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

2019 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

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. The Group offers a comprehensive portfolio of property management services. The Group has developed three business lines, namely property management services, community value-added services and extended value-added services. The Group has expanded its business coverage into the whole industry chain with diversified business portfolio. As of 31 December 2019, the Group's total contracted GFA increased to approximately 356.2 million sq.m. and the total GFA under management was approximately 234.0 million sq.m.

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

Contents

Corporate Information

Board of Directors

Mr. Chan Cheuk Hung* *(Co-chairman)*

Mr. Huang Fengchao* *(Co-chairman, Chief Executive Officer and General Manager) (appointed as Chief Executive Officer and General Manager on 28 May 2019)*

Mr. Feng Xin* *(Vice President)*

Mr. Wei Xianzhong**

Ms. Yue Yuan** *(appointed on 28 May 2019)*

Mr. Wan Kam To#

Mr. Wan Sai Cheong, Joseph#

Mr. Wang Peng#

* Executive Directors

** Non-executive Directors

\# 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. Wan Kam To

Mr. Wang Peng

Risk Management Committee

Mr. Huang Fengchao *(Committee Chairman)*

Mr. Chan Cheuk Hung

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

Mr. Li Dalong

Auditor

PricewaterhouseCoopers

Certified Public Accountant and Registered PIE Auditor

Legal Advisors

as to Hong Kong law:

Sidley Austin LLP

as to PRC law:

King & Wood Mallesons

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
China Construction Bank, Guangzhou Huacheng Branch

Principal Place of Office in the PRC

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

Registered Office in the PRC

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

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 54, 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 overseas listed foreign shares (H shares).

Overseas listed foreign 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	:	Tuesday, 17 March 2020
2019 annual general meeting (the "2019 AGM")	:	Friday, 15 May 2020

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 2019 AGM

Latest time for lodging transfer documents of shares	:	4:30 p.m. on Tuesday, 14 April 2020
Period of closure of register of members	:	Wednesday, 15 April 2020 to Friday, 15 May 2020 (both dates inclusive)

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

Ex-entitlement date for Annual Dividend	:	Tuesday, 19 May 2020
Latest time for lodging transfer documents of shares	:	4:30 p.m. on Wednesday, 20 May 2020
Period of closure of register of members	:	Thursday, 21 May 2020 to Tuesday, 26 May 2020 (both dates inclusive)
Record date	:	Tuesday, 26 May 2020

To qualify for attending and voting at the 2019 AGM and entitlement to the Annual Dividend, shareholders of overseas listed foreign shares must lodge all properly completed share transfer forms accompanied by the relevant share certificates with the Company's H Share Registrar, Tricor Investor Services Limited, at Level 54, 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 2019 AGM, the proposed Annual Dividend will be paid on or about Wednesday, 24 June 2020 to Shareholders whose names appear on the register of members of the Company on Tuesday, 26 May 2020.

Annual General Meeting

The 2019 AGM will be held on Friday, 15 May 2020. Notice of the 2019 AGM will be set out in the Company's circular dated 8 April 2020 and will be despatched together with this annual report to the Shareholders. Notice of the 2019 AGM 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

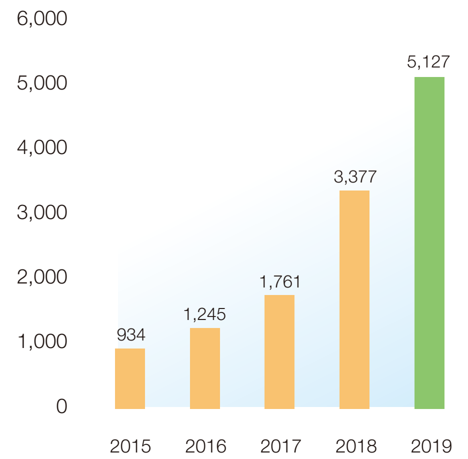
Summary of the Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2019	2018
Revenue (RMB million)	**5,127**	3,377
Gross profit (RMB million)	**1,883**	1,290
Gross profit margin	**36.7%**	38.2%
Net profit (RMB million)	**1,292**	811
Net profit margin	**25.2%**	24.0%
Profit attributable to the Shareholders (RMB million)	**1,231**	801
Basic earnings per share (RMB)	**0.92**	0.62

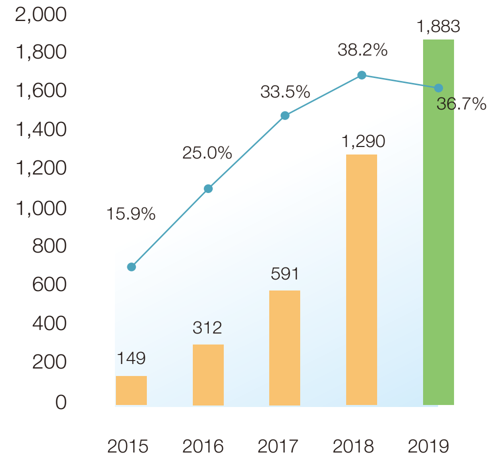
Summary of the Consolidated Statement of Balance Sheet

	As at 31 December	
	2019	2018
Total assets (RMB million)	**9,388**	7,297
Cash and cash equivalents (RMB million)	**4,207**	4,808
Shareholders' equity (RMB million)	**6,506**	5,510
Return on shareholders' equity	**21.2%**	23.2%
Total liabilities/Total assets	**30.7%**	24.5%

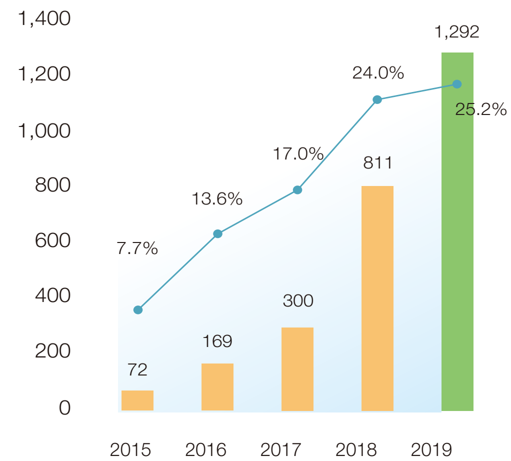
Revenue
(RMB million)



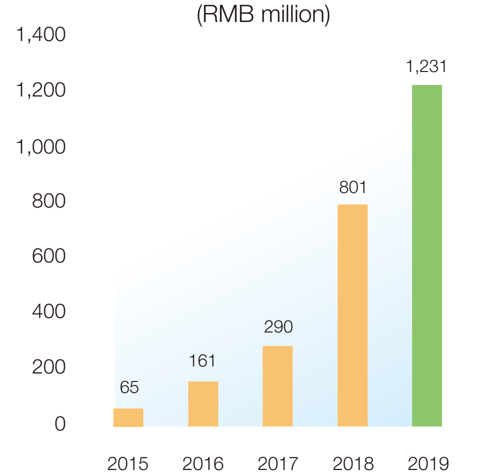
Gross profit and gross profit margin
(RMB million)/%



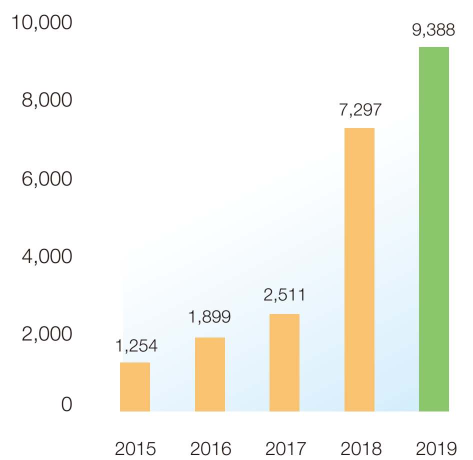
Net profit and net profit margin
(RMB million)/%



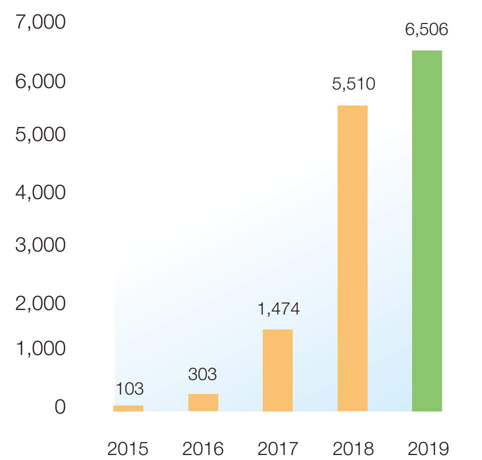
Profit attributable to the Shareholders of the Company
(RMB million)



Total assets
(RMB million)



Shareholders' equity
(RMB million)



Major Events in 2019

January

A-Living entered into a share transfer agreement to acquire 89.6643% of the shares of Qingdao Huaren.

February

A-Living entered into an equity transfer agreement to acquire 60% equity interest in Harbin Jingyang.

March

A-Living published its first annual results after listing with net profit exceeding RMB800 million, up 1.7 times year-on-year, and the annual dividend payout ratio reached up to 50%.

March

A-Living entered into an equity transfer agreement to acquire 51% equity interest in Guangzhou Yuehua, which laid a foundation for the public services business segment.

May

A-Living was ranked seventh in the "2019 Top 100 Property Management Companies in China".

August

A-Living published its 2019 interim results with net profit increased by nearly 70%, and the contracted GFA exceeded 300 million sq.m..

September

A-Living announced to acquire 60% equity interest in CMIG PM and New CMIG PM, which led to a leapfrog growth in scale and achieved whole industry chain layout.

October

A-Living participated in 2019 China International Property Management Industry Expo to exhibit technology empowerment and the building of smart communities.

November

A-Living was included in the MSCI China Index, reflecting the recognition by the capital market in Company's value.

November

Lanzhou Lanshi A-Living Property Management Services Co., Ltd. (蘭石雅生活物業服務有限公司), which was jointly established by A-Living and Lanzhou Lanshi Group (蘭州蘭石集團), officially commenced operation, opening a new chapter for A-Living to participate in mixed-ownership reform of SOEs.

Major Recognition and Awards

1. The 7th of the "2019 Top 100 Property Management Companies in China"
2. 2019 China Leading Property Management Company in terms of Customer Satisfaction
3. 2019 China Top 10 Property Management Companies in terms of Business Performance
4. The 7th of the "2019 Top 500 Property Management Companies in terms of Comprehensive Strength in China"
5. 2019 Leading Companies in Residential Property Services
6. 2019 Top 50 Most Valuable Brand of Property Management Service
7. The 6th of the "2019 Specialized Operational Leading Brand of China Property Service Companies"
8. 2019 TOP 5 Listed Company of Property Management Service
9. Golden Hong Kong Stock Award 2019
10. 2019 Listed Property Management Companies with Growth Potential Award (2019上市房企成長潛力獎)
11. 2019 Blue Chip Property Management Company

Annual report awards:

1. The LACP 2018 Vision Awards Annual Report — Gold Award
2. The LACP 2018 Vision Awards Annual Report — Outstanding Production Values
3. The LACP 2018 Vision Awards Annual Report — Technical Achievement Award
4. The LACP Top 80 Chinese Reports of 2018

Chairman's Statement

Chan Cheuk Hung
Co-chairman of the Board

Huang Fengchao
Co-chairman of the Board

Dear Shareholders,

We are pleased to present the 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 2019 (the "Year").

In 2019, property management, as an encouraged industry in the PRC, had booming growth and enjoyed loose guiding policy on property management fee in many cities, coupled with "people's desire for better life" which requires more professional and higher quality property management services, all of which have provided strong momentum to the growth of the industry. Through the alliance between leading enterprises and by leveraging financial platforms, leading players are now enjoying the advantage of "strong ones becoming stronger" as the market concentration is on the rise of the industry. During the Year, the Group devoted itself to improving its "quality, scale and efficiency". Based on its advantage in providing management services to residential properties, the Group expanded horizontally into a property management platform with diversified business portfolio through quality mergers and acquisitions ("M&A"), as well as expansion into projects from third-party developers, and sustained rapid growth in the scale of properties under management. At the same time, the Group explored vertically the needs of property owners to scale up community value-added services by making full use of its own advantages. With its leading scale and brand strength, the Group ranked 7th in the "2019 Top 100 Property Management Companies in China" by China Index Academy. The Group has also been included in the Hang Seng Composite Index, eligible stocks for Shenzhen-Hong Kong Stock Connect and MSCI China Index and has won a number of authoritative awards dedicated to listed companies attributable to its comprehensive and transparent communications as well as outstanding performance in the capital market.

Business Review

2019 was a milestone year for A-Living in its history. Through optimising the structure and business lines, the Group had four major business segments, namely "property management services", "asset management services", "public services" and "community commercial services". Seven regional offices were formed and created synergies with acquired companies and joint ventures. During the Year, the Group announced the biggest-ever M&A deal in the property management industry to date to fill the gaps in different regions and business portfolios. The scale and profitability of the Group experienced leapfrogging growth and all performance indicators were accomplished, resulting in a successful conclusion of the Group's three-year plan from 2017 to 2019. The revenue and net profit of the Group recorded a compound annual growth rate of 70.6% and 107.4% respectively from 2017 to 2019.

During the Year, the revenue of the Group was RMB5,127.3 million, representing an increase of 51.8% as compared with the corresponding period in the last year. Gross profit was RMB1,882.9 million, representing a year-on-year increase of 46.0%. Gross profit margin was 36.7%, representing a decrease of 1.5 percentage points year-on-year. Net profit was RMB1,291.6 million, representing a year-on-year increase of 59.3%. Net profit margin was 25.2%, representing an increase of 1.2 percentage points year-on-year. Profit attributable to the shareholders of the Company (the "Shareholders") amounted to RMB1,230.8 million, representing a year-on-year increase of 53.7%. The basic earnings per share amounted to RMB0.92.

