 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 12 months and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 19 for further information about the Group's accounting for trade and other receivables and note 4(c) for a description of the Group's impairment policies.

2.15 Cash and cash equivalents, restricted cash

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks. Bank deposits which are restricted to use are included in "restricted cash" of the consolidated balance sheet.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 Summary of significant accounting policies (continued)

2.19 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2 Summary of significant accounting policies (continued)

2.20 Current and deferred income tax (continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(a) Pension obligations

The Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administered funds managed by the governments.

The Group also participates in a retirement benefit scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("MPF Scheme") for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of the lower of 5% of eligible employees' relevant aggregate income and HK$1,500. The assets of this MPF Scheme are held separately from those of the Group in independently administered funds.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(b) Housing benefits

Full-time PRC employees of the Group are entitled to participate in government-sponsored housing funds. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds are expensed as incurred.

2 Summary of significant accounting policies (continued)

2.21 Employee benefits (continued)

Short-term obligations (continued)

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2.22 Provisions

Provisions for environmental restoration, restructuring costs, and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.23 Revenue recognition

The Group are primarily engaged in the provision of property management services and related value-added services and sales of goods, parking lots and shops. Revenue from providing services is recognised in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group’s performance when the Group performs.

For property management services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

2 Summary of significant accounting policies (continued)

2.23 Revenue recognition (continued)

For property management services income from properties managed under lump sum basis, where the Group acts as principal and is primary responsible for providing the property management services to the property owners, the Group entitles to revenue at the value of property management services fee received or receivable and recognises all related property management costs as its cost of service. For property management service income from properties managed under commission basis, where the Group acts as an agent of the property owner and is arranging and monitoring the services as provided by other suppliers to the property owners, the Group entitles revenue at a pre-determined percentage or amount of the property management fee received or receivable by the properties.

For value-added services related to non-property management (including pre-delivery services, household assistance services, property agency services and other services), the Group agrees the price for each service with the customers upfront and issues the monthly bill to the customers which varies based on the actual level of service completed in that month.

For value-added services related to property management, revenue is recognised when the related community value-added services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered to the customer.

Revenue from sales of goods, parking lots and shops is recognised when the Group has delivered the goods, parking lots and shops to the purchaser and the collectability of related consideration is reasonably assured.

If contracts involve the sale of multiple services, the transaction price allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Incremental costs incurred to obtain a contact, if recoverable, are capitalized and presented as assets and subsequently amortised when the related revenue is recognised. The Group applied the practical expedient to recognise the incremental costs of obtaining a contract as an expense immediately if the amortization period is less than 12 months.

2 Summary of significant accounting policies (continued)

2.24 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.25 Leases

(a) The Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

(b) The Group is the lessor

When assets are leased out under operating lease, the assets are included in the balance sheet based on the nature of the assets. Rental income is recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease.

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.27 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3 Financial risk management

3.1 Financial risk factors

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

3.1.1 Foreign exchange risk

The Group's businesses are principally conducted in RMB, except that receipts of proceeds from listing on the Main Board of the Stock Exchange are in other currency. As at 31 December 2018, major non-RMB assets are cash and cash equivalents of RMB33,423,000 denominated in HK dollar ("HK$"). Fluctuation of the exchange rates of RMB against foreign currency could affect the Group's results of operations. The Group has entered into certain forward foreign exchange contracts with reputable banks to mitigate the foreign exchange risk of its listing proceeds denominated in HK$. All forward foreign exchange contracts matured and have been settled as at 31 December 2018.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the respective balance sheet dates are as follow:

	As at 31 December	
	2018 **RMB'000**	2017 RMB'000
Monetary assets		
— HK$	**33,423**	—

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% increase/decrease in RMB against the relevant currencies, the effect of increase/(decrease) in the profit for the year is as follows:

	As at 31 December	
	2018 **RMB'000**	2017 RMB'000
5% increase in RMB against HK$	**(1,253)**	—
5% decrease in RMB against HK$	**1,253**	—

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables and cash deposits with banks. The carrying amounts of trade and other receivables, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

For trade and other receivables, the management of the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

— internal credit rating

— external credit rating

— actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations

— actual or expected significant changes in the operating results of individual property owner or the borrower

— significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

(a) ***A summary of the assumptions underpinning the Group's expected credit loss model is as follows:***

Category	Group definition of category	Basis for recognition of expected credit loss provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 90 days past due	Lifetime expected losses
Non-performing	Interest and/or principal repayments are 365 days past due	Lifetime expected losses

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

(b) ***Trade and other receivables (excluding prepayments)***

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group uses the expected credit loss model as specified in note(a) to determine the expected loss provision for other receivables (excluding prepayments). As at 31 December 2018, the Group has assessed that there is no significant increase of credit risk for other receivables. Thus the Group used the 12 months expected credit losses model to assess credit loss of other receivables.

As at 31 December 2018, the Group has assessed that the expected loss rate for trade and other receivables from related parties was immaterial considering the good finance position and credit history of the related parties. Thus no loss allowance provision for trade receivables and other receivables from related parties was recognised.

On that basis, as at 31 December 2018, the loss allowance provision for the trade receivables due from third parties was determined as follow. The expected credit losses below also incorporated forward looking information.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

(b) Trade and other receivables (excluding prepayments) (Continued)

	Up to 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Trade receivables (excluding trade receivables from related parties)						
At 31 December 2018						
Expected loss rate	0%	1%	10%	20%	50%	
Gross carrying amount (RMB'000)	193,834	47,999	58,124	21,038	21,771	342,766
Loss allowance provision (RMB'000)	–	480	5,812	4,208	10,885	21,385

As at 31 December 2018, the loss allowance provision for trade and other receivables (excluding prepayments) reconciles to the opening loss allowance for that provision as follows:

	Trade receivables (excluding trade receivables from related parties) RMB'000	Other receivables (excluding prepayments and other receivables from related parties) RMB'000	Total RMB'000
At 1 January 2018	7,443	1,256	8,699
Impact of acquisition of subsidiaries	16,637	2,271	18,908
Provision for loss allowance	6,486	1,676	8,162
Unused amounts reversed	(9,181)	(1,731)	(10,912)
At 31 December 2018	21,385	3,472	24,857

As at 31 December 2018, the gross carrying amount of trade and other receivables (excluding prepayments) was RMB1,153,817,000 and thus the maximum exposure to loss was RMB1,128,960,000.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.3 Liquidity risk

Management aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing, including short-term and long-term borrowings and capital injection by the shareholders to meet its daily operation working capital requirements.

The table below set out the Group's financial liabilities by relevant maturity grouping at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months from the balance sheet date equal to their carrying amounts in the balance sheets, as the impact of discount should not be significant.

	Less than 1 year RMB'000	**Between 1 and 2 years** RMB'000	**Between 2 and 5 years** RMB'000	**Total** RMB'000
As at 31 December 2018				
Trade and other payables (*)	**817,748**	**15,423**	**8,233**	**841,404**
As at 31 December 2017				
Trade and other payables (*)	481,794	—	—	481,794

* Excluding non-financial liabilities

3.2 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 shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

The Group monitors its capital structure by maintaining its gearing ratio at a prudent level. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents and restricted cash.

As at 31 December 2017 and 2018, the Group maintained at net cash position.

4 Critical accounting estimates and judgements

The Group makes estimates and assumptions in the preparation of the Group's consolidated financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.9, where the recoverable amounts of the CGU is determined based on value-in-use ("VIU") calculations. These calculations require the use of estimates. Details of impairment assessment, key assumptions and impact of possible changes in key assumptions are disclosed in note 16.

(b) Estimation of the useful life of customer relationship identified in business combination

Customer relationship identified in the business combination on respective acquisition date (note 29) is recognised as intangible assets (note 16). As at 31 December 2018, the carrying amount of the customer relationship identified in the acquisition was RMB122,405,000. Customer relationship primarily related to the existing contracts of acquirees on the acquisition date. A large portion of the existing contracts of acquirees are with no specific expiration date and the remaining contracts are with contract periods of one to five years. Based on past experience, termination or non-renewal of property management contracts with the property developers or property owners' association are uncommon. The Group thus estimates the useful life and determines the amortisation period of the customer relationship to be six to eight years based on the expected contract duration of the property management contracts.

However, the actual useful life may be shorter or longer than estimate, depending on acquirees' ability to secure its contracts and relationships with property developers or renew the contracts with property owners' associations in the future. Where the actual contract duration is different from the original estimate, such difference will impact the carrying amount of the intangible asset of customer relationship and the amortisation expenses in the periods in which such estimate has been changed.

(c) Allowance on doubtful receivables

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and doubtful debt expenses in the periods in which such estimate has been changed. For details of key assumptions and inputs used, please refer to note 3.1.2 above.

4 Critical accounting estimates and judgements (continued)

(d) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

5 Segment information

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

During the years ended 31 December 2018 and 2017, the Group was principally engaged in the provision of property management services and related value-added services, including pre-delivery services, household assistance service, property agency services and other services, in the PRC.

Historically, the Group provided property management services under the brand “Agile Property Management”. On 30 June 2017, the Group acquired Greenland Property Services and implemented a dual-brand driven strategy of “Agile Property Management” and “Greenland Property Services”.

On 30 April and 31 August 2018, the Group acquired other two property management entities under the brands of “Nanjing Zizhu Property Services” and “Jingji Property Services” respectively (note 29).

The CODM of the Company examines the Group’s performance for each brands and has identified one reportable segment — Agile Property Management.

For the year ended 31 December 2018, Greenland Property Services, Nanjing Zizhu Property Services and Jingji Property Services have been aggregated into “All other segments” as they are principally engaged in the provision of similar services to similar customers, and have similar long-term average gross margins.

The CODM of the Company assesses the performance of the operating segments primarily based on a measure of segment revenue, segment results, segment assets and segment liabilities. Segment results excluded other income, other gains/(losses) — net, finance income and income tax expenses, and segment assets excluded deferred income tax, as these activities are centrally driven by the Group.

As at 31 December 2018, most of the assets were located in the PRC except for bank deposits of HK$38,145,000 (equivalent to RMB33,422,000) and RMB1,176,050,000 in Hong Kong (2017: nil).

5 Segment information (continued)

Segment revenue and results

The segment revenue and results and the reconciliation with profit for the year ended 31 December 2018 are as follows:

	Agile Property Management RMB'000	All other segments RMB'000	Total RMB'000
Gross segment sales	2,843,663	547,578	3,391,241
Inter-segment revenue	(14,492)	—	(14,492)
Revenue from external customers	2,829,171	547,578	3,376,749
Timing of revenue recognition			
— Over time	2,824,976	547,578	3,372,554
— At a point in time	4,195	—	4,195
Segment results	868,906	72,843	941,749
Other income			102,297
Other gains — net			31,317
Income tax expense			(264,484)
Profit for the year			810,879
Segment results include:			
Depreciation	9,599	522	10,121
Amortisation	2,252	21,050	23,302

5 Segment information (continued)

Segment revenue and results (continued)

The segment revenue and results and the reconciliation with profit for the year ended 31 December 2017 are as follows:

	Agile Property Management RMB'000	Greenland Property Services RMB'000	Total RMB'000
Revenue from external customers	1,678,152	82,601	1,760,753
Timing of revenue recognition			
— Over time	1,665,188	82,601	1,747,789
— At a point in time	12,964	—	12,964
Segment results	312,418	25,913	338,331
Other income			11,395
Other losses — net			(100)
Finance income			53,070
Income tax expense			(102,489)
Profit for the year			300,207
Segment results include:			
Depreciation	7,333	21	7,354
Amortisation	1,535	6,613	8,148

5 Segment information (continued)

Segment assets and liabilities

The segment assets and liabilities and the reconciliation with total assets and liabilities of the Group as at 31 December 2018 are as follows:

	Agile Property Management RMB'000	All other segments RMB'000	Total RMB'000
Segment assets	5,508,352	1,772,568	7,280,920
Unallocated assets			
— Deferred income tax assets			15,629
Total segment assets			7,296,549
Segment liabilities	1,388,853	361,097	1,749,950
Unallocated liabilities			
— Deferred income tax liabilities			36,562
Total liabilities			1,786,512
Capital expenditure	15,860	5,265	21,125

The segment assets and liabilities and the reconciliation with total assets and liabilities of the Group as at 31 December 2017 are as follows:

	Agile Property Management RMB'000	Greenland Property Services RMB'000	Total RMB'000
Segment assets	1,348,819	1,150,144	2,498,963
Unallocated assets			
— Deferred income tax assets			11,834
Total segment assets			2,510,797
Segment liabilities	885,185	129,425	1,014,610
Unallocated liabilities			
— Deferred income tax liabilities			22,118
Total liabilities			1,036,728
Capital expenditure	29,482	82	29,564

6 Revenue

Revenue mainly comprises proceeds from property management services and related value-added services. An analysis of the Group's revenue by category for the years ended 31 December 2018 and 2017 is as follows:

	Timing of revenue recognition	Year ended 31 December 2018 RMB'000	2017 RMB'000
Property management services	over time	**1,624,835**	1,205,589
Value-added services related to property management			
— Other value-added services	over time	**1,747,719**	542,200
— Sales of goods, parking lots and shops	at a point in time	**4,195**	12,964
		3,376,749	1,760,753

(a) Contract liabilities

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

	As at 31 December 2018 RMB'000
Contract liabilities	
— Related parties (Note 30(d))	**51,660**
— Third parties	**313,839**
	365,499

(i) The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from property management services.

(ii) **Revenue recognised in relation to contract liabilities**

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

Revenue recognised that was included in the balance of contract liabilities at 1 January 2018	**RMB'000**
Property management services	**254,602**
Value-added services	**2,622**
	257,224

6 Revenue (continued)

(a) Contract liabilities (continued)

(iii) Unsatisfied performance obligations

For property management services and part of value-added services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts. The majority of the property management services contracts do not have a fixed term.

For value-added services related to property management, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts.

(b) Assets recognised from incremental costs to obtain a contract

During the year ended 31 December 2018, there was no significant incremental costs to obtain a contract.

7 Expenses by nature

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Employee benefit expenses (Note 8)	**1,472,514**	777,194
Cleaning expenses	**222,319**	131,233
Maintenance costs	**130,856**	63,251
Utilities	**120,210**	106,105
Security charges	**79,901**	12,167
Cost of consumables	**79,015**	61,969
Travelling and entertainment expenses	**59,925**	27,104
Greening and gardening expenses	**53,702**	46,224
Consulting fees	**21,518**	24,341
Depreciation and amortisation charges	**33,423**	15,502
Operating lease payments	**28,148**	13,138
Advertising expenses	**24,971**	15,186
Office expenses	**24,801**	12,617
Taxes and other levies	**24,300**	15,205
Employees training expenses	**8,121**	5,994
IT system maintenance expenses	**4,157**	3,162
Auditors' remuneration		
— Audit services	**3,100**	1,500
— Non-audit services	**1,809**	—
Cost of selling parking lots and shops	**1,584**	12,303
Others	**40,631**	29,844
	2,435,005	1,374,039

8 Employee benefit expenses

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Wages and salaries	**1,224,905**	619,097
Social insurance expenses (Note(a))	**142,655**	89,773
Housing benefits	**32,447**	19,974
Other employee benefits (Note(b))	**72,507**	48,350
Total (including emoluments of directors and supervisors)	**1,472,514**	777,194

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

(b) Other employee benefits mainly include meal, travelling and festival allowances.

(c) Five highest paid individuals
The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2018 include 2 directors (2017: 2 directors), whose emoluments are reflected in the analysis shown in Note 32. The emoluments payable to the remaining 3 individuals during the year ended 31 December 2018 (2017: 3 individuals) were as follows:

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind	**8,344**	8,808

The emoluments fell within the following bands:

	Number of individuals Year ended 31 December	
	2018	2017
Emolument bands (in HK dollar)		
HK$2,000,001–HK$2,500,000	**–**	1
HK$2,500,001–HK$3,000,000	**1**	–
HK$3,000,001–HK$3,500,000	**1**	–
HK$3,500,001–HK$4,000,000	**1**	1
HK$4,000,001–HK$4,500,000	**–**	1

9 Other income

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Interest income	**92,775**	6,286
Government grants (Note (a))	**4,263**	—
Late payment charges	**2,562**	2,961
Miscellaneous	**2,697**	2,148
	102,297	11,395

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

10 Other gains/(losses) — net

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Losses on disposal of property, plant and equipment	**(214)**	(100)
Gains on forward foreign exchange contracts	**14,641**	—
Exchange gains	**16,890**	—
	31,317	(100)

11 Finance (expenses)/income — net

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Finance expenses:		
— Interest expenses of amortisation of long-term consideration	**(541)**	—
— Interest expenses of short-term borrowings	**(376)**	—
— Interest expenses of asset-backed securities	**—**	(48,791)
	(917)	(48,791)
Finance income:		
— Interest income from loans due from related parties (Note 30(e))	**—**	53,070
Finance (expenses)/income — net	**(917)**	4,279

(All amounts in RMB thousands unless otherwise stated)

12 Subsidiaries

The following is a list of the principal subsidiaries at 31 December 2018 and 2017:

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2018	2017	2018	2017
Foshan Nanhai Agile Property Management Services Co., Ltd. 佛山市南海區雅居樂物業管理服務有限公司	The PRC, Limited liability company	RMB5,000,000	Property management services in Mainland of the PRC	100%	100%	–	–
Guangzhou Agile Property Management Services Co., Ltd. 廣州雅居樂物業管理服務有限公司	The PRC, Limited liability company	RMB1,000,000	Property management services in Mainland of the PRC	100%	100%	–	–
Guangzhou Huadu Agile Property Management Services Co., Ltd. 廣州市花都雅居樂物業管理服務有限公司	The PRC, Limited liability company	RMB3,000,000	Property management services in Mainland of the PRC	100%	100%	–	–
Hainan Agile Property Services Co., Ltd. 海南雅居樂物業服務有限公司	The PRC, Limited liability company	RMB3,000,000	Property management services in Mainland of the PRC	100%	100%	–	–
Harrogate Property Services (Shanghai) Co., Ltd. 雅萊格物業服務(上海)有限公司	The PRC, Limited liability company	RMB5,000,000	Property management services in Mainland of the PRC	100%	100%	–	–
Guangzhou Harrogate Property Management Services Co., Ltd. 廣州雅萊格物業管理服務有限公司	The PRC, Limited liability company	RMB1,000,000	Property management services in Mainland of the PRC	100%	100%	–	–
Guangzhou Yatian Network Technology Co., Ltd. ("Guangzhou Yatian") 廣州市雅天網絡科技有限公司	The PRC, Limited liability company	RMB10,000,000	Software engineering services in Mainland of the PRC	100%	100%	–	–
Guangzhou Yafang Travel Co., Ltd. 廣州市雅方旅遊有限公司	The PRC, Limited liability company	RMB1,000,000	Travel agency services in Mainland of the PRC	100%	100%	–	–
Zhongshan Agile Security Services Co., Ltd.* 中山市雅居樂保安服務有限公司	The PRC, Limited liability company	RMB1,010,000	Property management services in Mainland of the PRC	100%	100%	–	–
Guangzhou Yatao Advertisement Co., Ltd.* 廣州市雅韜廣告有限公司	The PRC, Limited liability company	RMB1,000,000	Advertising services in Mainland of the PRC	100%	100%	–	–
A-TRO Properties Consultancy Co., Ltd.* 雅卓房地產顧問有限公司 (formerly known as: Guangzhou Yazhuo Real Estate Sales Co., Ltd.* (廣州市雅卓房地產營銷有限公司))	The PRC, Limited liability company	RMB1,000,000	Real estate marketing services in Mainland of the PRC	100%	100%	–	–
Guangzhou Yaxin Engineering Consultancy Co., Ltd.* 廣州市雅信工程諮詢有限公司	The PRC, Limited liability company	RMB1,000,000	House inspection services in Mainland of the PRC	100%	100%	–	–
Greenland Property Services Co., Ltd.* 上海綠地物業服務有限公司	The PRC, Limited liability company	RMB5,500,000	Property management services in Mainland of the PRC	100%	100%	–	–

(All amounts in RMB thousands unless otherwise stated)

12 Subsidiaries (continued)

The following is a list of the principal subsidiaries at 31 December 2018 and 2017 (continued):

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2018	2017	**2018**	2017
Guangzhou Yatong Intelligent Technology Co., Ltd.* 廣州市雅通智能科技有限公司	The PRC, Limited liability company	RMB1,000,000	Information technology consulting service in Mainland of the PRC	**51%**	51%	**49%**	49%
Heilongjiang Yatian Network Technology Co., Ltd.* 黑龍江雅天網絡科技有限公司	The PRC, Limited liability company	RMB8,000,000	Software engineering services in Mainland of the PRC	**60%**	60%	**40%**	40%
Nantong Yazhuo Real Estate Marketing Co., Ltd.* 南通雅卓房地產營銷有限公司	The PRC, Limited liability company	RMB1,000,000	Real estate marketing services in Mainland of the PRC	**100%**	100%	**–**	–
Zhuosen Property Management Co., Ltd.* 卓森物業管理有限公司	The PRC, Limited liability company	RMB50,000,000	Property management services in Mainland of the PRC	**100%**	N/A	**–**	N/A
A-Living Investment Holdings (Hong Kong) Limited 雅生活投資控股(香港)有限公司	Hong Kong, Limited liability company	HK$10,000	Investment Holding in Hong Kong	**100%**	N/A	**–**	N/A
Nanjing Zizhu Property Management Services Co., Ltd.* ("Nanjing Zizhu") 南京紫竹物業管理股份有限公司	The PRC, Limited liability company	RMB11,764,705	Property management services in Mainland of the PRC	**51%**	N/A	**49%**	N/A
Shenzhen Jingji Domestic Property Management Co., Ltd.* 深圳市京基住宅物業管理有限公司	The PRC, Limited liability company	RMB500,000	Property management services in Mainland of the PRC	**100%**	N/A	**–**	N/A
Zhanjiang Xiyue Jingjicheng Property Services Co., Ltd* 湛江市西粵京基城物業服務有限公司	The PRC, Limited liability company	RMB3,000,000	Property management services in Mainland of the PRC	**100%**	N/A	**–**	N/A
Gongqingcheng Lexianghui Investment Co., Ltd.* 共青城樂享薈投資有限公司	The PRC, Limited liability company	RMB10,000,000	Investment Holding in Mainland of the PRC	**100%**	N/A	**–**	N/A
Shandong A-Living Changbo Property Services Co., Ltd.* 山東雅生活暢博物業服務有限公司	The PRC, Limited liability company	RMB3,600,000	Property management services in Mainland of the PRC	**60%**	N/A	**40%**	N/A
Henan Agile Property Services Co., Ltd.* 河南雅居樂物業服務有限公司	The PRC, Limited liability company	RMB10,000,000	Property management services in Mainland of the PRC	**100%**	N/A	**–**	N/A
Huoer Guosi Yatao Advertisement Co., Ltd.* 霍爾果斯雅韜廣告有限公司	The PRC, Limited liability company	RMB500,000	Advertising services in Mainland of the PRC	**100%**	N/A	**–**	N/A
Tianjin Agile Enterprise Management Services Co., Ltd.* 天津雅居樂企業管理服務有限公司	The PRC, Limited liability company	RMB5,000,000	Enterprise Management consulting services in Mainland of the PRC	**100%**	N/A	**–**	N/A
Hainan A-Living Travel and Home Resort Apartment Management Co., Ltd.* 海南雅生活旅家度假公寓管理有限公司	The PRC, Limited liability company	RMB1,000,000	Hotel management in Mainland of the PRC	**51%**	N/A	**49%**	N/A