During the Year, with support from the Shareholders, the Group implemented a multi-brand development strategy, among which the Group continued to stably undertake the gross floor area ("GFA") respectively from Agile Group and Greenland Holdings Group Company Limited (綠地控股集團股份有限公司) ("Greenland Holdings") under the brands of "Agile Property Management" and "Greenland Property Services". Capitalising on its brand strength and extensive experience, the Group put great efforts in exploring the markets of third-party developers, while expanding its scale rapidly and consolidating its market leading position through investment, M&A, and participating mixed-ownership reform of state-owned enterprises ("SOEs").

During the Year, the Group completed the acquisition of the shares of Qingdao Huaren Property Co., Ltd. ("Qingdao Huaren"), and the respective equity interests in Harbin Jingyang Property Management Co., Ltd. ("Harbin Jingyang"), Lanzhou Chengguan Property Services Group Co., Ltd. ("Lanzhou Chengguan") and Guangzhou Yuehua Property Co., Ltd. ("Guangzhou Yuehua"), and further expanded the industrywide and nationwide business coverage. In September 2019, the Group announced the acquisition of 60% equity interest in CMIG Futurelife Property Management Limited ("CMIG PM") and Minrui Property Management (Shanghai) Co., Ltd. ("New CMIG PM"), recording the largest M&A deal in the property management industry to date. During the Year, the Group carried out systematic post-integration works for its acquired enterprises. In accordance with the needs of such enterprises, the Group empowered them in the aspects of information system, management efficiency and expansion capability through sharing the resources. An in-depth integration in terms of management, business and corporate culture was realised, which effectively improved the management efficiency and facilitated the growth in scale and profitability of the acquired companies.

With a focus on economically developed and promising regions, the Group developed a diversified business portfolio and expanded its business in various types of buildings. In addition, given its outstanding brand strength and service quality, the Group has enjoyed premium pricing for its services. Thus, the Group managed to improve the property management fee as well as the service quality of the newly obtained projects from third-party developers during the Year. The Group has actively participated in the mixed-ownership reform of SOEs to explore the development model of mixed-ownership in property management services. The Group cooperated with Lanzhou Lanshi Group Co., Ltd.* (蘭州蘭石集團有限公司) ("Lanzhou Lanshi Group") to implement mixed-ownership reform in a SOE, namely Lanzhou Lanshi A-Living Property Management Services Co., Ltd.* (蘭州蘭石雅生活物業服務有限公司), taking the first step of mixed-ownership reform of state-owned property management enterprise in Gansu Province. It was also recognised as a demonstration project of comprehensive reform in Gansu province. Capitalising on the extensive experience, professional services and outstanding reputation of the acquired companies, the public services segment witnessed a strong growth momentum during the Year. The Group obtained several large-scale benchmarking projects in this segment, which further enhanced its influence in the niche markets. In respect of high-end commercial and office buildings, the Group won the bids for super high-rise city landmark office building projects such as the Gate of Hangzhou (杭州之門) and achieved a breakthrough in terms of obtaining third-party projects.

As of 31 December 2019, the GFA under management and contracted GFA of the Group were 234.0 million sq.m. and 356.2 million sq.m. in total, respectively, among which, the contracted GFA from Agile Group and Greenland Holdings amounted to 77.1 million sq.m. and 40.1 million sq.m., respectively, representing an increase of 9.5% and 81.9% respectively as compared with that as of 31 December 2018. The contracted GFA from these two shareholders accounted for 32.9% of the total contracted GFA. The contracted GFA from third-party developers (including contribution from M&A) amounted to 239.1 million sq.m. in total, representing an increase of 74.0% as compared with that as of 31 December 2018, accounting for 67.1% of the total contracted GFA.

Through professional operation of the community commercial services segment and adopting a flexible business model, coupled with reasonable incentive mechanism, the Group has developed a community economic ecosphere centered on the residents, houses, vehicles and public resources in the communities. During the Year, through organising and sorting out community resources and introducing high quality suppliers, the utilisation rate of community resources was significantly improved. A foundation was laid for the further development of community value-added services following progressive integration of the resources from acquired enterprises. Meanwhile, considering the property owners' needs and pursuit of a better life, the Group innovated small-scaled yet dedicated value-added services and products, and built Lexianghui (樂享薈) as a 360-degree community value-added service system, which comprises a total of 12 service and product lines.

2019 was the "Year of Standard Establishment". The Group managed to take the quality of its property management services to the next level by providing attentive, meticulous and thoughtful property management services and adopting scientific, systematic and standardized management methods. As of 31 December 2019, the overall collection rate of the Group's residential projects (excluding those from M&A) maintained at a high level of 94.9%. According to the statistics from China Index Academy, a third-party authority, the overall satisfaction rate of the Group's property management services in 2019 was 90.5% (excluding M&A), representing an increase of 0.4 percentage points as compared with that in 2018, far higher than the industry average and benchmarking levels of 73.1% and 85.5% respectively. In particular, the Group's steward services and community cultural activities were highly appreciated by property owners. The Group's nationwide 400 Hotline Call Center received over 500,000 calls from property owners in aggregate during the Year and provided services to property owners in more than 200 communities. By commencing closed-loop management, the processing time for each call was shortened by three times and hundreds of common problems across the country were rectified. During the Year, the Group also initiated to raise property management fee of several key projects and managed to increase the management fee of four super large-scale projects including Agile Garden Guangzhou (廣州雅居樂花園), providing valuable experience for price increase for other projects in the future.

During the Year, the Group optimised its organisational structure, pushed forward the progress of innovation and reform, and established regional platforms, a flat management structure, an elite team and a centralized service model. More job functions were delegated to the regional level and stringent control was made over management costs to significantly improve management efficiency. The operations of all business segments and regional companies became more flexible and efficient, achieving economies of scale and synergetic development. The Group also promoted the integration of "Big Project" under which organizational vitality was invigorated to lay a solid foundation for rapid future development. In the fourth quarter of 2019, the Group launched a comprehensive budget system, forming an efficient, regulated and standardized closed-loop budget process, which enabled multi-dimensional big data analysis and full-process tracing of internal funds.

During the Year, the Group continued to receive recognitions from the market and the industry as evidenced by the various awards and honors it received. A-Living was ranked 7th in the "2019 Top 100 Property Management Companies in China" and ranked 7th in the "2019 Top 500 Property Management Companies in terms of Comprehensive Strength in China". As one of the "2019 Top 100 Property Management Companies in China", A-Living was accredited as No.1 of the "2019 China Top 100 Property Management Companies in terms of Growth Potential", "2019 China Top 10 Property Management Companies in terms of Business Performance", "2019 China Leading Property Management Company in terms of Service Quality", "2019 China Leading Property Management Company in terms of Customer Satisfaction" and "2019 Specialized Operational Leading Brand of China Property Service Company". The Group has also received "Golden Hong Kong Stock Award 2019", "2019 Listed Property Management Companies with Growth Potential Award", etc.

Prospects and Strategy

2020 is the "Year of Capability Building" for the property management industry in China, in which the industry will be exposed to a new opportunity of transformation and upgrade into a modern service industry in pursuit of high-quality development. With continuous growing management scope, stronger market expansion capability and channels of leading property management companies, coupled with the capital input into industry consolidation and optimization, it is expected that market concentration will increase significantly in the next three to five years. Looking ahead, with rising market concentration, leading players in the field with advantages in technology, talents, management and capital will enjoy more development opportunities. The Group will continue to focus on its main business and maintain high-quality of services. Centering on the idea of "talent+mechanism+innovation", the Group will expand its management scale horizontally and explore value-added services vertically to develop innovative businesses with divergent thinking.

The Group will continue to facilitate the transformation from capital-driven exogenous growth to market-oriented endogenous development through multi-channel expansion and diversification of services in order to further solidify and expand its market leading position, generate brand premium, and achieve rapid and sustainable growth. Leveraging the ten-billion-dollar property management platform and the 18-brand matrix strategy, the Group will expand nationwide collaboratively with its subsidiaries and joint ventures as a team. Taking advantage of its business portfolios, geographical presence and supportive shareholders, the Group will accelerate its expansion through multiple channels, diversify its products and put in place corresponding incentive mechanism to develop an aggressive team dedicated to expansion works. At the same time, the Group will actively identify cooperation opportunities arising from the mixed-ownership reform of SOEs and strategic joint ventures, enlarge its strategic presence in the property management industry chain in order to develop new growth drivers.

The Group will further upgrade its quality control standards and focus on quality operations to optimize the quality standardization system, effectively increase the conversion rate and collection rate, and develop industry benchmarking projects of exquisite quality. The concept of platformization will be adopted to improve lean management level and project operation efficiency. Project pipelines for price increase will be all sorted out and successful price increase experiences will be widely promoted to normalize such practice. In addition, the Group will invigorate the vitality and improve per capita efficiency through intelligentization and informatization, flexible shift and corresponding incentive mechanism. Leveraging the big data platform and information system, standardized and intelligent management, aggregation of multi-level data and full-caliber output standards make possible to achieve lean management and risk control. The comprehensive budget system will be utilized to keep tabs on spending, strictly control management costs and achieve economies of scale on a regional level in order to achieve comprehensive and effective cost reduction.

Upon completion of the acquisition of CMIG PM and New CMIG PM, the total GFA under management of the Group will exceed 500 million sq.m., its profitability and brand strength will be significantly improved, and its market share in economically developed regions such as Shanghai, Chongqing, Jiangsu and Shandong will be increased rapidly. Meanwhile, through the acquisition of CMIG PM and New CMIG PM, the Group will be able to strengthen its presence in the segments of public buildings, commercial and office buildings and enter into other niche markets with high entry barriers to manage numerous city landmark projects, which will greatly enhance the Group's ability to establish itself as a nationwide property management platform with a diversified business portfolio and multiple prominent brands.

Upon completion of the acquisition of CMIG PM and New CMIG PM, the management scale of the Group will experience leap-frog growth and a new chapter of nationwide expansion with comprehensive business portfolios will commence. Based on the principles of "mutual respect, seeking common grounds while putting aside difference and inclusive symbiosis", the Group will effectively enhance the cohesiveness of the A-Living team and emphasize post-acquisition management and comprehensive empowerment. It will assist the acquired companies to achieve growth through market and brand resources sharing and collaboration, upgrade of information system, benchmarking assessment and incentive system, and optimization of management level, while exploring value-added services together with these companies. In addition, capitalising on the first-mover advantages of the comprehensive business portfolio layout, the Group will actively explore property management business for residential, high-end commercial and public buildings to optimize the whole industry chain layout of property management services.

The community groups and social resources brought by consumption upgrade and industrial transformation and upgrade have paved the way for the community economic ecosphere, which may possibly become one of the major catalysts for development of property management companies in the future given its enormous potential in market scale and growth. The Group will become one of the largest property management platforms in the industry and enjoy significant benefits from demographic flow. The Group will continue to adopt the asset-light operation model to vigorously promote the value-added services with low usage frequency but high revenue, and enhance the stickiness of services and products with high usage frequency and high demand in order to increase the platform traffic. Meanwhile, the Group will step out of the mindset of property management industry and identify high-dimensional, cross-industry cooperation opportunities to unearth the potential of community value-added services. In the future, the Group will innovate and revitalize the community economy, promote unit-based model and strengthen smart community services to address the needs of property owners. At the same time, the penetration rate and stickiness of community value-added services will be further improved by focusing on the promotion of community new retail, community nursery, community finance, community leasing and sales and so on, which will be applied to the projects of the acquired companies in a standardized manner.

The Group will keep up with the times. By upgrading the industry mindset and leveraging the endogenous forces stimulated from both talents and mechanisms, the Group will strive to become the leading company in the property management industry and a benchmarking enterprise in terms of quality. Meanwhile, the Group will embrace Internet and Internet of Things technologies to take preemptive moves in the 5G era based on its cutting-edge information management system and technological methods. The Group will manage to first complete the upgrade and transformation from a traditional labor-intensive property management services provider to a smart community urban operation services provider driven by "talent+technology+capital". With an informatization management platform put in place, a comprehensive consolidation of information and data covering finance, human resources and administration, market expansion, operation, and community value-added services will be made possible to realize effective, intelligent and unified management.

At the beginning of 2020, following the epidemic outbreak of Coronavirus Disease 2019 (the "COVID-19 outbreak") spread from Wuhan, the whole country has united together to fight against the epidemic. The Group has responded quickly with comprehensive arrangements and collaborated with seven regional offices, subsidiaries and joint ventures, to stand in the frontline of epidemic prevention and control. The Group actively assumed the social responsibility to prevent the epidemic from spreading and safeguard the life, health and safety of property owners and its employees to the greatest extent possible. The Group has united as one to overcome the challenges brought by the epidemic and maintained normal operation of various businesses. At the same time, it will turn challenges into motivation to explore potential positive factors and make every effort to work towards its business goals for 2020.

2020 marks the first year of A-Living's new three-year plan and the first year of the Group's journey into a new decade. The Group is committed to becoming a company with a ten-billion-dollar platform in China's property management industry. "Connecting to countless people and boundless areas", the Group will uphold its original intention of "lifelong caring for property owners" in the future to earnestly build a happy life for people and draw a blueprint of full-scenario property management business. By focusing on "talent+mechanism+innovation", the Group strives to serve the "property owners+employees+shareholders" with "quality+scale+efficiency" and create greater value for all shareholders and the society.

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 contributed to the growth of the Group.