12 Subsidiaries (continued)

The following is a list of the principal subsidiaries at 31 December 2018 and 2017 (continued):

Company name	Place of incorporation and kind of legal entity	Registered/ issued and paid-up capital	Principal activities and place of operation	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2018	2017	**2018**	2017
Tianjin Lexianghui Community Service Co., Ltd.* 天津樂享薈社區服務有限公司	The PRC, Limited liability company	RMB10,000,000	Community Services in Mainland of the PRC	**100%**	N/A	**–**	N/A
Tianjin Yaxin Engineering Consultancy Co., Ltd.* 天津雅信工程諮詢有限公司	The PRC, Limited liability company	RMB500,000	Engineering Consulting services in Mainland of the PRC	**100%**	N/A	**–**	N/A
Zhuhai Hengqin Yaheng Engineering Consultancy Co., Ltd.* ("Hengqin Yaheng") 珠海橫琴雅恒工程諮詢有限公司	The PRC, Limited liability company	RMB5,000,000	Engineering Consulting services in Mainland of the PRC	**100%**	N/A	**–**	N/A
HK A-TRO Property Marking Co., Ltd. 香港雅卓房地產營銷有限公司	Hong Kong, Limited liability company	HK$1,000,000	Real estate marketing services in Hong Kong	**100%**	N/A	**–**	N/A
Guangzhou Yazhuo Land Co., Ltd.* 廣州市雅卓置業有限公司	The PRC, Limited liability company	RMB1,000,000	Real estate marketing services in Mainland of the PRC	**100%**	N/A	**–**	N/A
Tengchong Yazhuo Real Estate Agent Co., Ltd.* 騰沖雅卓房地產經紀有限公司	The PRC, Limited liability company	RMB500,000	Real estate marketing services in Mainland of the PRC	**100%**	N/A	**–**	N/A
Urumqi A-Living Lvdi Property Services Co., Ltd.* 烏魯木齊雅生活綠地物業服務有限公司	The PRC, Limited liability company	RMB500,000	Property management services in Mainland of the PRC	**100%**	N/A	**–**	N/A

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

13 Income tax expenses

	Year ended 31 December	
	2018 RMB'000	2017 RMB'000
Current income tax		
— PRC corporate income tax	**272,983**	98,634
Deferred income tax (Note 25)		
— PRC corporate income tax	**(8,499)**	3,855
	264,484	102,489

13 Income tax expenses (continued)

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

	Year ended 31 December	
	2018 **RMB'000**	2017 RMB'000
Profit before income tax	**1,075,363**	402,696
Tax charge at effective rate applicable to profits in the respective group entities	**258,250**	100,674
Tax effects of:		
— Expenses not deductible for tax purposes	**2,907**	796
— Reversal of deferred tax assets recognised for tax loss in prior years	**1,001**	1,019
— Tax losses for which no deferred income tax asset was recognised	**2,326**	—
	264,484	102,489

The effective income tax rate was 25% for the year ended 31 December 2018 (2017: 25%).

PRC corporate income tax

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

The corporate income tax rate applicable to the Group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the PRC.

In 2018, Guangzhou Yatian obtained the Certificate of High-Tech Corporation with valid period from 2017 to 2019. According to the Corporation Income Tax Law of the PRC, corporations which obtain the Certificate of High-Tech Corporation are entitled to enjoy additional tax deduction for research and development costs and a preferential corporate income tax rate of 15%. The tax rate applicable to Guangzhou Yatian during the year ended 31 December 2018 was 15% (2017: 25%). Hengqin Yaheng has enjoyed a preferential policy in Zhuhai Hengqin (Free Trade Area) with an enterprise income tax rate of 15%.

Hong Kong Income Tax

No Hong Kong profits tax was applicable to the Group for the year ended 31 December 2018. There were two subsidiaries incorporated in Hong Kong during the year ended 31 December 2018. No Hong Kong profits tax was provided for those two Hong Kong subsidiaries as there was no estimated assessable profits that was subject to Hong Kong profits tax during the year ended 31 December 2018.

14 Earnings per share

For the purpose of computing basic and diluted earnings per share, ordinary shares were assumed to have been issued and allocated on 1 January 2016 as if the Company has been established by then. In addition, the number of ordinary shares outstanding during the year of 2017 have also been adjusted retroactively for the proportional changes in the number of ordinary shares outstanding as a result of the conversions from other reserve to share capital as described in Note 22 in the computation of both basic and diluted earnings per share for the year ended 31 December 2017.

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares deemed to be in issue during the years ended 31 December 2018 and 2017.

The Company did not have any potential ordinary shares outstanding during the years ended 31 December 2018 and 2017. Diluted earnings per share is equal to basic earnings per share.

	Year ended 31 December	
	2018	2017
Profit attributable to Shareholders of the Company (RMB'000)	**801,045**	289,727
Weighted average number of ordinary shares deemed to be in issue (in thousands)	**1,296,667**	832,400
Basic earnings per share for profit attributable to the shareholders of the Company during the year (expressed in RMB per share)	**0.62**	0.35

15 Property, plant and equipment

	Buildings RMB'000	Transportation equipment RMB'000	Office equipment RMB'000	Machinery RMB'000	Total RMB'000
As at 1 January 2017					
Cost	64,408	11,315	6,940	21,356	104,019
Accumulated depreciation	(15,494)	(8,407)	(4,502)	(14,013)	(42,416)
Net book amount	48,914	2,908	2,438	7,343	61,603
Year ended 31 December 2017					
Opening net book amount	48,914	2,908	2,438	7,343	61,603
Additions	350	2,990	2,972	10,539	16,851
Acquisition of a subsidiary	—	—	—	84	84
Disposals	(2)	(54)	(319)	(105)	(480)
Depreciation charge	(1,712)	(1,654)	(750)	(3,238)	(7,354)
Closing net book amount	47,550	4,190	4,341	14,623	70,704
As at 31 December 2017					
Cost	64,753	13,320	9,692	30,858	118,623
Accumulated depreciation	(17,203)	(9,130)	(5,351)	(16,235)	(47,919)
Net book amount	47,550	4,190	4,341	14,623	70,704
Year ended 31 December 2018					
Opening net book amount	**47,550**	**4,190**	**4,341**	**14,623**	**70,704**
Additions	**352**	**4,365**	**8,114**	**6,403**	**19,234**
Acquisition of subsidiaries (Note 29)	**—**	**290**	**953**	**402**	**1,645**
Disposals	**—**	**(25)**	**(86)**	**(1,345)**	**(1,456)**
Depreciation charge	**(1,703)**	**(2,030)**	**(1,815)**	**(4,573)**	**(10,121)**
Closing net book amount	**46,199**	**6,790**	**11,507**	**15,510**	**80,006**
As at 31 December 2018					
Cost	**65,101**	**17,484**	**20,252**	**35,253**	**138,090**
Accumulated depreciation	**(18,902)**	**(10,694)**	**(8,745)**	**(19,743)**	**(58,084)**
Net book amount	**46,199**	**6,790**	**11,507**	**15,510**	**80,006**

Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2018 RMB'000	2017 RMB'000
Cost of sales	**6,733**	5,718
Selling and marketing expenses	**1,483**	1,087
Administrative expenses	**1,905**	549
	10,121	7,354

16 Intangible assets

	Computer software RMB'000	Trademarks RMB'000	Customer relationship RMB'000	Subtotal RMB'000	Goodwill RMB'000	Total RMB'000
As at 1 January 2017						
Cost	12,832	—	—	12,832	—	12,832
Accumulated amortisation	(2,094)	—	—	(2,094)	—	(2,094)
Net book amount	10,738	—	—	10,738	—	10,738
Year ended 31 December 2017						
Opening net book amount	10,738	—	—	10,738	—	10,738
Additions	12,713	—	—	12,713	—	12,713
Acquisition of a subsidiary	—	18,000	77,000	95,000	918,967	1,013,967
Amortisation	(1,535)	(1,800)	(4,813)	(8,148)	—	(8,148)
Closing net book amount	21,916	16,200	72,187	110,303	918,967	1,029,270
As at 31 December 2017						
Cost	25,544	18,000	77,000	120,544	918,967	1,039,511
Accumulated amortisation	(3,628)	(1,800)	(4,813)	(10,241)	—	(10,241)
Net book amount	21,916	16,200	72,187	110,303	918,967	1,029,270
Year ended 31 December 2018						
Opening net book amount	**21,916**	**16,200**	**72,187**	**110,303**	**918,967**	**1,029,270**
Additions	**1,891**	**—**	**—**	**1,891**	**—**	**1,891**
Acquisition of subsidiaries (Note (a))	**296**	**10,400**	**66,860**	**77,556**	**126,395**	**203,951**
Amortisation	**(2,367)**	**(4,293)**	**(16,642)**	**(23,302)**	**—**	**(23,302)**
Closing net book amount	**21,736**	**22,307**	**122,405**	**166,448**	**1,045,362**	**1,211,810**
As at 31 December 2018						
Cost	**27,919**	**28,400**	**143,860**	**200,179**	**1,045,362**	**1,245,541**
Accumulated amortisation	**(6,183)**	**(6,093)**	**(21,455)**	**(33,731)**	**—**	**(33,731)**
Net book amount	**21,736**	**22,307**	**122,405**	**166,448**	**1,045,362**	**1,211,810**

16 Intangible assets (continued)

Amortisation of intangible assets has been charged to the consolidated statement of comprehensive income as follows:

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Cost of sales	**21,322**	7,157
Selling and marketing expenses	**212**	757
Administrative expenses	**1,768**	234
	23,302	8,148

(a) On 30 April 2018, the Group acquired 51% of the equity interests in Nanjing Zizhu at a total consideration of RMB204,812,000. The consideration will be settled by instalments in 3 years. Taking into account the discounting effect, the fair value of the consideration amounted to RMB202,033,000. Total identifiable net assets of Nanjing Zizhu attributable to the Group amounted to RMB77,722,000, including trademarks of RMB10,400,000 and customer relationship of RMB61,900,000 recognised by the Group.

On 31 August 2018, the Group acquired 100% of the equity interests in Shenzhen Jingji Domestic Property Management Co., Ltd. and Zhanjiang Xiyue Jingjicheng Property Services Co., Ltd (collectively, "Jingji Property Services") at a total consideration of RMB10,500,000. Total identifiable net assets of Jingji Property Services amounted to RMB8,416,000, including customer relationship of RMB4,960,000 recognised by the Group.

The excess of the consideration paid over the fair value of the identifiable net assets acquired is recorded as goodwill (Note 29).

(b) An independent valuation was performed by an independent valuer to determine the amount of the trademarks and customer relationship recognised by the Group during 2018. Methods and key assumptions in determining the fair value of trademarks and customer relationship as at acquisition date are disclosed as follows:

	Valuation technique	**Discount rate**	**Expected life of the intangible assets**
Trademarks	Discounted cash flow	19.8%	10 years
Customer relationship	Discounted cash flow	18.3–19.8%	6 or 8 years

Goodwill of RMB124,311,000 and RMB2,084,000 arising from the acquisitions during the year ended 31 December 2018 was allocated to the property management business operated by Nanjing Zizhu and Jingji Property Services, respectively.

As at 31 December 2018, management performed an impairment assessment on the goodwill and other intangible assets. The recoverable amount of the property management business operated by Greenland Property Services and Nanjing Zizhu have been assessed by an independent valuer and determined based on VIU calculation. The calculation used cash flow projections based on financial budgets covering a five-year period for Nanjing Zizhu and a six-year period for Greenland Property Services approved by management.

(All amounts in RMB thousands unless otherwise stated)

16 Intangible assets (continued)

Management extended the five-year projection for additional one year projection of Greenland Property Services based on the consideration that during 2019 to 2023, a significant increment in projected revenue is attributable to the significant incremental gross floor area according to the investment cooperation framework agreement with Greenland Holdings. Management considered that before the projections move into a long term stable period, such momentum of revenue growth during 2019 to 2023 will continue for another one year after 2023.

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and other intangible assets as at 31 December 2018:

	Greenland Property Services	**Nanjing Zizhu**
Revenue 2019 (% annual growth rate)	101%	28%
Revenue 2020 (% annual growth rate)	86%	11%
Revenue — 2021 to 2023 (% annual growth rate)	19%–49%	5–9%
Revenue 2024 (% annual growth rate)	9%	3%
Gross margin (% of revenue)	29–30%	22%
Long-term growth rate	3%	3%
Pre-tax discount rate	20.6%	19.9%

As at 31 December 2018, the recoverable amount of RMB1,187 million of the property management business operated by Greenland Property Services calculated based on VIU exceeded its carrying value of RMB1,088 million by RMB99 million. A 2.64% decrease in estimated annual revenue growth rate, a 0.93% decrease in estimated gross margin, a 2.74% decrease in estimated long term growth rate or a 2.44% increase in estimated pre-tax discount rate, all changes taken in isolation in the VIU calculations, would remove the remaining headroom.

As at 31 December 2018, the recoverable amount of RMB508 million of the property management business operated by Nanjing Zizhu calculated based on VIU exceeded its carrying value of RMB437 million by RMB71 million. A 5.68% decrease in estimated annual revenue growth rate, a 2.23% decrease in estimated gross margin or a 8.05% increase in estimated pre-tax discount rate, all changes taken in isolation in the VIU calculations, would remove the remaining headroom, while there would still have headroom even the long term growth rate decrease to zero.

By reference to the recoverable amount assessed by the independent valuer as at 31 December 2018, the directors of the Company determined that no impairment provision on goodwill and other intangible assets was required as at 31 December 2018.

17 Financial instruments by category

The Group holds the following financial instruments:

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
Financial assets at amortised cost		
Trade and other receivables excluding prepayments	**1,128,960**	437,404
Loans and interest receivables due from related parties	**—**	13,248
Cash and cash equivalents	**4,807,993**	879,771
Restricted cash	**586**	384
	5,937,539	1,330,807
Financial liabilities at amortised cost		
Trade and other payables excluding non-financial liabilities	**841,404**	481,794

18 Inventories

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
Parking lots and shops	**1,852**	3,708
Consumables	**13,338**	13,961
Less: allowance for impairment	**—**	(272)
	15,190	17,397

19 Trade and other receivables

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
Trade receivables (Note (a))		
— Related parties (Note 30(d))	**507,646**	199,717
— Third parties	**342,766**	108,287
	850,412	308,004
Less: allowance for impairment of trade receivables	**(21,385)**	(7,443)
	829,027	300,561
Other receivables		
— Related parties (Note 30(d))	**70,669**	35,737
— Third parties	**232,736**	102,362
	303,405	138,099
Less: allowance for impairment of other receivables	**(3,472)**	(1,256)
	299,933	136,843
Prepayments		
— Third parties	**35,953**	50,785
	1,164,913	488,189

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

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

In determining the recoverability of trade receivables from the property management and value-added services, the Group takes into consideration a number of indicators, including, among others, subsequent settlement status, historical write-off experience and management/service fee collection rate of the customers in estimating the future cash flows from the receivables.

19 Trade and other receivables (continued)

As at 31 December 2018 and 2017, the aging analysis of the trade receivables based on invoice date were as follows:

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
0–180 days	**556,855**	218,208
181–365 days	**142,015**	44,214
1 to 2 years	**101,565**	22,709
2 to 3 years	**24,557**	9,387
Over 3 years	**25,420**	13,486
	850,412	308,004

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2018, a provision of RMB21,385,000 was made against the gross amounts of trade receivables (Note 3.1.2(b))(2017: RMB7,443,000).

(b) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

20 Loans and interest receivables due from related parties

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
Loans and interest receivables due from related parties (Note (a))		
— Current	**—**	13,248

(a) The loans and interest have been repaid in full by the related parties during the year ended 31 December 2018. The loan is denominated in RMB.

21 Cash and cash equivalents

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
Cash at bank and in hand:		
— Denominated in RMB	**4,774,570**	879,771
— Denominated in HK$	**33,423**	—
	4,807,993	879,771

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

22 Share capital

	As at 31 December		As at 31 December	
	2018 shares	2017 shares	**2018 RMB'000**	2017 RMB'000
Issued and fully paid	**1,333,334,000**	1,000,000,000	**1,333,334**	1,000,000

(a) Movements in ordinary shares

Details	**Number of ordinary shares** (thousands)	**Share capital** RMB'000
Opening balance as at 1 January 2017 (Note (a))	Not applicable	Not applicable
Issue of shares upon the Company's conversion from a limited liability company into a joint stock company (Note (a))	50,000	50,000
Transfer from other reserve to share capital	22,000	22,000
Issue of ordinary shares to Gongqingcheng A-Living Investment Management Limited Partnership ("Gongqingcheng Investment")	8,000	8,000
Issue of ordinary shares to Ningbo Lvjin Investment Management Co., Ltd. (寧波綠璡投資管理有限公司) and Greenland Financial Overseas Investment Group Co., Ltd. (綠地金融海外投資集團有限公司)	20,000	20,000
Transfer from other reserve to share capital	900,000	900,000
Balance as at 31 December 2017	1,000,000	1,000,000
Issue of H shares (Note (b))	333,334	333,334
Balance as at 31 December 2018	**1,333,334**	**1,333,334**

(a) The paid-in capital of the Company as at 1 January 2017 was RMB50,000,000. On 21 July 2017, the Company was converted from a limited liability company into a joint stock company with limited liability.

(b) The Company issued H shares of 333,334,000 at a nominal value of RMB1.00 per share. Such shares were offered at HK$12.3 per share and listed on the Main Board of the Stock Exchange on 9 February 2018. Gross proceeds from the issue amounted to HK$4,100,008,000 (equivalent to RMB3,313,422,000). After deducting the underwriting fees and relevant expenses, net proceeds from the issue amounted to RMB3,199,343,000, among of which, RMB333,334,000 was recorded as share capital and RMB2,866,009,000 was recorded as share premium (Note 23).

23 Reserves

	Statutory reserve RMB'000	Share premium RMB'000	Other reserve RMB'000	Total RMB'000
As at 1 January 2017	11,074	—	94,423	105,497
Capital contribution from the then shareholders	—	—	1,000	1,000
Effect of the Company's conversion from a limited liability company into a joint stock company	(18,304)	23,407	—	5,103
Transactions with NCI	—	—	4,944	4,944
Effect of the reorganisation of the Group	—	—	(32,392)	(32,392)
Issue of ordinary shares	—	1,170,637	—	1,170,637
Transfer from share premium to share capital	—	(922,000)	—	(922,000)
Appropriation of statutory reserves (Note (a))	40,754	—	—	40,754
As at 31 December 2017	33,524	272,044	67,975	373,543
Issue of H shares (Note 22(b))	**—**	**2,866,009**	**—**	**2,866,009**
Appropriation of statutory reserves (Note (a))	**26,335**	**—**	**—**	**26,335**
As at 31 December 2018	**59,859**	**3,138,053**	**67,975**	**3,265,887**

(a) PRC statutory reserve

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

24 Trade and other payables

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
Trade payables (Note (a))		
— Related parties (Note 30 (d))	**7,333**	235
— Third parties	**306,051**	151,867
	313,384	152,102
Other payables		
— Related parties (Note 30 (d))	**40,755**	60,304
— Third parties	**487,265**	269,388
	528,020	329,692
Advances from customers		
— Related parties (Note 30 (d))	**—**	19,769
— Third parties	**—**	276,886
	—	296,655
Accrued payroll	**274,974**	145,652
Other taxes payables	**76,178**	28,274
	1,192,556	952,375
Less: non-current portion of other payables (Note (b))	**(23,656)**	—
Current portion	**1,168,900**	952,375

(a) As at 31 December 2018 and 2017, the aging analysis of the trade payables (including amounts due to related parties of a trade nature) based on invoice date were as follows:

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
Up to 1 year	**283,634**	140,687
1 to 2 years	**21,379**	4,135
2 to 3 years	**2,864**	2,799
Over 3 years	**5,507**	4,481
	313,384	152,102

The balances of trade payables over 1 year mainly represent the amounts due to third party contractors for renovation and maintenance services.

(b) Non-current portion of trade and other payables primarily represent the consideration payable for the acquisition of Nanjing Zizhu to be settled beyond one year from 31 December 2018.