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

Hong Kong, 17 March 2020

BUSINESS REVIEW

Looking back to 2019, under the favourable policies such as the upward adjustment of government-guided prices for property management services and the regulation of pricing mechanism in certain cities, the property management industry in the PRC has accelerated its development and the industry concentration has kept rising. As an enterprise with over 27 years of experience in the property management industry in the PRC, the Group upholds the development strategy of “Consolidating footholds in Beijing, Shanghai and Guangzhou, serving the whole PRC”. With the support of Agile Group and Greenland Holdings, the two major property developer shareholders, it proactively expands our business through projects from third-party property developers and M&A. During the Year, the Group completed the acquisition of the shares of Qingdao Huaren, and the equity interests in Harbin Jingyang, Lanzhou Chengguan and Guangzhou Yuehua, and announced the acquisitions of CMIG PM and New CMIG PM. The Group also actively participated in the mixed ownership reform of SOEs to steadily achieve a balanced business layout with nationwide layout, comprehensive business portfolio and the whole industry chain.

Adhering to the philosophy of “quality is the lifeline to business”, the Group has earned brand reputation with excellent service quality and mature management capability, maintained its leading position in the industry while its strength has been widely recognised. During the Year, the Group was ranked the 7th in the “2019 Top 100 Property Management Companies in China”, No.1 of the “2019 China Top 100 Property Management Companies in terms of Growth Potential”, and was accredited as “2019 Top 50 Most Valuable Brand of Property Management Service” and the sixth of the “2019 Specialized Operational Leading Brand of China Property Service Companies”. It was also recognised as “2019 Blue Chip Property Management Company” and had received “Golden Hong Kong Stock Award 2019” etc, reflecting the recognition and confidence from both the industry and capital market in the Group’s comprehensive strength.

With rapid growth of its business, the Group continuously optimized its income structure and enhanced its operating efficiency. For the year ended 31 December 2019, the GFA under management and contracted GFA reached 234.0 million sq.m. and 356.2 million sq.m. respectively, representing a respective growth of 69.4% and 55.0% as compared with that of 2018. During the Year, revenue of the Group amounted to RMB5,127.3 million, representing an increase of 51.8% as compared with RMB3,376.7 million for the corresponding period of last year. Net profit was RMB1,291.6 million, representing an increase of 59.3% as compared with RMB810.9 million in 2018.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2019, revenue of the Group amounted to RMB5,127.3 million (2018: RMB3,376.7 million), representing an increase of 51.8% as compared with the corresponding period in the last year.

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

	For the year ended 31 December				
	2019 (RMB' 000)	Percentage of revenue %	2018 (RMB' 000)	Percentage of revenue %	Growth rate %
Property management services	**2,829,662**	**55.2%**	1,624,835	48.1%	74.2%
Extended value-added services	**1,812,325**	**35.3%**	1,463,135	43.3%	23.9%
— Sales center property management services	**701,802**	**13.7%**	675,178	20.0%	3.9%
— Other extended value-added services	**1,110,523**	**21.6%**	787,957	23.3%	40.9%
Community value-added services	**485,306**	**9.5%**	288,779	8.6%	68.1%
Total	**5,127,293**	**100.0%**	3,376,749	100.0%	51.8%

Property Management Services

Property management services 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 RMB2,829.7 million (2018: RMB1,624.8 million), accounting for 55.2% of the Group's revenue and representing an increase of 74.2% as compared with the corresponding period in the last year.

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

Project sources	As of 31 December 2019 ('000 sq.m.)	Percentage of areas %	As of 31 December 2018 ('000 sq.m.)	Percentage of areas %	Growth ('000 sq.m.)	Growth rate %
Agile Group	**53,826**	**23.0%**	48,192	34.9%	5,634	11.7%
Greenland Holdings	**8,558**	**3.7%**	4,728	3.4%	3,830	81.0%
Third-party property developers[1]	**171,602**	**73.3%**	85,200	61.7%	86,402	101.4%
Total	**233,986**	**100.0%**	138,120	100.0%	95,866	69.4%

Note 1: Including the GFA under management provided by the Group and third-party property developers through property management contracts and the GFA under management contributed by the projects from acquired companies.

As of 31 December 2019, the Group's total GFA under management was 234.0 million sq.m., representing an increase of 95.9 million sq.m. from 138.1 million sq.m. as of 31 December 2018, with a growth rate of 69.4%. The increase was mainly attributable to: (i) the Group continued to take over the projects developed by Agile Group, with a newly increased GFA under management of 5.6 million sq.m. during the Year; (ii) the newly increased GFA of 3.8 million sq.m. from the projects of Greenland Holdings during the Year; (iii) the newly increased GFA of 86.4 million sq.m. from projects developed by third-party property developers and M&A during the Year, including the respective GFA under management of approximately 9.1 million sq.m. and approximately 9.8 million sq.m. from the acquisition of Qingdao Huaren and Harbin Jingyang, the GFA under management of approximately 30.0 million sq.m. resulting from the acquisition of Guangzhou Yuehua, and approximately 17.9 million sq.m. resulting from the acquisition of Lanzhou Chengguan.

During the Year, the Group focused on the improvement of service quality and continued to build smart community. Through scientific, systematic and standardized management, the Company strived to improve the service skills of its employees, provide high-standard and high-quality property management services to meet the needs of property owners, create a good community atmosphere, therefore continuously increase the loyalty and satisfaction of property owners. In 2019, the overall satisfaction rate of the Group's property management services was 90.5% (excluding M&A), representing an increase of 0.4% as compared with that of 2018, far higher than the industry and the benchmarking levels of 73.1% and 85.5% respectively. Meanwhile, the Group advocated the quality management philosophy of providing quality service with reasonable charge. The Group initiated price enhancement for several key and large-scale projects during the Year, improving the sustainability of existing projects. In terms of third-party expansion, the Group actively entered into key cities with promising development prospects such as provincial capitals and first-and second-tier cities, and targeted to more diversified project types. The average management fee of projects from third-party expansion steadily increased.

During the Year, the overall collection rate of the Group's residential projects (excluding those from M&A) reached 94.9% (2018: 95.7%).

The project portfolio for GFA under management

As of 31 December 2019, for the GFA under management, the proportion of residential property business accounted for 58.9% (2018: 60.4%), and the proportion of non-residential property business accounted for 41.1% (2018: 39.6%) (public buildings accounted for 35.1%, commercial buildings and complex accounted for 5.5%). The increase in the proportion of non-residential business was mainly due to the relative high proportion of non-residential projects of the newly acquired companies during the Year.

With the increase of industry concentration, development with diversified business portfolio has become an important trend in the industry. On the basis of its advantages in providing property management services to residential properties, the Group actively expanded into non-residential business portfolio such as public buildings and commercial and office buildings.

The geographic coverage for GFA under management

During the Year, the Group's projects under management reached 1,180, covering 27 provinces, municipalities and autonomous regions nationwide, in 93 cities. As of 31 December 2019, among the Group's GFA under management by regions, 28.0% were located in the Guangdong-Hong Kong-Macao Greater Bay Area, 19.3% were located in the Yangtze River Delta Region, 10.8% were located in the Lanzhou-Xining city cluster, 6.0% were located in the Shandong Peninsula city cluster, 5.5% were located in the Harbin-Changchun city cluster, 4.2% were located in the Northern Bay city cluster while the reminder spread across other regions in the PRC.

The charging mode

The revenue of the Group from property management services was mainly based on a lump sum contract basis, which accounted for 97.8% of that from property management services (2018: 96.1%). The lump sum contract basis the Group primarily adopted is conducive to improving 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 2019 ('000 sq.m.)**	**Percentage of areas %**	As of 31 December 2018 ('000 sq.m)	Percentage of areas %	Growth ('000 sq.m)	Growth rate %
Agile Group	**77,053**	**21.6%**	70,371	30.6%	6,682	9.5%
Greenland Holdings	**40,076**	**11.3%**	22,026	9.6%	18,050	81.9%
Third-party property developers	**239,108**	**67.1%**	137,402	59.8%	101,706	74.0%
Total	**356,237**	**100.0%**	229,799	100%	126,438	55.0%

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 (i.e. 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 2019, the contracted GFA reached 356.2 million sq.m., representing an increase of 126.4 million sq.m. or a growth rate of 55.0% as compared with that of 229.8 million sq.m. as of 31 December 2018.

During the Year, the Group obtained newly increased contracted GFA of 6.7 million sq.m. from Agile Group, 18.1 million sq.m. from Greenland Holdings, and 101.7 million sq.m. from third-party property developers.

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 RMB1,812.3 million, representing an increase of 23.9% from RMB1,463.1 million in 2018, and accounted for approximately 35.3% of the total revenue, including:

(1) The revenue from sales center property management services (accounted for 38.7% of the revenue from the extended value-added services): amounted to RMB701.8 million during the Year, representing an increase of 3.9% as compared with RMB675.2 million in 2018. The increase of revenue from sales center property management services was primarily due to the increase of sales center property management services for third-party developers.

(2) Other extended value-added services (accounting for 61.3% of the revenue from the extended value-added services): including property agency services and housing inspection services, etc. The revenue for the Year amounted to RMB1,110.5 million, representing an increase of 40.9% as compared with that of RMB787.9 million in 2018, mainly due to the increase in business volume of property agency services, the increase of the GFA completed and delivered by Agile Group, as well as higher demands in quality of house delivery and technology empowerment.

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 RMB485.3 million, representing an increase of 68.1% as compared with RMB288.8 million in 2018, accounting for approximately 9.5% of the total revenue.

(1) Living and comprehensive services include: property maintenance, housekeeping, community-based group purchase, and comprehensive consulting services, etc. During the Year, the Group continued to focus on the intensive development of "Xiaoya" series of homecare services, and actively developed new retail services in communities. It developed four sub-brands of Lexianghui platform, namely Lexiang Fresh Food, Lexiang Orchard, Lexiang Chateaus and Lexiang Granary. Revenue from living and comprehensive services amounted to RMB171.1 million, representing an increase of 52.4% as compared with that of 2018, accounting for approximately 35.3% of revenue from community value-added services.

(2) Community asset management services primarily include: club house operation services, property lease services, community-based advertising, parking lot management services, community asset operation and second-hand property agency services. During the Year, the Group deeply explored the needs of consumption and advertising in community, continued to revitalize community public resources, introduced a variety of suppliers, and effectively reduced the vacancy rate of community resources. Community asset management services amounted to RMB219.0 million, representing an increase of 108.4% as compared with that of 2018, accounting for approximately 45.1% of revenue from community value-added services.

(3) Home improvement services primarily include turnkey furnishing services. During the Year, the Group focused on the standardized operation of home improvement services, introduced nearly 30 well-known suppliers, and provided one-stop refined decoration services for roughcast houses and housing renovation service for the existing projects. Such services accounted for approximately RMB95.2 million of revenue, representing an increase of 33.3% as compared with that of 2018, accounting for around 19.6% of revenue from community value-added services.

During the Year, the remarkable growth in community value-added services was mainly due to the significant increase in the utilization rate and penetration rate of temporary parking spaces, advertising billboards, club houses and rental spaces through the Group's professional operation, in-depth exploration of community resources and introduction of high-quality suppliers. In addition, for community living services, the Group launched a wide range of community retail products through the upgraded "Lexianghui" (樂享薈) platform to expand its homecare services.

Cost of sales

The Group's cost of sales primarily consists of employee salaries and benefit expenses, cleaning expenses, security charges, maintenance costs, utilities, greening and gardening expenses, cost of consumables, depreciation and amortisation charges and others.

During the Year, cost of sales of the Group was RMB3,244.4 million (2018: RMB2,086.8 million), representing an increase of 55.5% as compared with that of the corresponding period in 2018, which was primarily due to the increase in relevant costs in response to an increase in turnover with the rapid growth of the Group's businesses. Overall, the Group's growth of the cost of sales was faster than that of revenue, primarily due to (i) the continuous expansion of the Group's GFA under management, the improvement of service quality of the existing projects and the increase in early-stage investment of projects, resulting in the increase in daily operating costs and various outsourcing costs; and (ii) the impact in RMB45.3 million of amortisation of trademarks and customer relationships attributable to the acquisition of companies.

Gross profit and gross profit margin

	For the year ended 31 December				
	2019		2018		
	Gross profit (RMB'000)	**Gross profit margin %**	Gross profit (RMB'000)	Gross profit margin %	Changes in gross profit margin
Property management services	**715,422**	**25.3%**	444,629	27.4%	–2.1 percentage points
Extended value-added services	**903,190**	**49.8%**	698,209	47.7%	+2.1 percentage points
Community value-added services	**264,248**	**54.4%**	147,103	50.9%	+3.5 percentage points
Total	**1,882,860**	**36.7%**	1,289,941	38.2%	–1.5 percentage points

During the Year, the Group's gross profit amounted to RMB1,882.9 million, representing an increase of 46.0% as compared with that of RMB1,289.9 million in 2018. Gross profit margin decreased to 36.7% from 38.2% in 2018.

The gross profit margin of property management services was 25.3% (2018: 27.4%), representing a decrease of 2.1 percentage points as compared with that of last year, which was mainly due to the Group's active expansion into projects developed by third-party developers during the Year, resulting in a relatively low gross profit margin caused by more early-stage investment. Meanwhile, the contribution of acquired companies increased year-on-year. The gross profit margin of acquired companies was relatively low due to market-oriented development strategies applied.

The gross profit margin of extended value-added services was 49.8% (2018: 47.7%), representing an increase of 2.1 percentage points as compared with that of last year, which was mainly due to (i) previous investment in market expansion bringing about economies of scale in property agency business and sales center property management business, which effectively improved gross profit; and (ii) the Group internally integrated its service teams to reduce costs and improve efficiency during the Year.