25 Deferred income tax

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
Deferred tax assets:		
— Deferred tax asset to be recovered after more than 12 months	**12,152**	10,938
— Deferred tax asset to be recovered within 12 months	**5,457**	2,598
— Set-off of deferred tax liabilities pursuant to set-off provisions	**(1,980)**	(1,702)
	15,629	11,834
Deferred tax liabilities:		
— Deferred tax liability to be recovered after more than 12 months	**(23,041)**	(18,790)
— Deferred tax liability to be recovered within 12 months	**(15,501)**	(5,030)
— Set-off of deferred tax liabilities pursuant to set-off provisions	**1,980**	1,702
	(36,562)	(22,118)
	(20,933)	(10,284)

25 Deferred income tax (continued)

The movement in deferred income tax assets and liabilities during the years ended 31 December 2018 and 2017, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred tax assets — allowance on doubtful debts	Deferred tax assets — impairment of inventories	Deferred tax assets — deductible tax losses	Deferred tax assets — accrued expenses	Deferred tax liabilities — excess of carrying amount of other intangible assets over the tax bases	Deferred tax liabilities — differences on recognition of depreciation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2017	2,002	1,649	3,436	10,579	—	(1,093)	16,573
Charged to the consolidated statement of comprehensive income	(302)	(1,580)	(838)	(2,158)	1,653	(630)	(3,855)
Acquisition of a subsidiary	474	—	—	274	(23,750)	—	(23,002)
As at 31 December 2017	2,174	69	2,598	8,695	(22,097)	(1,723)	(10,284)
As at 1 January 2018	**2,174**	**69**	**2,598**	**8,695**	**(22,097)**	**(1,723)**	**(10,284)**
(Charged)/Credit to the consolidated statement of comprehensive income	**664**	**(69)**	**2,859**	**451**	**5,234**	**(640)**	**8,499**
Acquisition of subsidiaries (Note 29)	**168**	**—**	**—**	**—**	**(19,316)**	**—**	**(19,148)**
At 31 December 2018	**3,006**	**—**	**5,457**	**9,146**	**(36,179)**	**(2,363)**	**(20,933)**

26 Dividends

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Proposed a final dividend of RMB0.15 per ordinary share and a special dividend of RMB0.15 per ordinary share (collectively the "Annual Dividend") (note (a))	**400,000**	—
Special dividend (note (b))	**50,000**	—
Dividend to the then shareholders (note (c))	**—**	297,975

(a) The Annual Dividend of RMB0.3 per ordinary share in respect of 2018 have been proposed by the Board of Directors of the Company and are subject to the approval of the shareholders at the Annual General Meeting to be held on 28 May 2019. The Annual Dividend will be distributed out of the Company's retained earnings. These consolidated financial statements have not reflected these dividends payable.

(b) A special dividend in respect of 2017 of RMB50,000,000 was declared by the Company to the then shareholders at the Board Meeting on 15 January 2018. The special dividend was distributed out of the Company's retained earnings.

(c) During the year ended 31 December 2017, entities within the Group declared dividends of RMB297,975,000 (of which, RMB28,370,000 was declared to the non-controlling interest holder) to their then shareholders before the reorganisation of the Group.

27 Cash flow information

(a) Cash generated from operations

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Profit before income tax	**1,075,363**	402,696
Adjustments for:		
— Depreciation of property, plant and equipment (Note 15)	**10,121**	7,354
— Amortisation of intangible assets (Note 16)	**23,302**	8,148
— Impairment provision for trade and other receivables, net	**(2,750)**	(1,207)
— Reversal of provision for inventories	**—**	(27)
— Losses on disposal of property, plant and equipment (Note 10)	**214**	100
— Finance income (Note 11)	**—**	(53,070)
— Finance expenses (Note 11)	**917**	48,791
— Other income (Note 9)	**—**	(6,286)
— Other gains	**(29,536)**	—
Changes in working capital:		
— Inventories	**2,479**	6,936
— Trade and other receivables	**(568,333)**	(115,416)
— Trade and other payables	**514,711**	65,712
	1,026,488	363,731

27 Cash flow information (continued)

(b) A reconciliation of liabilities arising from financing activities is as follows:

	Borrowings	Other payables — related parties	Dividends payable	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2018	**—**	**60,304**	**—**	**60,304**
Cash flows				
— Inflow from financing activities	**—**	**—**	**—**	**—**
— Outflow from financing activities	**(12,000)**	**(19,549)**	**(50,000)**	**(81,549)**
Non-cash changes				
— Finance expense recognised	**—**	**—**	**—**	**—**
— Accrued dividends payable	**—**	**—**	**50,000**	**50,000**
— Acquisition of subsidiaries (Note 29)	**12,000**	**—**	**—**	**12,000**
As at 31 December 2018	**—**	**40,755**	**—**	**40,755**

28 Commitments

(a) Capital commitments

Capital expenditures contracted but not provided for at the end of the year were as follows:

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
Other intangible assets	**3,060**	4,403

28 Commitments (continued)

(b) Operating lease commitments — as lessee

The Group leases offices and staff dormitories under non-cancellable operating lease agreements. The lease terms are between 1 and 8 years, and the majority of lease agreements are entered into with related parties and renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
No more than 1 year	**24,224**	19,663
More than 1 year but no more than 5 years	**15,073**	22,911
More than 5 years	**47**	319
	39,344	42,893

29 Business combinations

(a) Acquisition of Nanjing Zizhu

On 30 April 2018, the Company completed its acquisition of 51% of the equity interests in Nanjing Zizhu at a consideration of RMB202,033,000. Total identifiable net assets of Nanjing Zizhu amounted to RMB152,396,000. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill.

Goodwill of RMB124,311,000 primarily arose from the expected future development of Nanjing Zizhu's business, improvement on market coverage, enriching the service portfolio, integrating value-added services, and improvement on management efficiency, etc.. Goodwill recognised is not expected to be deductible for income tax purposes.

29 Business combinations (continued)

(a) Acquisition of Nanjing Zizhu (continued)

The following table summarises the consideration paid for Nanjing Zizhu, the fair value of assets acquired, liabilities assumed at the acquisition date.

Consideration:

	RMB'000
Consideration (Note (i))	202,033
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	12,957
Property, plant and equipment	599
Inventories	361
Intangibles (excluding trademarks and contractual customer relationship)	296
Trademarks (included in other intangible assets) (Note 16, Note (ii))	10,400
Customer relationship (included in other intangible assets) (Note 16, Note (ii))	61,900
Trade and other receivables	169,656
Trade and other payables	(73,698)
Borrowings	(12,000)
Deferred income tax liabilities (Note 25)	(18,075)
Total identifiable net assets	152,396
Non-controlling interests	(74,674)
Identifiable net assets attributable to the Company	77,722
Goodwill (Note 16)	124,311

(i) Pursuant to the share purchase agreement dated 9 April 2018, the Group agreed to purchase 51% of Nanjing Zizhu at a total consideration of RMB204,812,000. The consideration will be settled by instalments in 3 years. Taking into account the discounting effect, the fair value of the consideration amounted to RMB202,033,000.

As at 31 December 2018, RMB128,560,000 had been paid by the Group. The remaining consideration will be settled by instalments in three years.

(ii) Other intangible assets including trademarks of RMB10,400,000 and customer relationship of RMB61,900,000 in relation to the acquisition of Nanjing Zizhu have been recognised by the Group.

(iii) Net cash outflow arising on acquisition during the period ended 31 December 2018:

	RMB'000
Cash consideration paid	**(128,560)**
Cash and cash equivalents acquired at the acquisition date	**12,957**
Net cash outflow on acquisitions	**(115,603)**

29 Business combinations (continued)

(b) Acquisition of Jingji Property Services

On 31 August 2018, the Company completed its acquisition of 100% of the equity interests in Jingji Property Services at a consideration of RMB10,500,000. Total identifiable net assets of Jingji Property Services amounted to RMB8,416,000. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill.

Goodwill of RMB2,084,000 primarily arose from the expected future development of Jingji Property Services' business, improvement on market coverage, enriching the service portfolio, integrating value-added services, and improvement on management efficiency, etc.. Goodwill recognised is not expected to be deductible for income tax purposes.

The following table summarises the consideration paid for Jingji Property Services, the fair value of assets acquired, liabilities assumed at the acquisition date.

Consideration:

	RMB'000
Consideration	10,500
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	9,701
Property, plant and equipment	1,046
Customer relationship (included in other intangible assets) (Note 16, Note (i))	4,960
Deferred income tax assets (Note 25)	168
Trade and other receivables	22,332
Trade and other payables	(28,550)
Deferred income tax liabilities (Note 25)	(1,241)
Total identifiable net assets	8,416
Goodwill (Note 16)	2,084

(i) Other intangible assets including customer relationship of RMB4,960,000 in relation to the acquisition of Jingji Property Services have been recognised by the Group.

(ii) Net cash outflow arising on acquisition during the period ended 31 December 2018:

	RMB'000
Cash consideration paid	**(10,500)**
Cash and cash equivalents acquired at the acquisition date	**9,701**
Net cash outflow on acquisitions	**(799)**

29 Business combinations (continued)

(c) Had Nanjing Zizhu and Jingji Property Services been consolidated from 1 January 2018, the consolidated statement of comprehensive income for the year ended 31 December 2018 would have shown pro-forma revenue of RMB3,489,487,000 and profit of RMB819,541,000.

No contingent liability has been recognised for the business combination.

30 Related party transactions

(a) Name and relationship with related parties

Name	Relationship
Agile Holdings 雅居樂集團控股有限公司	Ultimate holding company
Zhongshan A-Living 中山雅生活企業管理服務有限公司	Controlling shareholder of the Company
Deluxe Star International Limited 旺紀國際有限公司	Intermediate holding Company
Greenland Holdings Group Company Limited ("Greenland Holdings") 綠地控股集團有限公司	Non-controlling shareholder of the Group
Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	Founding shareholders of Agile Holdings
Mr. Chan Cheuk Yin 陳卓賢先生	A Founding Shareholder of Agile Holdings
Hainan Agile Real Estate Development Co., Ltd.* 海南雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Zhongshan Ever Creator Real Estate Development Co., Ltd.* 中山市雅建房地產發展有限公司	Controlled by the same ultimate holding company
Sichuan Agile Real Estate Development Co., Ltd.* 四川雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Guangzhou Yaheng Real Estate Development Co., Ltd.* 廣州雅恒房地產開發有限公司	Controlled by the same ultimate holding company

30 Related party transactions (continued)

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

Name	Relationship
Guangzhou Panyu Agile Realty Development Co., Ltd.* 廣州番禺雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Hainan Yaheng Real Estate Development Co., Ltd.* 海南雅恒房地產發展有限公司	Controlled by the same ultimate holding company
Zhongshan Greenville Realty Development Co., Ltd.* 中山市凱茵豪園房地產開發有限公司	Controlled by the same ultimate holding company
Zhongshan Agile Majestic Garden Real Estate Co., Ltd.* ("Zhongshan Majestic Garden") 中山雅居樂雍景園房地產有限公司	Controlled by the same ultimate holding company
Nanjing Binjiang Agile Real Estate Development Co., Ltd.* 南京濱江雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Nanjing Jiangning Agile Real Estate Development Co.,Ltd. * 南京江寧雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Huizhou Bailuhu Tour Enterprise Development Co., Ltd.* 惠州白鷺湖旅遊實業開發有限公司	Controlled by the same ultimate holding company
Guangzhou Huadu Agile Realty Development Co., Ltd.* 廣州花都雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Foshan Shunde Agile Real Estate Development Co., Ltd.* 佛山市順德區雅居樂房地產有限公司	Controlled by the same ultimate holding company
Guangzhou Conghua Agile Real Estate Development Co., Ltd.* 廣州從化雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Zhongshan Yajing Real Estate Development Co., Ltd.* 中山市雅景房地產開發有限公司	Controlled by the same ultimate holding company
Shanghai Jing'an Chengtou Chongqing Land Co., Ltd.* 上海靜安城投重慶市置業有限公司	Controlled by the same ultimate holding company
Liaoning Agile Real Estate Development Co., Ltd.* 遼寧雅居樂房地產開發有限公司	Controlled by the same ultimate holding company

30 Related party transactions (continued)

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

Name	Relationship
Foshan Agile Real Estate Development Co., Ltd.* 佛山市雅居樂房地產有限公司	Controlled by the same ultimate holding company
Zhongshan Yaxin Real Estate Development Co., Ltd.* 中山市雅信房地產開發有限公司	Controlled by the same ultimate holding company
Heyuan Agile Real Estate Development Co., Ltd.* 河源市雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Zhongshan Yachuang Real Estate Development Co., Ltd.* 中山市雅創房地產開發有限公司	Controlled by the same ultimate holding company
Guangzhou Yayue Real Estate Development Co., Ltd.* 廣州雅粵房地產開發有限公司	Controlled by the same ultimate holding company
Foshan Sanshui Agile Majestic Garden Real Estate Co., Ltd.* 佛山市三水雅居樂雍景園房地產有限公司	Controlled by the same ultimate holding company
Xi'an Agile Property Investment Management Co., Ltd.* 西安雅居樂物業投資管理有限公司	Controlled by the same ultimate holding company
Changzhou Agile Real Estate Development Co., Ltd.* 常州雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Nanjing Yajian Land Co., Ltd.* 南京雅建置業有限公司	Controlled by the same ultimate holding company
Zhongshan Yacheng Real Estate Development Co., Ltd.* 中山市雅誠房地產開發有限公司	Controlled by the same ultimate holding company
Agile Property Land Co., Ltd.* 雅居樂地產置業有限公司	Controlled by the same ultimate holding company
Xi'an Qujiang Agile Real Estate Development Co., Ltd.* 西安曲江雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Chongqing Gangya Land Co., Ltd.* 重慶港雅置業有限公司	Controlled by the same ultimate holding company

30 Related party transactions (continued)

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

Name	Relationship
Zhongshan Yashang Real Estate Development Co., Ltd.* 中山市雅尚房地產開發有限公司	Controlled by the same ultimate holding company
Tengchong Agile Resort Co., Ltd.* 騰沖雅居樂旅遊置業有限公司	Controlled by the same ultimate holding company
Hainan Yahang Travel Property Co., Ltd.* 海南雅航旅遊置業有限公司	Controlled by the same ultimate holding company
Ruili Agile Resort Co., Ltd.* 瑞麗雅居樂旅遊置業有限公司	Controlled by the same ultimate holding company
Lai'an Agile Real Estate Development Co., Ltd.* 來安雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Nanjing Gaochun Agile Real Estate Development Co., Ltd* 南京高淳雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Xi'an Changya Real Estate Development Co., Ltd.* 西安常雅房地產開發有限公司	Controlled by the same ultimate holding company
Huizhou Huiyang Agile Real Estate Development Co., Ltd* 惠州市惠陽雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Xishuangbanna Agile Resort Co., Ltd.* 西雙版納雅居樂旅遊置業有限公司	Controlled by the same ultimate holding company
Guangdong Xiqiao Commerce Plaza Co., Ltd.* 廣東西樵商貿廣場有限公司	Controlled by the same ultimate holding company
Hong Kong Agile Property Management Services Limited* 香港雅居樂物業管理服務有限公司	Controlled by the same ultimate holding company
Zhongshan Fashion Decoration Co., Ltd.* 中山市時興裝飾有限公司	Controlled by the same ultimate holding company
Shanghai Yaheng Real Estate Development Co., Ltd.* 上海雅恒房地產開發有限公司	Controlled by the same ultimate holding company

30 Related party transactions (continued)

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

Name	Relationship
Shanxi Haorui Real Estate Development Co., Ltd.* 陝西昊瑞房地產開發有限責任公司	Controlled by the same ultimate holding company
Foshan Sanshui Agile Real Estate Development Co., Ltd.* 佛山市三水雅居樂房地產有限公司	Controlled by the same ultimate holding company
Foshan Shunde Yaxin Real Estate Development Co., Ltd.* 佛山市順德區雅新房地產開發有限公司	Controlled by the same ultimate holding company
Shandong Laiwu Agile Eco Technology Co., Ltd.* 山東萊蕪雅居樂環保科技有限公司	Controlled by the same ultimate holding company
Changzhou Hupan Land Co., Ltd.* 常州湖畔置業有限公司	Controlled by the same ultimate holding company
Foshan Nanhai Yaheng Real Estate Development Co., Ltd.* 佛山市南海區雅恒房地產開發有限公司	Controlled by the same ultimate holding company
Changzhou Sanxin Real Estate Development Co., Ltd.* 常州市三鑫房地產開發有限公司	Controlled by the same ultimate holding company
Changzhou Hepan Land Co., Ltd.* 常州河畔置業有限公司	Controlled by the same ultimate holding company
Changzhou Jintan Agile Real Estate Development Co., Ltd.* 常州金壇雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Guangzhou Agile Real Estate Development Co., Ltd.* 廣州雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Guangzhou Yajin Real Estate Development Co., Ltd.* 廣州雅錦房地產開發有限公司	Controlled by the same ultimate holding company
Hainan Agile Clearwater Bay Hotel Investment and Development Co., Ltd.* 海南雅居樂清水灣文旅投資發展有限公司	Controlled by the same ultimate holding company

30 Related party transactions (continued)

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

Name	Relationship
Tianjing Yarun Real Estate Development Co., Ltd.* 天津雅潤房地產開發有限公司	Controlled by the same ultimate holding company
Jurong Agile Real Estate Development Co., Ltd.* 句容雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Foshan Yashun Real Estate Development Co., Ltd.* 佛山雅順房地產開發有限公司	Controlled by the same ultimate holding company
Zhongshan Yuehong Investment Co., Ltd.* 中山市粵宏投資有限公司	Controlled by the same ultimate holding company
Shanxi Jinshui Real Estate Development Co., Ltd.* 陝西金水房地產開發有限公司	Controlled by the same ultimate holding company
Shanxi Haorui Real Estate Development Co., Ltd.* 陝西昊瑞房地產開發有限責任公司	Controlled by the same ultimate holding company
Zhenjiang Yarun Real Estate Development Co., Ltd.* 鎮江雅潤房地產開發有限公司	Controlled by the same ultimate holding company
Chongqing Yajin Real Estate Development Co., Ltd.* 重慶雅錦房地產開發有限公司	Controlled by the same ultimate holding company
Chongqing Yaheng Real Estate Development Co., Ltd.* 重慶雅恒房地產開發有限公司	Controlled by the same ultimate holding company
Zhengzhou Yahong Real Estate Development Co., Ltd.* 鄭州雅宏房地產開發有限公司	Controlled by the same ultimate holding company
Zhuhai Yahan Real Estate Development Co., Ltd.* 珠海市雅瀚房地產開發有限公司	Controlled by the same ultimate holding company
Huzhou Yazhi Real Estate Development Co., Ltd.* 湖州雅致房地產開發有限公司	Controlled by the same ultimate holding company
Hainan Longxin Land Co., Ltd.* 海南隆興置業有限公司	Controlled by the same ultimate holding company

30 Related party transactions (continued)

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

Name	Relationship
Shanwei Agile Real Estate Development Co., Ltd.* 汕尾市雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Hanzhong Longteng Agile Real Estate Development Co., Ltd.* 漢中龍騰雅居房地產開發有限公司	Controlled by the same ultimate holding company
Yangzhou Yaheng Real Estate Development Co., Ltd.* 揚州雅恒房地產開發有限公司	Controlled by the same ultimate holding company
Yangzhou Shunhong Land Co., Ltd.* 揚州舜鴻置業有限公司	Controlled by the same ultimate holding company
Huizhou Yasheng Real Estate Development Co., Ltd.* 惠州市雅生房地產開發有限公司	Controlled by the same ultimate holding company
Guangzhou Yafeng Construction Material Co., Ltd.* 廣州市雅豐建築材料有限公司	Controlled by the same ultimate holding company
Changshu Agile Land Co., Ltd.* 常熟雅居樂置業有限公司	Controlled by the same ultimate holding company
Changzhou Jintan Yaxin Real Estate Development Co., Ltd.* 常州金壇雅信房地產開發有限公司	Controlled by the same ultimate holding company
Dongfang Yanhucheng Land Co., Ltd.* 東方鹽湖城置業有限公司	Controlled by the same ultimate holding company
Beijing Jingxi Jingrong Property Development Co., Ltd.* 北京京西景榮置業有限公司	Controlled by Greenland Holdings
Beijing Greenland Jingmao Real Estate Development Co., Ltd.* 北京綠地京懋房地產開發有限公司	Controlled by Greenland Holdings
Beijing Greenland Jingyuan Real Estate Development Co., Ltd.* 北京綠地京源房地產開發有限公司	Controlled by Greenland Holdings

30 Related party transactions (continued)

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

Name	Relationship
Foshan Bosheng Property Development Co., Ltd.* 佛山鉑晟置業有限公司	Controlled by Greenland Holdings
Foshan Jiayi Property Co., Ltd.* 佛山嘉逸置業有限公司	Controlled by Greenland Holdings
Guangzhou Jierui Property Co., Ltd.* 廣州傑瑞置業有限公司	Controlled by Greenland Holdings
Guangzhou Lingyue Market Management Co., Ltd.* 廣州領越市場管理有限公司	Controlled by Greenland Holdings
Guangzhou Greenland Real Estate Co., Ltd.* 廣州綠地房地產開發有限公司	Controlled by Greenland Holdings
Guangzhou Lvgang Real Estate Co., Ltd.* 廣州綠港房地產開發有限公司	Controlled by Greenland Holdings
Guangzhou Huibang Property Co., Ltd.* 廣州市暉邦置業有限公司	Controlled by Greenland Holdings
Guangzhou Mantingfang Real Estate Co., Ltd.* 廣州市滿庭芳房地產開發有限公司	Controlled by Greenland Holdings
Greenland Jinan Real Estate Co., Ltd.* 綠地地產(濟南)有限公司	Controlled by Greenland Holdings
Greenland Jinan Binhe Property Co. Ltd.* 綠地地產濟南濱河置業有限責任公司	Controlled by Greenland Holdings
Greenland Foshan Chancheng Property Co., Ltd.* 綠地集團佛山禪城置業有限公司	Controlled by Greenland Holdings
Greenland Foshan Shunde Lvan Property Co., Ltd.* 綠地集團佛山順德綠安置業有限公司	Controlled by Greenland Holdings
Greenland Foshan Shunde Property Co., Ltd.* 綠地集團佛山順德置業有限公司	Controlled by Greenland Holdings