The gross profit margin of community value-added services was 54.4% (2018: 50.9%), representing an increase of 3.5 percentage points as compared with that of last year, mainly due to the continuous increase in types of value-added services and active development of community living services, community asset management, turnkey furnishing and community-based economy services. The Group operated public resources in communities through professional platforms to effectively improve utilization rate of resources and enhance penetration rate of services. With the early-stage investment and the economies of scale effect formed during the Year, the overall gross profit margin increased.

Selling and marketing expenses

During the Year, the Group's selling and marketing expenses amounted to RMB43.1 million (2018: RMB46.0 million), accounting for 0.8% of the revenue, representing a decrease of 6.3% as compared with that of 2018, which is mainly due to the remarkable brand effect brought by the substantial brand promotion since 2018. "Agile Property Management" and "Greenland Property Services" have established their coverage and leverage in different regions and business portfolios through dual-brand development strategy, enabling the Group to transform from general distribution to precise positioning in brand promotion, which effectively reduced market promotion expenses in 2019.

Administrative expenses

During the Year, the Group's administrative expenses amounted to RMB295.0 million, accounting for 5.8% of the revenue and representing a decrease of 2.4% as compared with that of RMB302.2 million in 2018. This was primarily due to the organizational structure optimization of the Group during the Year, the adjustment of the regional offices in different cities into seven regional companies as well as the implementation of regional centralized management and stringent control over expenses. The Group streamlined the original management structure and conducted centralized procurement through measures such as actively activating resources synergies with acquired companies and group's empowerment, thereby effectively reduced management costs.

Other income

During the Year, other income of the Group amounted to RMB131.1 million (2018: RMB100.5 million), representing an increase of 30.4% as compared with that of last year. The increase was mainly resulted from the income from the capital generated from efficient capital usage, as well as government grants.

Income tax

During the Year, the Group's income tax expense was RMB402.9 million (2018: RMB264.5 million). The effective income tax rate was 23.8% (2018: 24.6%). The effective income tax rate for the year represents a decrease of 0.8 percentage point as compared with that of 2018, which is mainly due to certain subsidiaries and the acquired companies of the Group in the western region enjoying a 15% preferential enterprise income tax rate in respect of the "Great Western Development Strategy".

Profit

During the Year, the Group's net profit was RMB1,291.6 million, representing an increase of 59.3% as compared with that of RMB810.9 million in 2018. Net profit margin was 25.2%, representing an increase of 1.2 percentage points as compared with that of 24.0% for the corresponding period of last year, which was attributable to (i) economies of scale brought by the overall business expansion of the Group, particularly the rapid development of the community value-added services; and (ii) the Group's stringent control over its daily operating costs and optimization of its organizational structure which effectively enhanced its operating efficiency. Profit attributable to the Shareholders for the Year was RMB1,230.8 million, representing an increase of 53.7% as compared with RMB801.0 million for the corresponding period of last year. Basic earnings per share was RMB0.92.

Current assets, reserve and capital structure

During the Year, the Group maintained a sound financial position. As of 31 December 2019, current assets amounted to RMB6,854.6 million, representing an increase of 14.5% from RMB5,988.7 million as of 31 December 2018. Cash and cash equivalents of the Group amounted to RMB4,207.3 million, representing a decrease of 12.5% as compared with that of RMB4,808.0 million as of 31 December 2018, primarily because of the payment of the consideration for the acquired companies.

As of 31 December 2019, the Group's total equity was RMB6,505.7 million, representing an increase of RMB995.7 million or 18.1% as compared with RMB5,510.0 million as at 31 December 2018, which was primarily due to the significant increase of the profit after tax of the Group.

Property, plant and equipment

The Group's property, plant and equipment mainly comprised buildings, office equipment, machinery equipment and other fixed assets. As of 31 December 2019, the Group's net property, plant and equipment amounted to RMB159.3 million, representing an increase of 99.1% as compared with RMB80.0 million as of 31 December 2018, which was primarily due to the new addition of property, plant and equipment by the acquired companies, which was partly offset by the depreciation for the Year.

Other intangible assets

As of 31 December 2019, the book amount of other intangible assets of the Group was RMB384.5 million, representing an increase of 131.1% as compared with RMB166.4 million as of 31 December 2018. Intangible assets of the Group mainly included (i) RMB28.4 million from the trademark value of acquired companies; (ii) RMB404.9 million generated from customer relations attributable to acquired companies; (iii) the software developed and purchased by the Group; and (iv) partially offset by amortisation of trademarks, customer relationships and software. Trademarks, customer relationship and software have a specific validity period and are carried at cost less accumulated amortisation.

Goodwill

As of 31 December 2019, the Group recorded goodwill of RMB1,370.9 million, representing an increase of 31.1% as compared with RMB1,045.4 million as of 31 December 2018. The increase in goodwill of the Group primarily included RMB325.5 million in relation to the goodwill from the acquisition of Guangzhou Yuehua, Qingdao Huaren, Harbin Jingyang and Lanzhou Chengguan. 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.

The management confirmed that there was no significant goodwill impairment risk as of 31 December 2019.

Trade and other receivables

As of 31 December 2019, trade and other receivables amounted to RMB2,189.3 million, representing an increase of 87.9% from RMB1,164.9 million as of 31 December 2018. It was mainly due to (i) a prepayment of RMB468 million for the acquisition of 60% equity interest in CMIG PM; (ii) the newly increased trade receivables brought by acquired companies; (iii) conversion of newly undertaken projects and development of diversified business, leading to an increase of the trade receivables; and (iv) with the scale expansion of acquired companies and the Group, the year-on-year increase of deposit, margin, reserve and account current with business partners in daily operation.

Trade and other payables

As of 31 December 2019, trade and other payables (including current and non-current portion) amounted to RMB1,757.0 million, representing an increase of 47.3% as compared with RMB1,192.6 million as of 31 December 2018. It was primarily attributable to (i) the increase in the GFA under management and subcontracting of more services to third-party service providers so as to enhance professionalism; (ii) stage consideration payable for acquired companies; and (iii) the increase of trade and other payables brought by acquired companies.

Borrowings

As of 31 December 2019, the Group had borrowings of RMB15.9 million with a term of less than one year (2018: Nil) and RMB5.4 million with a term of more than one year (2018: Nil).

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 of 31 December 2019, the gearing ratio was 0.3% (2018: Nil).

Current and deferred income tax liabilities

As of 31 December 2019, the current income tax liabilities of the Group amounted to RMB309.6 million, representing an increase of 61.3% as compared with RMB191.9 million as of 31 December 2018, which was primarily attributable to the significant increase of the profit before tax of the Group. Deferred income tax liabilities increased from RMB36.6 million as of 31 December 2018 to RMB84.0 million as of 31 December 2019, which was primarily resulted from the deferred tax liabilities in relation to the acquisition completed during the Year.

Proceeds from the Listing

The Company's H Shares were listed on the main board of Hong Kong Stock Exchange on 9 February 2018 (the "Listing"), with a total of 333,334,000 new H Shares issued. After deducting the underwriting fees and relevant expenses, 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 was remitted to its bank accounts in the PRC, the rest of approximately HK$358.8 million of the proceeds from the Listing was kept in overseas bank accounts. As of 31 December 2019, approximately HK$22.2 million and RMB276.4 million of bank deposits were in Hong Kong.

As of 31 December 2019, the Group has used approximately RMB2,622.3 million of the proceeds, of which (i) RMB2,303.0 million was used to pursue selective strategic investment and acquisition opportunities and further develop strategic alliances, including RMB1,037.0 million for injecting capital into subsidiaries, RMB1,026.1 million for acquiring (including injecting capital into subsidiaries for acquisitions) other property management companies and other companies in related businesses, and RMB240.0 million for investing in property management industry funds jointly with our business partners; (ii) approximately RMB14.6 million was used to develop the Group's one-stop service platform and develop "management digitalization, service specialization, procedure standardization and operation automation" of the Group; and (iii) approximately RMB304.7 million was used for working capital and general corporate purposes. Such used proceeds were allocated in accordance with the purposes set out in the prospectus of the Company dated 29 January 2018 (the "Prospectus") and the announcement of change in use of proceeds from the global offering dated 15 August 2019 (the "Announcement").

The intended uses of the net proceeds as set out in the Prospectus were allocated in the following manner:

- approximately 65% will be used to pursue selective 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 Group adjusted the intended use and allocation of the net proceeds on 15 August 2019. As set out in the Announcement, the unused proceeds were intended to be allocated and used as follows:

- approximately 85% will be used to pursue selective strategic investment and acquisition opportunities and further develop strategic alliances – inject capital into subsidiary companies, acquire (including injecting capital into subsidiary companies for acquisitions) other property management companies and other companies in related businesses and invest in property management industry funds jointly with our business partners;
- approximately 5% will be used to further develop the one-stop service platform of the Group and 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 set out in the Announcement.

Pledge of assets

As of 31 December 2019, the Group had pledged certain properties of its subsidiary in Chengguan District, Lanzhou City for its loan guarantee.

Major acquisitions

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. The Company had completed the acquisition of such shares in the first half of 2019. Qingdao Huaren is currently a direct non-wholly owned subsidiary of the Company.

The acquisition of Qingdao Huaren further expanded the Group's business scale and coverage, and enhanced the Group's leverage and competitiveness in Shandong Peninsula. After the completion of acquisition, the Group can share its resources and advantages in brand, technology, management and expansion capability with Qingdao Huaren, assisting Qingdao Huaren to achieve balanced development in business scale and project quality.

Acquisition of equity interest in Harbin Jingyang

On 26 February 2019, the Company entered into an equity interest transfer agreement to acquire 60% equity interest of Harbin Jingyang at a consideration of approximately RMB113.9 million. The consideration for the acquisition under the equity interest 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. The Company had completed the acquisition of such equities in the first half of 2019, and Harbin Jingyang is currently a direct non-wholly owned subsidiary of the Company.

The Group expanded its business into Northeast China after the acquisition of Harbin Jingyang, which further enhanced its coverage and competitiveness in the market of Northeast China and offered strong support in improving its regional layout, rapidly expanding and enhancing its business.

Acquisition of equity interest in Guangzhou Yuehua

On 28 March 2019, the Company entered into an equity interest transfer agreement to acquire 51% equity interest of Guangzhou Yuehua at a consideration of approximately RMB195.3 million. The consideration for the acquisition under the equity interest transfer agreement was determined after arm's length negotiation with reference to the audited net profit after deducting non-recurring profit and loss of Guangzhou Yuehua for the year ended 31 December 2018. The Company had completed the acquisition of such equities in the first half of 2019, and Guangzhou Yuehua is currently an indirect non-wholly owned subsidiary of the Company.

The acquisition of Guangzhou Yuehua filled the business gap of the Group in the public building property management market of South China, further diversified the Group's business portfolio, and assisted the Group to develop its whole industry chain layout covering mid-to high-end residential properties as the principal portfolio, and high-end commercial buildings and public buildings as the complementary. By leveraging A-Living's brand and scale advantages and its nationwide market network, the Group will empower Guangzhou Yuehua to develop the nationwide business coverage so as to become a national leading public building property management enterprise from a regional player. After the acquisition, the Group established the fourth business segment – the public services, with Guangzhou Yuehua as the major entity, and will horizontally expand to the public building property management market in the PRC with huge potential and increasing openness through building a flagship brand of the Group.

Acquisition of equity interest in Lanzhou Chengguan

On 11 July 2018, the Company entered into an equity transfer agreement to acquire 51% equity interest of Lanzhou Chengguan at a consideration of RMB147.9 million. The Company had completed the acquisition of such equities in the first half of 2019, and Lanzhou Chengguan is currently a direct non-wholly owned subsidiary of the Company.

Acquisition of equity interests in CMIG PM and New CMIG PM

On 25 September 2019, the Company entered into an equity transfer agreement in relation to the acquisition of the 60% equity interest in CMIG PM at a consideration of approximately RMB1.56 billion. On 12 December 2019, the Company entered into the New CMIG PM Agreement to acquire 60% equity interest in New CMIG PM at a variable consideration of not more than RMB500 million, on the basis that the conditions to the execution of the New CMIG PM Agreement (including completion of the Reorganisation) have been fulfilled. The consideration for the Acquisitions was determined with reference to 12.5 times of the CMIG PM 2019 Guaranteed Net Profit and the CMIG PM Guaranteed Profit for the relevant financial year, respectively. The consideration for the Acquisitions was determined after arm's length negotiations between the parties and was funded by internal resources of the Group. Upon completion of the Acquisitions, CMIG PM and New CMIG PM will become non-wholly owned subsidiaries of the Group respectively.

CMIG PM and New CMIG PM have established an extensive presence in economically developed city clusters across the country, covering a wide range of business portfolios such as public buildings, commercial offices and residential properties. They have several leading brands in the niche property markets to manage numerous city landmark projects, and have leading market shares and strong brand reputation in public buildings and other niche markets in different regions nationwide. Upon completion of the Acquisitions, CMIG PM and New CMIG PM can effectively complement the Group's existing businesses and regions, consolidate its leading position and create synergies. In addition, the Acquisitions can effectively enhance the management scale, profitability and brand competitiveness of the Group, thereby strengthening the Group's position as a leading property management service enterprise with nationwide layout, comprehensive business portfolio and reputable brands.

As announced in the poll results announcement of the Company dated 17 March 2020, an extraordinary general meeting was convened and held on 17 March 2020 to approve the acquisition of CMIG PM. The relevant resolution was passed by the Shareholders as special resolution of the Company. For the year ended 31 December 2018, the total GFA under management of the subsidiaries of the CMIG PM was approximately 154 million sq.m. and that of their associates was approximately 100 million sq.m.. Upon completion of the acquisition of CMIG PM, the total GFA under management of the Group (including the GFA under management of its associates) will approach approximately 500 million sq.m..

Fulfillment of performance targets

(a) In relation to the acquisition of Nanjing Zizhu

Reference is made to the announcements of the Company dated 9 April 2018 and 12 April 2018 (the "NZ Announcements") in relation to the acquisition of an aggregate of 51% equity interest in Nanjing ZiZhu Property Management Co., Ltd. ("Nanjing Zizhu"). As the Board has yet to receive the audited financial statements of Nanjing Zizhu, the Company will publish further announcement in relation to the fulfilment of the performance target for the year ended 31 December 2019, as set out in the NZ Announcements, as and when appropriate.

(b) In relation to the acquisition of Lanzhou Chengguan

Reference is made to the announcements of the Company dated 11 July 2018 and 19 July 2018 (the "LC Announcements") in relation to the acquisition of an aggregate of 51% equity interest in Lanzhou Chengguan. As the Board has yet to receive the audited financial statements of Lanzhou Chengguan, the Company will publish further announcement in relation to the fulfilment of the performance target for the year ended 31 December 2019, as set out in the LC Announcements, as and when appropriate.

(c) In relation to the acquisition of Qingdao Huaren

Reference is made to the announcements of the Company dated 23 January 2019 and 21 February 2019 (the "QH Announcements") in relation to the acquisition of an aggregate of 89.6643% shares in Qingdao Huaren. As the Board has yet to receive the audited financial statements of Qingdao Huaren, the Company will publish further announcement in relation to the fulfilment of the performance target for the year ended 31 December 2019, as set out in the QH Announcements, as and when appropriate.

(d) In relation to the acquisition of Harbin Jingyang

Reference is made to the announcements of the Company dated 23 January 2019 and 26 February 2019 (the "HJ Announcements") in relation to the acquisition of an aggregate of 60% equity interest in Harbin Jingyang. According to the audited financial statements of Harbin Jingyang, the performance target for the year ended 31 December 2019, as set out in the HJ Announcements, has been fulfilled and no compensation has been deducted from the consideration.

Major disposals

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

Major investment

During the Year, the Group held no major investment.

Contingent liabilities

As of 31 December 2019, the Group had no significant contingent liabilities (2018: Nil).

Foreign exchange risk

In 2018, the Company has exchanged most of the proceeds from the Listing into Renminbi in tranches. As of 31 December 2019, the Group had no significant exchange rate risk.

Employees and remuneration policies

As at 31 December 2019, the Group had 28,771 employees, representing an increase of 52.6% as compared with 18,859 employees as at 31 December 2018. Total staff costs amounted to RMB2,160.7 million, representing an increase of 46.7% as compared with that of RMB1,472.5 million in 2018. The increase in staff costs was mainly due to (i) the increase brought by the acquired companies; (ii) the rapid development of the community value-added services, the expansion of the GFA to projects from the third-party developers etc., leading to a significant increase in employee remuneration; (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 as well as employees' performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides employees with a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training programs appropriate to the employees' needs.

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

Subsequent events

(a) Acquisition of equity interest in CMIG PM

On 25 September 2019, the Group entered into a framework agreement to conditionally agree to acquire the 60% equity interest in CMIG PM at the fixed consideration of RMB1,560,000,000 from Guangdong Fengxin Yinglong Equity Investment Partnership (Limited Partnership). The circular had been despatched to the Group's Shareholders on 24 February 2020. Upon the completion of the acquisition, CMIG PM would become a subsidiary of the Group.

(b) Outbreak of novel coronavirus

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

Business Development

During the Year, the Group focused on "scale, quality, efficiency" to streamline its business lines and optimize management structure. The Group relied on the advantages of the shareholders, actively explored the markets of third-party developers and completed several quality M&A which covered the whole industry chain of property management and realized leapfrog growth in scale.

Whole industry chain layout with diversified business portfolio

The Group leveraged its brand advantages, actively explored markets of third-party developers and strived to optimize its geographical coverage and business portfolio to create a whole industry chain layout.

At present, the Group's property management portfolio includes residential properties, vacation properties, public buildings, and high-end commercial office buildings, etc.

Mid- to high-end residential projects

Agile Mountain Guangzhou

Agile Chang Le Du Nanjing

Large-scale vacation projects

Agile Hainan Clearwater Bay

Agile Eden Yunnan

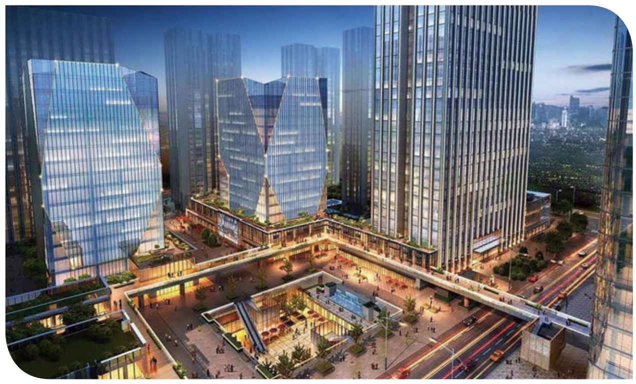
City landmark public buildings

Dr. SunYat-sen Memorial Hall in Guangzhou

Qingdao International Sailing Centre

High-end commercial office buildings

Yinchuan Greenland Center (perspective)



Beijing Global Culture Finance City (perspective)

Multi-brand strategy

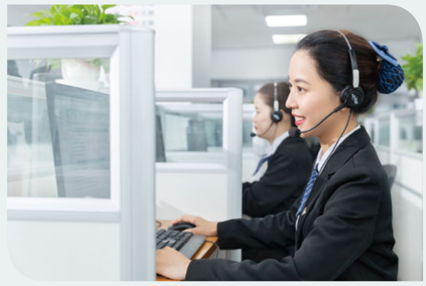
The Group has formed a 18-brand matrix strategy by continuously relying on the brand advantages of “Agile Property Management” and Greenland Property Services” and collaborating with the acquired companies and brands under CMIG PM and New CMIG PM. All brands will synergize and explore markets of third-party developers to enhance the market share and leverage in different regions and niche markets.

Three business lines

Property management services

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





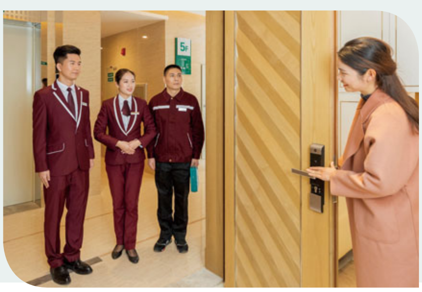
Extended value-added services

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 agency services and housing inspection services.



Community value-added services

A 360-degree community economic ecosphere centered on the residents, houses, vehicles and public resources in the communities has been developed. The business includes 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.




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 higher degree of marketization of capital transactions and the market operation mechanism, investor relations management becomes significantly 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, in an effort 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 takes reference from the valuable opinions of the Shareholders to further enhance the Group's governance.

Active communication to constantly increase market recognition

The Group's investor relations team has been proactively establishing a comprehensive capital market management system, improving and pushing forward its capital market communication works. In 2019, by adhering to the principles of truthfulness, accuracy, completeness, timeliness and fairness, under the premise of abiding by regulations of listed companies, the Group disseminated information such as operating results, business development as well as other compliance disclosures to the capital market. The investor relations team actively maintains regular and sufficient communication with Shareholders, potential investors and sell side analysts, and proactively establishes effective interaction with all parties in the capital market through diversified communication channels, thereby further strengthen investors' understanding and confidence in the Group.

– In 2019, the Group's investor relations team established a two-way communication channel between internal and external parties to arouse proper expectation between the capital market and the Group, and effectively enhanced the overall understanding of the capital market in respect of the Group's value.

– Through regular internal communication with management and business departments, the Group could update business operation and development strategies to the market through diversified forms of communication in a timely manner.

  ◇ The investor relations team worked towards the Group's business development, and maintained close communication with the capital market and the public by holding investor presentations, press conferences, investor roadshows, reverse roadshows, participating in corporate day and investment summits held by sell-side institutions, as well as publishing articles on Group's WeChat official account and press releases. The Group communicated with over 1,500 investors and effectively enhanced its corporate transparency and corporate image in the capital market.

  ◇ In 2019, there was an addition of 12 brokerage institutions' research coverage initiation on the Group, with over 100 relevant research reports and brief notes issued on the Group in total, by which the Group was given ratings as "Buy" or "Outperform".

– Establishing capital market communication and feedback mechanism. The investor relations team timely fed back opinions and suggestions on the Group from Shareholders and investors to the Board and management in a timely manner by collating the Shareholders' and investors' opinions in communication, preparing capital market work reports, etc. to assist the Company in giving specific response regarding demands from the capital market.

– When the Group carried out milestone-esque businesses such as substantial mergers and acquisitions, the investor relations team made timely, detailed, and accurate compliance disclosures, collected and collated relevant industry data and abstracted key information concerned by the capital market, in order to guide the market to understand the Group's significant business updates and development potential, effectively protect the interests of the Group, Shareholders and investors.

– In November 2019, the Group was included in the constituents of MSCI China Index. The Group was also included in the Hang Seng Composite Index in February 2020 and eligible stocks of Shenzhen-Hong Kong Stock Connect in March 2020. This fully reflects the capital market's recognition of the Group's position in the industry, its development strategies and communication with capital market.

– During the year, leveraging on the Group's excellent business performance and investor relations, it received several honors regarding the capital market and investor relations, including "Golden Hong Kong Stock Award 2019", "2019 Growth Potential Award for Listed Real Estate Companies", "2019 TOP 5 Listed Company of Property Management Service", "The Third China Excellent IR Award – Best Investor Relations Innovation Award", etc.

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 development strategies 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.

2018 Annual Results Investor Presentation

2019 Interim Results Investor Presentation

Very Substantial Acquisition Investor Presentation

Analysts Reverse Roadshow in Shanghai – CMIG PM

Major investor relations activities in 2019

Month	Activity	Location
January	UBS Greater China Conference 2019	Shanghai
January	dbAccess China Conference 2019	Shenzhen
January	BNP Paribas Asia Pacific Financials & Property Conference 2019	Hong Kong
March	2018 Annual Results Announcement	Hong Kong
March	2018 Annual Results Roadshow	Hong Kong
	Goldman Sachs, Citi, Deutsche Bank, CLSA, HSBC, CGS-CIMB	
	2018 Annual Results Roadshow	Singapore
	DBS	
April	Industrial Securities Overseas Investor Conference Spring 2019	Shenzhen
May	CLSA China Forum	Qingdao
May	UBS HK/China Property Conference 2019	Hong Kong
June	Goldman Sachs Greater China Corporate Day	Hong Kong
June	CGS-CIMB HK/China Property Conference	Hong Kong
June	Citi's Asia Pacific Property Conference 2019	Hong Kong
August	2019 Interim Results Announcement	Hong Kong
August	2019 Interim Results Roadshow	Hong Kong
	UBS, Goldman Sachs, Citi, CLSA, Daiwa, DBS	
	2019 Interim Results Roadshow	Shenzhen
	Industrial Securities, GF Securities	
August	DBS Vickers China Property Management Day	Hong Kong
September	Nomura China Investor Forum 2019	Shanghai
September	Very Substantial Acquisition Investor Presentation	Hong Kong
September	CLSA Investor's Forum 2019	Hong Kong
October	Nomura China Property Corporate Day 2019	Hong Kong
November	Analysts Reserves Roadshow	Shanghai
November	ICBCI 2019 Property Management Corporate Day	Hong Kong
November	Goldman Sachs China Conference 2019	Shenzhen
November	Citi's China Investor Conference	Macau
November	Daiwa Investment Conference Hong Kong 2019	Hong Kong

Mr. Chan Cheuk Hung (陳卓雄), aged 62, 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 Holdings (stock code of Hong Kong Stock Exchange: 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 27 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 57, has served as an executive Director and the chairman of the Board of the Company since 21 July 2017, and has been the co-chairman of the Board since 27 August 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, and was officially appointed on 28 May 2019. 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 the Group. Mr. Huang has over 20 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 the vice president of Agile Holdings since January 2005 and has been responsible for the development of real estate projects across the country and property management. Mr. Huang has also served as president of the Hainan and Yunnan regions since 2008 and in charge of the tourism real estate development management. Mr. Huang has been serving as an executive director and vice president of Agile Holdings since May 2014, where he has been in charge of the investment department, cost center, human resources center, legal department and audit and supervision department of Agile Holdings.

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 48, 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 22 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 56, 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.

Ms. Yue Yuan (岳元), aged 44, has served as a non-executive Director of the Company since 28 May 2019. She is the vice president of Agile Group and its property group and an assistant to chairman of the Agile Group. Ms. Yue joined the Agile Group in 2006. She is mainly responsible for the management of the president office of the Agile Group, the operation centre and centralized procurement centre, the management of the cost centre of the property group of the Agile Group. Ms. Yue holds a Bachelor of Engineering degree from Lanzhou Jiaotong University (蘭州交通大學) (formerly known as Lanzhou Railway University (蘭州鐵道學院)) and a Master of Science degree in Construction Project Management from the University of Hong Kong. She is a PRC intermediate economist, a PRC registered budgeting engineer and a member of the Royal Institution of Chartered Surveyors.