30 Related party transactions (continued)

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

Name	Relationship
Greenland Jinan Xihe Property Co. Ltd.* 綠地集團濟南西河置業有限公司	Controlled by Greenland Holdings
Greenland Shandong Property Co., Ltd.* 綠地集團山東置業有限公司	Controlled by Greenland Holdings
Greenland Zhejiang Real Estate Co., Ltd.* 綠地控股集團(浙江)房地產開發有限公司	Controlled by Greenland Holdings
Greenland Hangzhou Dongcheng Real Estate Co., Ltd.* 綠地控股集團杭州東城房地產開發有限公司	Controlled by Greenland Holdings
Shanghai Hengshen Property Co., Ltd.* 上海恒申置業有限公司	Controlled by Greenland Holdings
Shanghai Greenland Baoli Property Co., Ltd.* 上海綠地寶裏置業有限公司	Controlled by Greenland Holdings
Shanghai Greenland Hengbin Property Co., Ltd.* 上海綠地恒濱置業有限公司	Controlled by Greenland Holdings
Shijiazhuang Zhongdi Real Estatae Co., Ltd.* 石家莊中迪房地產開發有限公司	Controlled by Greenland Holdings
Wuhan Jiupai Xingu Property Co., Ltd.* 武漢九派鑫穀置業有限公司	Controlled by Greenland Holdings
Wuhan Juguan Industry Co., Ltd.* 武漢聚冠實業有限公司	Controlled by Greenland Holdings
Wuhan Xingao Xinggu Property Co., Ltd.* 武漢新高興穀置業有限公司	Controlled by Greenland Holdings
Yangjiang Lvhao Real Estate Development Co., Ltd.* 陽江市綠浩房地產開發有限公司	Controlled by Greenland Holdings
Chongqing Greenland Shenpu Real Estate Development Co., Ltd.* 重慶綠地申浦房地產開發有限公司	Controlled by Greenland Holdings

30 Related party transactions (continued)

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

Name	Relationship
Suzhou Greenland Jiangcheng Land Co., Ltd.* 蘇州綠地江城置業有限公司	Controlled by Greenland Holdings
Greenland Xi'an Fengdong Land Co., Ltd.* 綠地集團西安灃東置業有限公司	Controlled by Greenland Holdings
Greenland Jinan Lvlu Land Co., Ltd.* 綠地集團濟南綠魯置業有限公司	Controlled by Greenland Holdings
Greenland Chengdu Qinyang Real Estate Development Co., Ltd.* 綠地集團成都青羊房地產開發有限公司	Controlled by Greenland Holdings
Greenland Suzhou Land Co., Ltd.* 綠地集團宿州置業有限公司	Controlled by Greenland Holdings
Greenland Ningxia Land Co., Ltd.* 綠地集團寧夏置業有限公司	Controlled by Greenland Holdings
Greenland Lanzhou Xinqu Land Co., Ltd.* 綠地集團蘭州新區置業有限公司	Controlled by Greenland Holdings
Greenland (Guiyang Lvgui) Real Estate Development Co., Ltd.* 綠地集團(貴陽綠貴)房地產開發有限公司	Controlled by Greenland Holdings
Greenland (Guiyang Baiyun) Real Estate Development Co., Ltd.* 綠地集團(貴陽白雲)房地產開發有限公司	Controlled by Greenland Holdings
Hubei Zichuang Real Estate Development Co., Ltd.* 湖北梓創房地產有限公司	Controlled by Greenland Holdings
Wuhan Greenland Binjiang Land Co., Ltd.* 武漢綠地濱江置業有限公司	Controlled by Greenland Holdings
Kaifeng Greenland Land Co., Ltd.* 開封綠地置業有限公司	Controlled by Greenland Holdings

30 Related party transactions (continued)

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

Name	Relationship
Ningbo Hangzhouwan Xinqu Linghai Land Co., Ltd.* 寧波杭州灣新區領海置業有限公司	Controlled by Greenland Holdings
Zhongshan Yahong Real Estate Development Co., Ltd.* 中山市雅鴻房地產開發有限公司	Joint venture of Agile Holdings
Foshan Yazhan Property Development Co., Ltd.* 佛山雅展房地產開發有限公司	Joint venture of Agile Holdings
Guangxi Fuya Investments Co., Ltd.* 廣西富雅投資有限公司	Joint venture of Agile Holdings
Wuhan Changkai Property Development Co., Ltd.* 武漢長凱物業發展有限公司	Joint venture of Agile Holdings
Suzhou Agile Property Development Co., Ltd.* 蘇州雅居樂置業有限公司	Joint venture of Agile Holdings
Zhongshan Minsen Real Estate Development Co., Ltd.* 中山市民森房地產發展有限公司	Joint venture of Agile Holdings
Chongqing Jinbi Agile Real Estate Development Co., Ltd.* 重慶金碧雅居房地產開發有限公司	Joint venture of Agile Holdings
Hainan Yahai Travel Development Co., Ltd.* 海南雅海旅遊發展有限公司	Joint venture of Agile Holdings
Guangzhou Lihe Real Estate Development Co., Ltd.* 廣州利合房地產開發有限公司	Joint venture of Agile Holdings
Haimen Xinya Real Estate Development Co., Ltd.* 海門新雅房地產開發有限公司	Associate of Agile Holdings
Foshan Sanshui Qingmei Real Estate Development Co., Ltd.* 佛山市三水區擎美房地產有限公司	Associate of Agile Holdings

30 Related party transactions (continued)

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

Name	Relationship
Xinxing Country Garden Real Estate Development Co., Ltd.* 新興縣碧桂園房地產開發有限公司	Associate of Agile Holdings
Guangzhou Greenland Baiyun Property Co., Ltd.* 廣州綠地白雲置業有限公司	Joint venture of Greenland Holdings
Greenland Hangzhou Shuangta Property Co., Ltd.* 綠地控股集團杭州雙塔置業有限公司	Joint venture of Greenland Holdings
Zhongshan Changjiang Golf Course* 中山長江高爾夫球場	Controlled by the Founding Shareholders

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

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

(b) Transactions with related parties

	Year ended 31 December	
	2018 RMB'000	2017 RMB'000
Provision of services		
Controlled by the same ultimate holding company	**1,243,936**	470,605
Greenland Holdings and entities controlled by Greenland Holdings	**207,243**	43,766
Joint venture and associate of Agile Holdings	**114,996**	18,889
Joint venture of Greenland Holdings	**1,846**	—
Controlled by the Founding Shareholders	**1,349**	526
	1,569,370	533,786
Interest income received/receivable on loans due from related parties		
Controlled by the same ultimate holding company	**—**	53,070

30 Related party transactions (continued)

(b) Transactions with related parties (continued)

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Rental expenses		
Controlled by the same ultimate holding company	**5,784**	3,608
Controlled by the Founding Shareholders	**3,002**	2,406
A Founding Shareholder of Agile Holdings	**445**	445
	9,231	6,459

(c) Key management compensation

Compensations for key management other than those for directors and supervisors as disclosed in Note 32 is set out below.

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Salaries and other short-term employee benefits	**13,234**	8,637

30 Related party transactions (continued)

(d) Balances with related parties

	As at 31 December	
	2018	2017
	RMB'000	RMB'000
Receivables from related parties		
— Trade receivables		
Controlled by the same ultimate holding company	**242,803**	118,179
Greenland Holdings and entities controlled by Greenland Holdings	**227,136**	69,763
Joint venture and associate of Agile Holdings	**26,257**	6,306
Joint venture of Greenland Holdings	**7,170**	1,483
Controlled by the Founding Shareholders	**4,280**	3,986
	507,646	199,717
— Other receivables (Note (i))		
Controlled by the same ultimate holding company	**56,947**	27,373
Controlled by the Founding Shareholders	**6,767**	6,550
Intermediate Holding Company	**134**	134
Joint venture and associate of Agile Holdings	**6,115**	1,459
Greenland Holdings and entities controlled by Greenland Holdings	**706**	221
	70,669	35,737
— Loans and interest receivables due from related parties (Note 20(a))		
Controlled by the same ultimate holding company	**—**	13,248
Total receivables from related parties	**578,315**	248,702

30 Related party transactions (continued)

(d) Balances with related parties (continued)

	As at 31 December	
	2018 RMB'000	2017 RMB'000
Payables to related parties		
— Trade payables		
Controlled by the same ultimate holding company	**6,616**	235
Greenland Holdings and entities controlled by Greenland Holding	**605**	—
A Founding Shareholder of Agile Holdings	**112**	—
	7,333	235
— Other payables (Note (ii))		
Controlled by the same ultimate holding company	**38,455**	54,974
Greenland Holdings and entities controlled by Greenland Holdings	**1,923**	5,330
Joint venture and associate of Agile Holdings	**181**	—
Controlled by the Founding Shareholders	**196**	—
	40,755	60,304
— Contract liabilities		
Controlled by the same ultimate holding company	**46,995**	—
Joint venture and associate of Agile Holdings	**3,530**	—
Greenland Holdings and entities controlled by Greenland Holding	**1,135**	—
	51,660	—
— Advances from customers		
Controlled by the same ultimate holding company	**—**	19,768
Joint venture and associate of Agile Holdings	**—**	1
	—	19,769
Total payables to related parties	**99,748**	80,308

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

(ii) Other payables due to related parties are cash advances in nature, which are unsecured, interest-free and repayable on demand.