Mr. Wan Kam To (尹錦滔), aged 67, 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 of China Resources Land Limited (stock code of Hong Kong Stock Exchange: 1109), Fairwood Holdings Limited (stock code of Hong Kong Stock Exchange: 52), KFM Kingdom Holdings Limited (stock code of Hong Kong Stock Exchange: 3816), 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, 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, an independent non-executive director of Kerry Logistics Network Limited (stock code of Hong Kong Stock Exchange: 636) from November 2013 to May 2019, an independent non-executive director of Huaneng Renewables Corporation Ltd. (stock code of Hong Kong Stock Exchange: 958) from August 2010 to June 2019, an independent non-executive director of Shanghai Pharmaceuticals Holding Co., Ltd (stock code of Hong Kong Stock Exchange: 2607; stock code of Shanghai Stock Exchange: 601607) from June 2013 to June 2019, and an independent non-executive director of Harbin Bank Co., Ltd. (stock code of Hong Kong Stock Exchange: 6138) from October 2013 to October 2019.

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 66, 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 41 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 44, 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 currently serves as an independent non-executive director of Ever Sunshine Lifestyle Services Group Limited (stock code of Hong Kong Stock Exchange: 1995), Poly Property Development Co., Ltd. (stock code of Hong Kong Stock Exchange: 6049) and Xinyuan Property Management Service (Cayman) Ltd. (stock code of Hong Kong Stock Exchange: 1895).

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.

Biographies of Supervisors

Ms. Chen Liru (陳麗茹), aged 51, has served as a Supervisor and the president of the Supervisory Committee since 21 July 2017. Ms. Chen has over 27 years of experience in financial management. Ms. Chen joined the Group in May 2009 as the financial director of the Huanan branch office of the Group where she was responsible for financial management. She joined Agile Holdings 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 37, 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 14 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 47, 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 56, 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 48, 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 currently serves as an independent non-executive director of Aoyuan Healthy Life Group Company Limited (stock code of Hong Kong Stock Exchange: 3662).

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 a director of China Real Estate Association (中國房地產業協會).

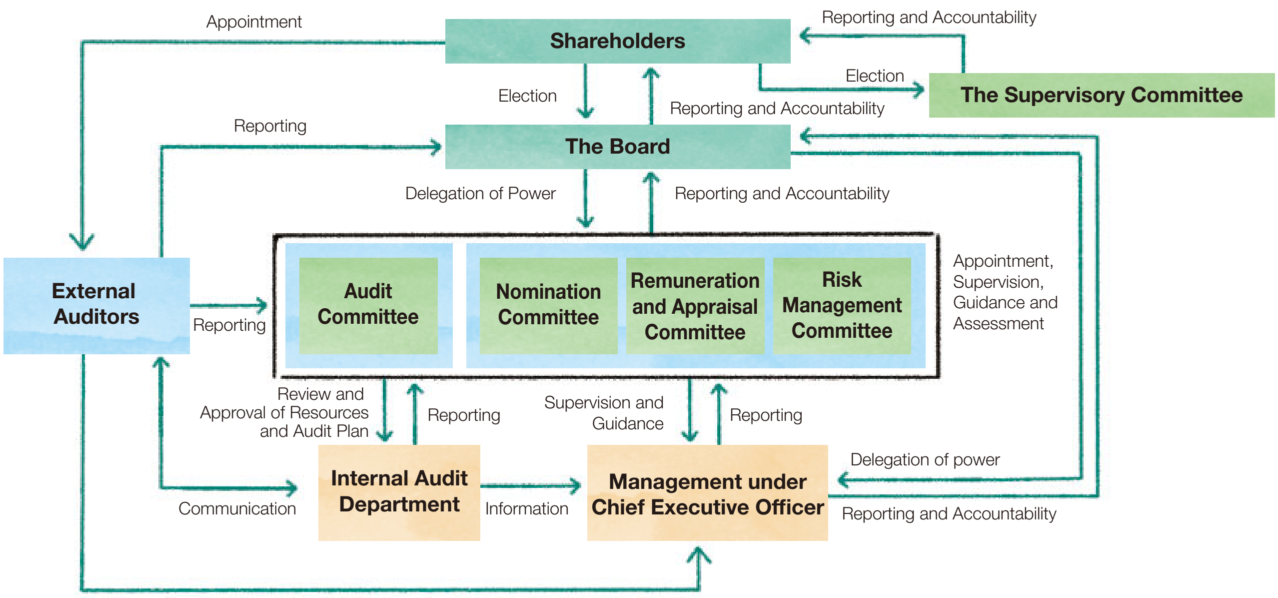
Mr. Li Dalong (李大龍), aged 35, is the executive vice president, chief financial officer and joint company secretary of the Company. He has been the chief financial officer and joint company secretary since August 2016 and August 2017, respectively. He has been the executive vice president since November 2019. Mr. Li assists the chief executive officer and general manager in the overall operations management, investment, mergers and acquisitions, financial management and capital markets of the Group. Mr. Li is also a director of certain subsidiaries of the Company. He has over 15 years of experience in operations, finance, investment and capital markets.

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.

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") for the year ended 31 December 2019 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 eight Directors, consisting of three executive Directors, two non-executive Directors 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, Chief Executive Officer and General Manager)*
Mr. Feng Xin *(Vice President)*

Non-executive Directors

Mr. Wei Xianzhong
Ms. Yue Yuan

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 37 to 40 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 the co-chairman of the Board of the Company (the "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 of the Company (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, Mr. Huang Fengchao, 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 and the 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 Directors and independent non-executive Directors in particular, to the Board and ensures constructive relationship among executive Directors, non-executive Directors and independent non-executive Directors.

During the year ended 31 December 2019 (the "Year"), 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.

Each of the Directors is engaged on a service agreement (for executive Directors and non-executive Directors) or an appointment letter (for independent non-executive Directors) for a term of three years or for a term expiring on 20 July 2020. According to Article 95 of the Company's articles of association (the "Articles of Association"), the tenure of the first session of the Board will expire on 20 July 2020. The candidates for Directors of the second session of the Board will be proposed to the 2019 AGM for election, biographical details of the candidates are set out in the circular of the Company dated 8 April 2020.

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 five 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)*	5	3	2	0
Mr. Huang Fengchao *(Co-chairman, Chief Executive Officer and General Manager)*	5	5	0	0
Mr. Feng Xin *(Vice President)*	5	5	0	0
Mr. Wei Xianzhong	5	0	5	0
Ms. Yue Yuan *(Note)*	3	2	1	0
Mr. Wan Kam To	5	5	0	0
Mr. Wan Sai Cheong, Joseph	5	4	1	0
Mr. Wang Peng	5	4	1	0

	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	2	0	0

	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. 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	1	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)*	1	0	1	0
Mr. Huang Fengchao *(Co-chairman, Chief Executive Officer and General Manager)*	1	1	0	0
Mr. Feng Xin *(Vice President)*	1	1	0	0
Mr. Wei Xianzhong	1	0	1	0
Ms. Yue Yuan *(Note)*	0	0	0	0
Mr. Wan Kam To	1	1	0	0
Mr. Wan Sai Cheong, Joseph	1	1	0	0
Mr. Wang Peng	1	1	0	0

Note: Ms. Yue Yuan has been appointed as a non-executive Director with effect from 28 May 2019.

All the executive Directors, non-executive Directors 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 independent non-executive Directors without the presence of other 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, Chief Executive Officer and General Manager)*	A, B
Mr. Feng Xin *(Vice President)*	A, B
Non-executive Directors	
Mr. Wei Xianzhong	A, B
Ms. Yue Yuan *(Note 2)*	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

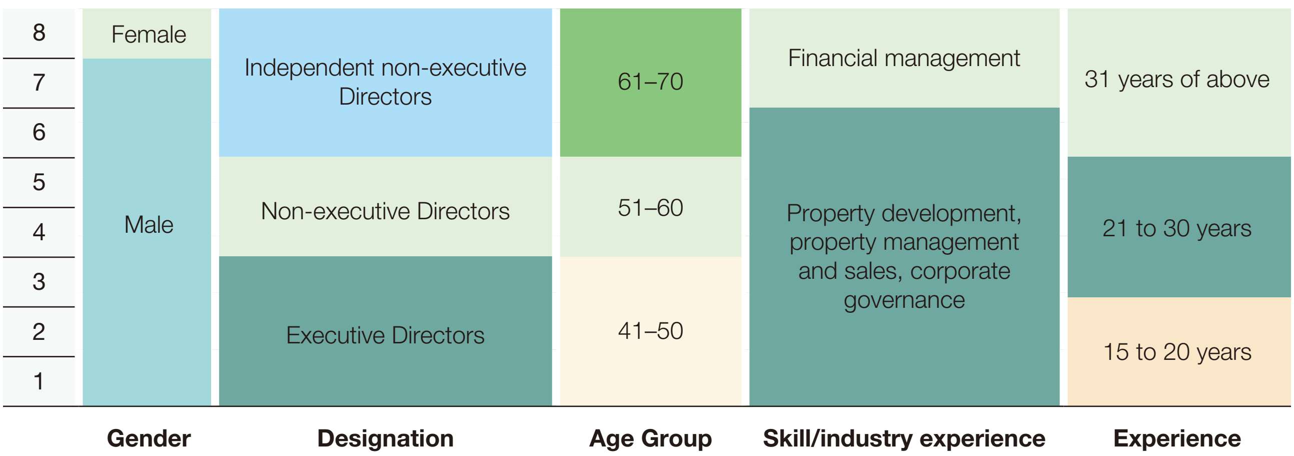
Note 2: Ms. Yue Yuan has been appointed as a non-executive Director with effect from 28 May 2019.

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. 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 2019;

— confirming the remuneration of executive Directors, non-executive Director, independent non-executive Directors and Supervisors for 2018;

— confirming the remuneration of Supervisors for 2018;

— discussing and determining the recommendation on the remuneration adjustments of executive Directors, non-executive Director, independent non-executive Directors and Supervisors for 2019; and

— discussing and determining the recommendation on the remuneration of the proposed non-executive Director for 2019.

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; (ii) to consider and review the structure, number of members and composition of the Board; and (iii) to make recommendations to the Board on the proposed candidate for Director.

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 August respectively, the agenda of which is set out below:

— reviewing annual results of 2018 and annual report of 2018, interim results of 2019 and interim report of 2019;

— 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 2018 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 2019, remuneration paid and payable to PricewaterhouseCoopers in relation to audit and non-audit services is detailed as below:

	2019 **RMB**	2018 RMB
Fee for audit services (including Hong Kong Standard on Review Engagements 2410 review on interim results)	**3,325,000**	3,100,000
Fee for non-audit services:		
— Provision of audit and review services for the proposed acquired companies	**2,791,000**	—
— Due diligence works with regard to project acquisitions	**—**	1,622,000
— Permitted service fees relating to corporate governance and others	**198,000**	187,000
	6,314,000	4,909,000

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 August 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

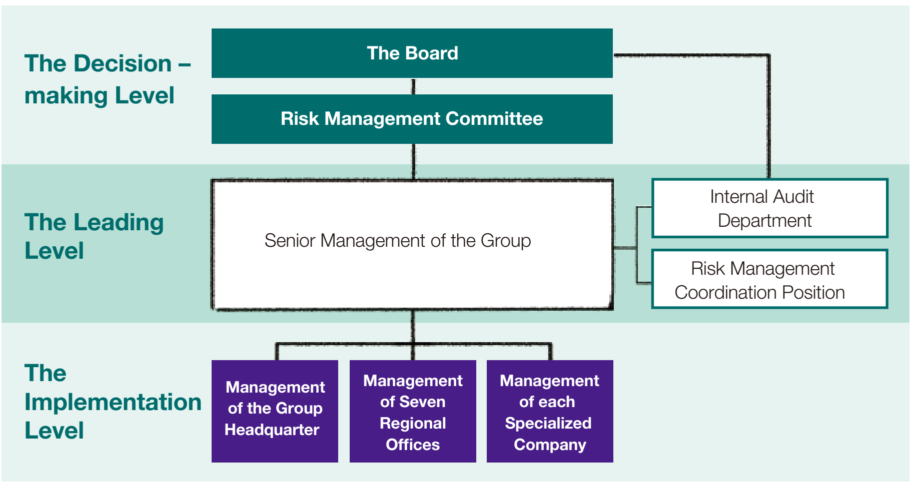
   — Determining the procedure of reporting to the Board: stipulating the time of reporting to the Board by the Risk Management Committee, including the minutes mechanism.

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 seven regional offices 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

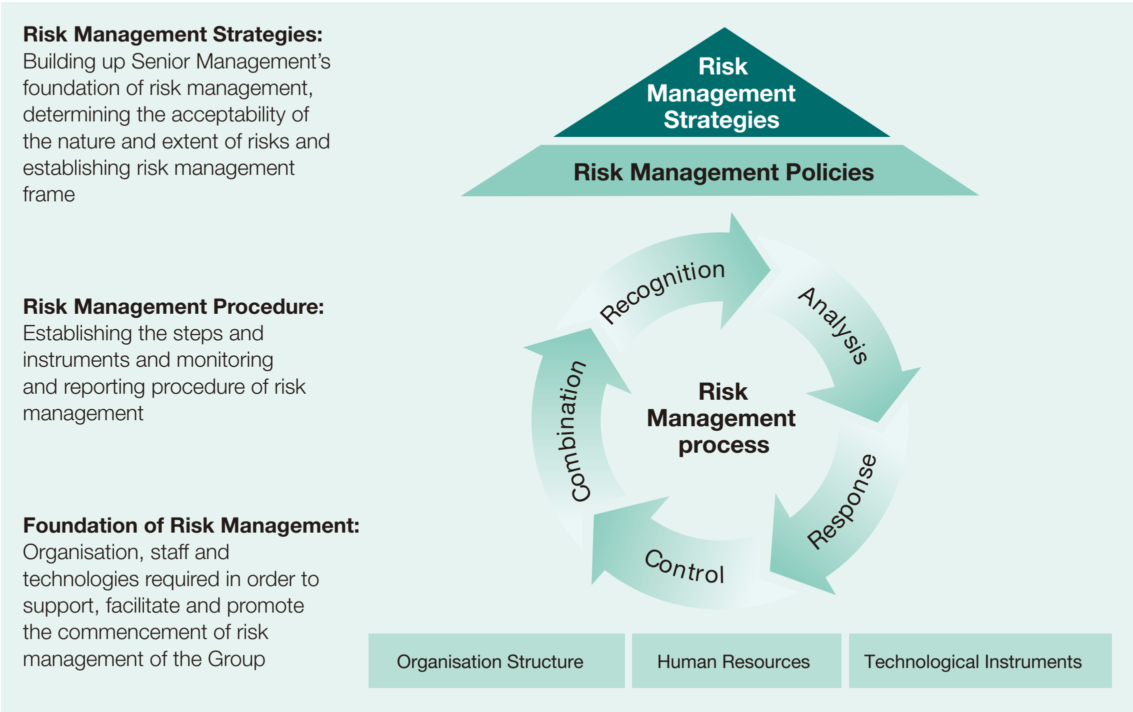
The roles in the risk management structure		Major responsibilities
The Internal Audit Department	—	To coordinate the commencement of risk recognition and assessment
	—	To prepare periodic risk assessment report and propose the summary of the report to the risk management leading team
	—	To organise and 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 recognises, analyses, evaluates and determines procedure of corporate risks to integrate with and control risks systematically.

The commencement of risk assessment for the Group in 2019

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 2019.

Management has adopted a systematic evaluation to review the changes of nature and extent of major risks, recognised 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 2019, 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 2019 and continuously oversaw major risks and regularly review the implementation of management and control measures covering the period of 2019 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 2019.

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 92 to 95 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 54, 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 Securities Dealing Codes during the year ended 31 December 2019.

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 during the year ended 31 December 2019.

Constitutional Documents

The Articles of Association were approved for amendment by the Shareholders at the following general meetings of the Company:

(i) annual general meeting held on 28 May 2019;

(ii) extraordinary general meeting held on 7 January 2020; and

(iii) overseas listed foreign shareholders' class meeting, domestic shareholders' class meeting and unlisted foreign shareholders' class meeting held on 17 March 2020.

The changes were mainly to reflect:

1. the expansion of business scope;

2. the requirements on the notice period of the general meeting under the Company Law of the People's Republic of China; and

3. the relevant provisions on shares repurchase under the Company Law of the People's Republic of China.

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 2019 AGM. Details are set out in the circular of the Company dated 8 April 2020.

Environmental, Social and Governance Performance

As stakeholders' expectations on social and environmental responsibilities become more stringent, the integration of corporate governance and sustainable development has been increasingly important. In this regard, the Group respects and listens to the needs and expectations of stakeholders and continuously incorporates the concept of sustainable development into corporate strategic decisions and daily operation and management, striving to create values for corporations and stakeholders and facilitate the sharing of values.

Embracing the green environment for a better future

The Group strictly abided by the national and local laws and regulations on environmental protection by formulating and improving management measures and operational guidelines for energy conservation, consumption reduction and waste management, strengthening the statistical analysis and target management of water and electricity consumption of each project under management and striving to alleviate the impact of its business development on the ecological environment, thereby reducing the Group's operating costs and enhancing the efficiency of environmental protection.

The Group actively responded to the solid waste classification policy stipulated by the national and local authorities by taking the lead to organize employees to participate in waste classification training meetings organized by governmental departments or subdistrict offices, and promoting and guiding the residents of the community on waste classification to gradually enhance their awareness of and participation in waste classification. Meanwhile, the Group continued to make use of idle venues to build small nursery lands and organizes greening activities, such as tree planting day, to enhance the greening perception concept of the community and the surrounding environment, thus actively fulfilling the responsibility of environmental protection.

Compliance operation in pursuit of excellence

The Group strictly abided 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. At the same time, the Group strictly implemented the internal code of conduct for commercial behaviours and the integrity system and organizes a specific anti-corruption campaign named "Essential Reform with an Open Platform for Anti-corruption". The Group also actively exchanged anti-corruption experience with various industry players to create a clean working atmosphere without bribery.

Service quality is always of the top priority for corporate development. The Group adhered to the corporate mission of "Provide high quality services with ingenuity, build delicate life with sincerity". Accordingly, the Group constantly optimized the standard of property services, organized a series of service quality improvement activities, such as training sessions on upholding quality, knowledge and skills competitions and quality inspections, and actively built up the competency of acquired companies, so as to improve the quality of property services in an all-round and multi-dimensional way. In addition, the Group adhered to the original aspiration of "Make a better life" by applying technologies, such as the Internet of Things, to further advance service system, striving to provide property owners with comfortable, convenient and intelligent life.

Creating a bright future for value sharing

As human resources are the key to the stable and sustainable development of an enterprise, the Group spent relentless efforts to optimize the setup of its human resources system. Besides, the Group held the first meeting of employee representatives and promotes the corporate culture of "Ledong, Lechuang, Lejia"（「樂動、樂創、樂家」）to build a harmonious labour relationship. Meanwhile, the Group launched various training programs through the A-Living Institute and promoted the delighted leisure space of "Yueduhui"（「悅讀薈」）, for the purpose of actively fostering an innovative learning organization to expedite the development of employees.

The sustainable development of supply chains is an important safeguard for the continuous development and growth of an enterprise. The Group upheld the basic principle of "Cooperating with the best" to constantly improve the supplier management and bidding management system to strengthen communication and information sharing and encourage partners to fulfill environmental and social responsibilities, so as to work together to create a better future.

The Group made every endeavor to implement the philosophy of "Love and Happiness in Neighbourhoods" in community cultural activities, and also organized four themed activities across the country, namely "A-Angel Tribe" that focuses on child development, "Happiness Gathering" that focuses on enhancement of neighborhood relationships, "Oasis Action" that focuses on environmental protection and charity, and "Arts Palace" that focuses on arts and cultural activities in community, to promote the harmonious and healthy development of the community.

The Group adhered to the principle of "mutual respect, seeking common grounds while putting aside difference and inclusive symbiosis" and attached great importance to the integrated development with acquired companies. Moreover, the Group also strived to improve the post-acquisition management efficiency of acquired companies, and shared resources and leading advantages. It established a corresponding incentive mechanism to stimulate the potential of acquired companies, achieving synergies between the Group and the acquired companies.

Active commitment for giving back to the society

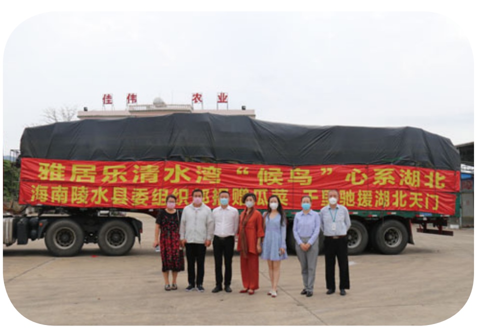
After the COVID-19 outbreak, the Group responded quickly by making comprehensive deployment, and always stayed in the front-line of epidemic prevention and control. The Group worked hand in hand with seven regional companies and acquired companies to strengthen community disinfection and flow management, jointly launched community public welfare and health services with Chunyu Yisheng, and free medical insurance service with Ping An Insurance so as to protect the life, health and safety of property owners and employees as much as possible. Meanwhile, the Group actively donated epidemic-prevention supplies to Hubei Province to alleviate the shortage of those materials. The Group also took the lead in the preparation of the "Operation Guidelines for the Prevention and Control of COVID -19 in the Residential Property Management Area (Trial)" coordinated by the China Property Management Association so as to actively assume social responsibilities.

Benefiting from the Group's outstanding performance in sustainable development, corporate governance and information disclosure, the Group was covered by the MSCI ESG (Environmental, Social and Corporate Governance) Ratings, and was initiated with the A-rating, which was the highest rating among industry players.

As a listed company in Hong Kong, the Group, in strict compliance with the information disclosure requirements of the Hong Kong Stock Exchange, will publish a separate Environmental, Social and Governance Report in accordance with the "Environmental, Social and Governance Reporting Guide" in Appendix 27 to the Listing Rules in due course to fully demonstrate the Group's strategies, commitments and performance in fulfilling its environmental and social responsibilities in 2019.

Environmental protection activity

Neighbourhood activity



Materials donation to Hubei

Community protection and control

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 2019 (the "Year").

Principal Place of Business

The Company is 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 2019 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 16 of this annual report and the section headed "Management Discussion and Analysis" on pages 17 to 30 of this annual report, respectively. An analysis of the Group's performance during 2019 based on the financial key performance indicators is set out on pages 203 to 204 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 2019 and the state of the Company's and the Group's affairs as at 31 December 2019 are set out in the consolidated financial statements on pages 96 to 202 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 RMB0.225 per share (before tax) and a special dividend of RMB0.225 per share (before tax) for the year ended 31 December 2019 (collectively the "Annual Dividend"), the dividend payout ratio will be equivalent to 48.7%, and the amount of which will be subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 15 May 2020 ("2019 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 (except for the holders of H Shares who became Shareholders through the Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets, whose Annual Dividend will be paid in Renminbi), 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 2019 AGM. Subject to the approval of the 2019 AGM, the Annual Dividend will be paid on or about Wednesday, 24 June 2020.

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稅法》) 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稅法實施條例》) 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稅有關問題的通知》(國稅函[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.

According to the provisions of the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016] 127號)), dividends and bonuses received by Mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange via Shenzhen Connect, H share companies shall withhold the individual income tax at the tax rate of 20%. For dividends and bonuses received by Mainland securities investment funds from investing in shares listed on the Hong Kong Stock Exchange via Shenzhen Connect, the individual income tax shall be levied in accordance with the above provisions. For dividends and bonuses received by Mainland enterprise investors from investing in shares listed on the Hong Kong Stock Exchange via Shenzhen Connect, the income tax on the Mainland enterprises shall not be withheld by the H share companies, and the tax payable shall be declared and paid by the enterprises. For dividends and bonuses received by the Mainland resident enterprises after having continuously held the H shares for 12 months, the enterprise income tax will be exempted according to laws.

Closure of Register of Members for the 2019 AGM

The 2019 AGM will be held on Friday, 15 May 2020 and for the purpose of determining the Shareholders' eligibility to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Wednesday, 15 April 2020 to Friday, 15 May 2020, both days inclusive, during which period no transfer of the shares will be registered. In order to qualify for attending and voting at the 2019 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 14 April 2020.

Closure of Register of Members for the Entitlement of Annual Dividend

Upon obtaining approval of the Shareholders at the forthcoming 2019 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 Tuesday, 26 May 2020. 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 Thursday, 21 May 2020 to Tuesday, 26 May 2020, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 20 May 2020.

Share Capital

Details of the movements in the share capital of the Company for the year ended 31 December 2019 and as at 31 December 2019 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 2019 are set out in note 33(a) and note 23 to the consolidated financial statements and pages 99 to 100 of this annual report under the section headed "Consolidated Statement of Changes in Equity".

As of 31 December 2019, the Company's aggregate amount of reserve available for distribution to equity shareholders was approximately RMB665.9 million.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group for the year ended 31 December 2019 are set out in note 15(a) to the consolidated financial statements.

Intangible Assets

Details of the movements in intangible assets of the Group for the year ended 31 December 2019 are set out in note 16 to the consolidated financial statements.

Borrowings

As of 31 December 2019, the Group had borrowings of RMB15.9 million with a term of less than one year (2018: Nil) and RMB5.4 million with a term of more than one year (2018: Nil).

Charitable Donations

The Group did not make any charitable donations for the year ended 31 December 2019.

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 203 to 204 of this annual report.

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

During the year ended 31 December 2019, 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 2019 and up to the date of this annual report are:

Directors

Executive Directors

Mr. Chan Cheuk Hung *(Co-chairman)*

Mr. Huang Fengchao *(Co-chairman, Chief Executive Officer and General Manager) (appointed as Chief Executive Officer and General Manager on 28 May 2019)*

Mr. Feng Xin *(Vice President)*

Non-executive Directors

Mr. Wei Xianzhong

Ms. Yue Yuan *(appointed on 28 May 2019)*

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

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 Directors 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 34 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

During the Year, none of 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 2019.

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 the Company 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 to non self-owned or non self-leased properties or non self-developed projects (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 during the Year, (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 during the Year, 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 changes in information of Directors subsequent to the date of the 2019 interim report are as follow:

1. Mr. Wan Kam To has resigned as an independent non-executive director of Harbin Bank Co., Ltd. (stock code of Hong Kong Stock Exchange: 6138) with effect from 8 October 2019;

2. Mr. Wang Peng has been appointed as an independent non-executive director of Poly Property Development Co., Ltd. (stock code of Hong Kong Stock Exchange: 6049), which was listed on Hong Kong Stock Exchange on 19 December 2019, with effect from 7 May 2019; and

3. Mr. Wang Peng has been appointed as an independent non-executive director of Xinyuan Property Management Service (Cayman) Ltd. (stock code of Hong Kong Stock Exchange: 1895), which was listed on Hong Kong Stock Exchange on 11 October 2019, with effect from 16 September 2019.

Equity Linked Agreement

No equity linked agreements were entered into by the Company during 2019.