(e) Loans and interest receivables due from related parties

	Year ended 31 December	
	2018 RMB'000	2017 RMB'000
As at beginning of the year	**13,248**	1,036,000
Loans repayments received	**(13,248)**	(1,036,000)
Interest charged (Note 11)	**—**	53,070
Interest received	**—**	(39,822)
As at end of the year	**—**	13,248

31 Balance sheet and reserve movement of the Company

	As at 31 December	
	2018 **RMB'000**	2017 RMB'000
Assets		
Non-current assets		
Property, plant and equipment	**64,542**	63,301
Other intangible assets	**2,642**	2,969
Deferred income tax assets	**5,712**	5,978
Investments in subsidiaries	**1,276,358**	1,017,965
	1,349,254	1,090,213
Current assets		
Inventories	**10,379**	15,485
Trade and other receivables	**546,799**	254,769
Loans and interest receivables due from related parties	**—**	13,248
Restricted cash	**386**	384
Cash and cash equivalents	**4,445,643**	733,961
	5,003,207	1,017,847
Total assets	**6,352,461**	2,108,060
Equity		
Equity attributable to shareholders of the Company		
Share capital	**1,333,334**	1,000,000
Reserves (Note (a))	**3,225,750**	333,406
Retained earnings	**456,614**	70,011
Total equity	**5,015,698**	1,403,417
Liabilities		
Non-current liabilities		
Other payables	**23,656**	—
Current liabilities		
Trade and other payables	**1,018,145**	680,441
Contract liabilities	**235,260**	—
Current income tax liabilities	**59,702**	24,202
	1,313,107	704,643
Total Liabilities	**1,336,763**	704,643
Total equity and liabilities	**6,352,461**	2,108,060

The balance sheet of the Company was approved by the Board of Directors on 18 March 2019 and was signed on its behalf:

Chan Cheuk Hung
Director

Huang Fengchao
Director

31 Balance sheet and reserve movement of the Company (continued)

(a) Reserve movement of the Company

	Statutory reserve RMB'000	Share premium RMB'000	Other reserve RMB'000	Total RMB'000
As at 1 January 2017	9,071	—	54,026	63,097
Effect of the Company's conversion from a limited liability company into a joint stock company	(18,304)	23,407	—	5,103
Effect of the reorganisation	—	—	(17,817)	(17,817)
Issue of ordinary shares	—	1,170,637	—	1,170,637
Transfer from capital reserve to share capital	—	(922,000)	—	(922,000)
Appropriation of statutory reserves (Note 23 (a))	34,386	—	—	34,386
As at 31 December 2017	25,153	272,044	36,209	333,406
Issue of H shares (Note 22(b))	**—**	**2,866,009**	**—**	**2,866,009**
Appropriation of statutory reserves (Note 23 (a))	**26,335**	**—**	**—**	**26,335**
As at 31 December 2018	**51,488**	**3,138,053**	**36,209**	**3,225,750**

32 Directors' and supervisors' benefits and interests

During 2018, the directors and supervisors are listed in the following:

Executive directors

Mr. Chan Cheuk Hung (Note (a)(i),(f))
Mr. Huang Fengchao (Note (a)(i))
Mr. Liu Deming (Note (a)(iii), (f))
Mr. Feng Xin (Note (a)(ii), (f))
Mr. Wang Wei (Note (a)(vi))

Non-executive director

Mr. Wei Xianzhong (Note (a)(ii),(iv))

Independent Non-executive Directors

Mr. Wan Kam To (Note (a)(ii),(iv))
Mr. Wan Sai Cheong, Joseph (Note (a)(ii),(iv))
Mr. Wang Peng (Note (a)(iv))

Supervisors

Ms. Chen Liru (Note (a)(ii))
Ms. Huang Zhixia (Note (a)(ii))
Mr. Shi Zhengyu (Note (a)(v))
Mr. Li Jianhui (Note (a)(v))
Mr. Wang Shao (Note (a)(v))

32 Directors' and supervisors' benefits and interests (continued)

(a) Directors' and supervisors' emoluments

The directors and supervisors received emoluments from the Group (in their role as senior management and employee before their appointment as directors and supervisors respectively) for the year ended 31 December 2018 as follows:

Name	Fees RMB'000	Salaries RMB'000	Housing allowance and contributions to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors				
Mr. Liu Deming (Note (iii), (f))	–	5,913	153	6,066
Mr. Feng Xin (Note (ii), (f))	–	1,942	105	2,047
Mr. Wang Wei (Note (vi))	–	944	38	982
Non-executive director				
Mr. Wei Xianzhong (Note (ii),(iv))	317	–	–	317
Independent Non-executive Directors				
Mr. Wan Kam To (Note (ii),(iv))	310	–	–	310
Mr. Wan Sai Cheong, Joseph (Note (ii),(iv))	310	–	–	310
Supervisors				
Ms. Chen Liru (Note (ii))	–	702	50	752
Ms. Huang Zhixia (Note (ii))	–	395	36	431
	937	9,896	382	11,215

32 Directors' and supervisors' benefits and interests (continued)

(a) Directors' and supervisors' emoluments (continued)

The directors and supervisors received emoluments from the Group (in their role as senior management and employee before their appointment as directors and supervisors respectively) for the year ended 31 December 2017 as follows:

Name	**Fees**	**Salaries**	**Housing allowance and contributions to a retirement benefit scheme**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors				
Mr. Liu Deming (Note (iii), (f))	—	3,275	144	3,419
Mr. Feng Xin (Note (ii), (f))	—	1,800	19	1,819
Mr. Wang Wei (Note (vi))	—	898	72	970
Supervisors				
Ms. Chen Liru (Note (ii))	—	711	45	756
Ms. Huang Zhixia (Note (ii))	—	402	27	429
	—	7,086	307	7,393

(i) The directors, Mr. Huang Fengchao and Mr. Chan Cheuk Hung received emoluments totaling RMB10,306,000 during the year ended 31 December 2018 (2017: RMB12,611,000), which were borne by related parties of the Group. Mr. Huang Fengchao, Mr. Chan Cheuk Hung were also directors of Agile Holdings during the year ended 31 December 2018, and their emoluments were not allocated to the Group as the management of the Company considers there is no reasonable basis of allocation.

(ii) The executive director, Mr. Feng Xin, Non-executive director, Mr. Wei Xianzhong, Independent Non-executive Directors, Mr. Wan Kam To and Mr. Wan Sai Cheong, Joseph, and the supervisors, Ms. Chen Liru and Ms. Huang Zhixia did not receive any emoluments from the related parties of the Group for the year ended 31 December 2018 (2017: nil).

(iii) The executive director Mr. Liu Deming has resigned from the Group in November 2018 and received emoluments totalling RMB6,066,000 during the year ended 31 December 2018.

(iv) The non-executive director Mr. Wei Xianzhong, and the independent non-executive directors Mr. Wan Kam To and Mr. Wan Sai Cheong, Joseph received emoluments totalling RMB937,000 from the Group for the year ended 31 December 2018 (2017: nil).

The independent non-executive director Mr. Wang Peng did not receive any emoluments from the Group or the related parties of the Group for the year ended 31 December 2018 (2017: nil).

(v) The supervisors, Mr. Shi Zhengyu, Mr. Li Jianhui and Mr. Wang Shao did not receive any emoluments from the Group or the related parties of the Group for the year ended 31 December 2018 (2017: nil).

(vi) The executive director Mr. Wang Wei has left the Group in May 2018 and received emoluments totalling RMB982,000 during the year ended 31 December 2018.

32 Directors' and supervisors' benefits and interests (continued)

(b) Retirement benefits of directors and supervisors

During the year ended 31 December 2018, there were no additional retirement benefit received by the directors and supervisors except for the housing allowance and contributions to a retirement benefit scheme as disclosed in note (a) above (2017: nil).

(c) Termination benefits of directors and supervisors

During the year ended 31 December 2018, there were no termination benefits received by the directors and supervisors (2017: nil).

(d) Consideration provided to third parties for making available the services of directors and supervisors

During the year ended 31 December 2018, no consideration was paid for making available the services of the directors or supervisors of the Company (2017: nil).

(e) Information about loans, quasi-loans and other dealings in favor of directors and supervisors, controlled bodies corporate by and connected entities with such directors and supervisors

During the year ended 31 December 2018, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favor of directors and supervisors (2017: nil).

(f) Material interests of directors and supervisors in transactions, arrangements or contracts

Mr. Chan Cheuk Hung, transferred from non-executive directors to executive directors in May 2018, is one of the Founding Shareholders and executive directors of Agile Holdings, the Company's ultimate holdings company. Mr. Chan Cheuk Hung, is one of the beneficiaries of a family trust, which indirectly held 62.63% equity interests in Agile Holdings as at 31 December 2018 (2017: 62.63%). The Group's transactions with Agile Holdings and related entities are set out in Note 30(a).

Gongqingcheng Investment was established under the laws of the PRC with Gongqingcheng Yagao as its general partner and Mr. Liu Deming (劉德明), Mr. Feng Xin (馮欣) and Mr. Li Dalong (李大龍) as its limited partners. On 26 July 2017, the Company and Gongqingcheng Investment entered into a capital increase agreement, pursuant to which Gongqingcheng Investment shall subscribe for 8,000,000 shares of the Company at a cash consideration of RMB200,000,000.

Except for those mentioned above, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company had interests, whether directly or indirectly, subsisted at the years ended 31 December 2018 and 2017 or at any time during the years ended 31 December 2018 and 2017.

33 Events after the balance sheet date

(a) On 23 January 2019, the Group entered into two Share Transfer Agreements to acquire 89.6643% shares in Qingdao Huaren Property Co., Ltd. ("Qingdao Huaren") at a total consideration of RMB133,581,000. Upon the completion of the acquisition, Qingdao Huaren will become a subsidiary of the Group.

(b) On 23 January 2019, the Group entered into a framework agreement relating to the acquisition of the equity of Harbin Jingyang Property Management Co., Ltd. ("Harbin Jingyang") (no more than 92% equity interest); and on 26 February 2019, the Group entered into a formal equity transfer agreement to acquire 60% equity interest of Harbin Jingyang at a consideration of approximately RMB113,882,000. Upon the completion of the acquisition, Harbin Jingyang will become a subsidiary of the Group.

Five-Year Financial Summary

Consolidated statement of comprehensive income

	Year ended 31 December				
	2018 RMB'000	2017 RMB'000	2016 RMB'000	2015 RMB'000	2014 RMB'000
Revenue	**3,376,749**	1,760,753	1,244,735	934,412	826,099
Cost of sales	**(2,086,808)**	(1,170,188)	(933,088)	(785,597)	(727,279)
Gross profit	**1,289,941**	590,565	311,647	148,815	98,820
Selling and marketing expenses	**(45,951)**	(32,629)	(19,057)	(8,810)	(6,830)
Administrative expenses	**(299,496)**	(170,015)	(78,692)	(51,681)	(31,694)
Other income	**102,297**	11,395	4,802	2,088	3,276
Other expenses	**(1,828)**	(799)	(1,331)	(2,258)	(471)
Other gains/(losses) — net	**31,317**	(100)	(219)	(327)	(260)
Operating profit	**1,076,280**	398,417	217,150	87,827	62,841
Finance (expenses)/income — net	**(917)**	4,279	14,606	11,581	1,010
Profit before income tax	**1,075,363**	402,696	231,756	99,408	63,851
Income tax expenses	**(264,484)**	(102,489)	(62,710)	(27,377)	(17,188)
Profit and total comprehensive income for the year	**810,879**	300,207	169,046	72,031	46,663
Profit and total comprehensive income attributable to:					
— Owners of the Company	**801,045**	289,727	160,670	64,966	41,604
— Non-controlling interests	**9,834**	10,480	8,376	7,065	5,059
	810,879	300,207	169,046	72,031	46,663
Earnings per share (expressed in RMB per share)					
— Basic and diluted earnings per share	**0.62**	0.35	0.22	0.09	0.06

Consolidated assets, equity and liabilities

	As at 31 December				
	2018	2017	2016	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets	**1,307,867**	1,111,808	719,679	659,819	858,267
Current assets	**5,988,682**	1,398,989	1,179,178	594,173	747,165
Total assets	**7,296,549**	2,510,797	1,898,857	1,253,992	1,605,432
Equity and Liabilities					
Total equity	**5,510,037**	1,474,069	303,482	102,960	30,929
Non-current liabilities	**60,218**	22,118	595,691	442,160	605,183
Current liabilities	**1,726,294**	1,014,610	999,684	708,872	969,320
Total Liabilities	**1,786,512**	1,036,728	1,595,375	1,151,032	1,574,503
Total equity and liabilities	**7,296,549**	2,510,797	1,898,857	1,253,992	1,605,432