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 2019, 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%
Mr. Huang Fengchao[4]	Interest of a controlled corporation	Unlisted shares	80,000,000 (L)	8.89%	6.00%

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.

(4) Mr. Huang Fengchao is a limited partner of and owns 49.9% interest in Gongqingcheng A-Living Investment Management Limited Partnership* 共青城雅生活投資管理合夥企業 (有限合夥) ("Gongqingcheng Investment") which owns 80,000,000 unlisted shares of the Company. Hence, Mr. Huang Fengchao is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

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

Name of Director	Name of Associated Corporation	Nature of interest	Number of Shares	Approximate Percentage of Shareholding Interest
Mr. Chan Cheuk Hung	Agile Group Holdings Limited	Beneficiary of a trust	2,453,096,250 (L)	62.63%
Mr. Huang Fengchao	Agile Group Holdings Limited	Beneficial owner	1,400,000 (L)	0.04%
Ms. Yue Yuan	Agile Group Holdings Limited	Beneficial owner	22,000 (L)	0.00%

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

Save as disclosed above, as of 31 December 2019, 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 2019, 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	50,000,000(L)	11.54%	3.75%
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	50,000,000(L)	11.54%	3.75%
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	50,000,000(L)	11.54%	3.75%
Greenland Holdings Group Company Limited* (綠地控股集團股份有限公司)	Interest of a controlled corporation	Unlisted shares	100,000,000(L)	11.11%	7.50%
("Greenland Holdings")[17]	Interest of a controlled corporation	H shares	50,000,000(L)	11.54%	3.75%
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))	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%
Pan Zhiyong[19]	Interest of a controlled corporation	Unlisted shares	80,000,000(L)	8.89%	6.00%
State Street Bank & Trust Company	Approved lending agent	Others	34,854,009(P)	8.04%	2.61%
Van Eck Associates Corporation	Investment manager	H shares	28,817,000(L)	6.65%	2.16%

* for identification purpose only

Notes:

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

(2) The letters "L", "S" and "P" respectively denote the person's/corporation's long position, short position and lending pool 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) 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 2019, 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 2019, the aggregate sales and purchases attributable to the Group's five largest customers and suppliers were approximately 35.7% of the Group's total revenue and approximately 12.4% of the Group's total purchase during 2019 respectively.

For the year ended 31 December 2019, the aggregate sales attributable to the Group's largest customer was approximately 29.9% 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 2019, the Group had a total of 28,771 employees. The related employees' costs amounted to approximately RMB2,160.7 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.

Controlling Shareholders' Interests in Contracts of Significance

Save as disclosed in the paragraph headed "Continuing Connected Transactions" below, there was no contract of significance (whether for the provision of services to the Company or not) in relation to the Group's business to which the Company or any of its subsidiaries was a party and a controlling Shareholder of any of its subsidiaries is the other party during the Year or subsisted as at 31 December 2019.

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 2019 is contained in note 32 to the consolidated financial statements. The transactions reported under "Rental expenses" of note 32 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 32, except for the transactions entered into between the Group, Guangzhou Lihe Property Management Co., Ltd.* (廣州利合物業管理有限公司), Kaifeng Guokong Songdu Property Co., Ltd.* (開封國控宋都置業有限公司), Zhongshan Yingxuan Property Development Co., Ltd.* (中山市盈軒房地產開發有限公司) 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 year ended 31 December 2019.

Continuing Connected Transactions

For the year ended 31 December 2019, 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 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 2019, the annual fee payable by the Company to Agile Holdings under the Agile Property Lease Framework Agreement was approximately RMB5,444,000, which is within the annual cap of RMB5,444,000.

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 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 year ended 31 December 2019, the rental fee payable by the Company to Zhongshan Changjiang Golf Course and Mr. Chan Cheuk Yin under the Chen Family Lease Agreements was RMB2,823,614 and RMB467,737 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 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 year ended 31 December 2019, the annual fee payable by Agile Holdings to the Company under Turnkey Furnishing Services Framework Agreement was approximately RMB49,895,000, 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 Turnkey Furnishing Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

(B) 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 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 year ended 31 December 2019, the annual fee payable by the Parent Group to the Group under the Agile Property Management Services Framework Agreement was approximately RMB518,506,000, which is within the annual cap of RMB518,800,000.

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 year ended 31 December 2019, the annual fee payable by the Greenland Group to the Group under the Greenland Property Management Services Framework Agreement was approximately RMB158,290,000, which is within the annual cap of RMB210,000,000.

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 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. Agile 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 "Agile 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 approved by the independent Shareholders by way of ordinary resolution at the Company's extraordinary general meeting held on 5 November 2018.

For the year ended 31 December 2019, the annual fee payable by Agile Holdings to the Group under the Agile Property Agency Services Framework Agreement was approximately RMB820,093,000, which is within the Revised Annual Cap of RMB835,000,000.

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 Agile Property Agency Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In respect of the transactions under the Agile 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.

On 15 August 2019, Guangzhou Yaxin 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 Pre-delivery Inspection Services for the two years ending 31 December 2019 and 31 December 2020 as follows:

Year ending 31 December	Revised Annual Caps for the provision of the Pre-delivery Inspection Services pursuant to the Supplemental Agreement RMB
2019	115,000,000
2020	140,000,000

For the year ended 31 December 2019, the annual fee payable by the Parent Group to Guangzhou Yaxin under the Pre-delivery Inspection Services Framework Agreement was approximately RMB103,526,000, which is within the Revised Annual cap of RMB115,000,000.

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 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 Revised 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.

On 15 August 2019, Guangzhou Yatao 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 Pre-delivery Inspection Services for the two years ending 31 December 2019 and 31 December 2020 as follows:

Year ending 31 December	Revised Annual Caps for the provision of the Advertising and PR Services pursuant to the Supplemental Agreement RMB
2019	40,000,000
2020	114,600,000

For the year ended 31 December 2019, the annual fee payable by the Parent Group to Guangzhou Yatao under the Advertising and Public Relations Services Framework Agreement was approximately RMB39,518,000, which is within the Revised Annual cap of RMB40,000,000.

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 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 Revised 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 year ended 31 December 2019, the annual fee payable by Agile Holdings to the Company under Technology Services Framework Agreement was approximately RMB99,465,000, which is within the annual cap of RMB132,000,000.

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 year ended 31 December 2019, the annual fee payable by Agile Holdings to the Company under Consultation Services Framework Agreement was approximately RMB86,177,000, which is within the annual cap of RMB216,000,000.

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 year ended 31 December 2019, the annual fee payable by Greenland Group to the Company under Consultation and Pre-delivery Inspection Services Framework Agreement was approximately RMB44,591,000, which is within the annual cap of RMB136,500,000.

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. **Greenland Property Agency Services Framework Agreement**

On 27 April 2018, the Company entered into a property agency services framework agreement (the "Greenland 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 Greenland 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 year ended 31 December 2019, the annual fee payable by Greenland Holdings to the Company under Greenland Property Agency Services Framework Agreement was RMB0, which is within the annual cap of RMB126,000,000.

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 Greenland 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 year ended 31 December 2019 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 2019 are disclosed in note 35 to the consolidated financial statements.

Litigation

During the year ended 31 December 2019, 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 2019 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 2019 have been audited by PricewaterhouseCoopers, Certified Public Accountants, who shall retire at the 2019 AGM. A resolution will be proposed at the 2019 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 2019 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, 17 March 2020

I. Composition of the Supervisory Committee

As of 31 December 2019, 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 2019

In 2019, 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 2019, the Supervisory Committee held a total of 4 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	4	4	0	0
Ms. Huang Zhixia	4	4	0	0
Mr. Shi Zhengyu	4	4	0	0
Mr. Li Jianhui	4	4	0	0
Mr. Wang Shao	4	2	1	1

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

In 2019, 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 2019, 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 2018 annual general meeting held on 28 May 2019.

(iv) Monitoring Company's Operation

In 2019, 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 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 2019, 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 2019, 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 2020

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.

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 96 to 202, which comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2019;
- the consolidated balance sheet as at 31 December 2019;
- 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 2019, 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.

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 2019, the Group had goodwill of RMB1,370,928,000 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 RMB1,370,928,000 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) earnings before interest, tax, depreciation and amortisation ("EBITDA") margin, (iii) average trade receivables turnover days, (iv) long-term growth rate, and (v) 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, average trade receivables turnover days and EBITDA margin during the forecast period, 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, 17 March 2020

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December **2019** **RMB'000**	 2018 RMB'000
Revenue	6	**5,127,293**	3,376,749
Cost of sales	7	**(3,244,433)**	(2,086,808)
Gross profit		**1,882,860**	1,289,941
Selling and marketing expenses	7	**(43,103)**	(45,951)
Administrative expenses	7	**(294,976)**	(302,246)
(Impairment losses)/reversal of losses on financial assets		**(12,236)**	2,750
Other income	9	**131,126**	100,469
Other gains — net	10	**24,484**	31,317
Operating profit		**1,688,155**	1,076,280
Finance expenses	11	**(16,348)**	(917)
Share of post-tax profits of joint ventures and associates	12(b)	**22,635**	—
Profit before income tax		**1,694,442**	1,075,363
Income tax expenses	13	**(402,854)**	(264,484)
Profit and total comprehensive income for the year		**1,291,588**	810,879
Profit and total comprehensive income attributable to:			
— Shareholders of the Company		**1,230,764**	801,045
— Non-controlling interests		**60,824**	9,834
		1,291,588	810,879
Earnings per share (expressed in RMB per share)			
— Basic and diluted earnings per share	14	**0.92**	0.62

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

Consolidated Balance Sheet

		As at 31 December	
		2019	2018
	Note	**RMB'000**	RMB'000
Assets			
Non-current assets			
Property, plant and equipment	15(a)	**159,306**	80,006
Right-of-use assets	15(b)	**24,620**	—
Other intangible assets	16	**384,456**	166,448
Goodwill	16	**1,370,928**	1,045,362
Deferred income tax assets	26	**9,836**	15,629
Investment accounted for using the equity method	12(b)	**583,634**	422
Financial assets at fair value through profit or loss	20	**170**	—
		2,532,950	1,307,867
Current assets			
Trade and other receivables	18	**2,189,347**	1,164,913
Inventories	19	**12,364**	15,190
Financial assets at fair value through profit or loss	20	**440,211**	—
Restricted cash		**5,383**	586
Cash and cash equivalents	21	**4,207,260**	4,807,993
		6,854,565	5,988,682
Total assets		**9,387,515**	7,296,549
Equity			
Equity attributable to shareholders of the Company			
Share capital	22	**1,333,334**	1,333,334
Reserves	23	**3,271,410**	3,265,887
Retained earnings		**1,586,100**	823,119
		6,190,844	5,422,340
Non-controlling interests		**314,841**	87,697
Total equity		**6,505,685**	5,510,037

	Note	As at 31 December 2019 RMB'000	2018 RMB'000
Liabilities			
Non-current liabilities			
Other payables	24	**18,524**	23,656
Borrowings	25	**5,400**	—
Lease liabilities	15(b)	**13,344**	—
Deferred income tax liabilities	26	**83,974**	36,562
Financial liabilities for put option written on non-controlling interests	27	**70,436**	—
		191,678	60,218
Current liabilities			
Trade and other payables	24	**1,738,456**	1,168,900
Borrowings	25	**15,900**	—
Contract liabilities	6(a)	**614,005**	365,499
Current income tax liabilities		**309,600**	191,895
Lease liabilities	15(b)	**12,191**	—
		2,690,152	1,726,294
Total liabilities		**2,881,830**	1,786,512
Total equity and liabilities		**9,387,515**	7,296,549

The financial statements on pages 96 to 202 were approved by the Board of Directors on 17 March 2020 and were signed on its behalf

Chan Cheuk Hung
Director

Huang Fengchao
Director

Consolidated Statement of Changes in Equity

	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
		Attributable to shareholders of the Company					
Balance at 1 January 2019		1,333,334	3,265,887	823,119	5,422,340	87,697	5,510,037
Comprehensive income							
Profit for the year		–	–	1,230,764	1,230,764	60,824	1,291,588
Transactions with shareholders of the Company							
Transaction with non-controlling interests (the "NCI")		–	(81)	–	(81)	369	288
Dividends to the shareholders	28	–	–	(400,000)	(400,000)	–	(400,000)
Dividends to the NCI		–	–	–	–	(90)	(90)
Put options granted during the acquisition of subsidiaries	31(e)	–	(62,179)	–	(62,179)	–	(62,179)
Acquisition of subsidiaries	31	–	–	–	–	165,551	165,551
Capital contribution from the NCI		–	–	–	–	490	490
Appropriation of statutory reserves	23(a)	–	67,783	(67,783)	–	–	–
		–	5,523	(467,783)	(462,260)	166,320	(295,940)
Balance at 31 December 2019		1,333,334	3,271,410	1,586,100	6,190,844	314,841	6,505,685

	Note	Attributable to shareholders of the Company					
		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	28	—	—	(50,000)	(50,000)	—	(50,000)
Acquisition of a subsidiary		—	—	—	—	74,674	74,674
Capital contribution from the NCI		—	—	—	—	1,072	1,072
Issue of H shares	22(a)	333,334	2,866,009	—	3,199,343	—	3,199,343
Appropriation of statutory reserves	23	—	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

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

Consolidated Statement of Cash Flows

	Note	Year ended 31 December 2019 RMB'000	2018 RMB'000
Cash flows from operating activities			
Cash generated from operations	29(a)	**1,915,479**	1,026,488
Income tax paid		**(315,358)**	(143,323)
Net cash generated from operating activities		**1,600,121**	883,165
Cash flows from investing activities			
Purchases of property, plant and equipment ("PPE")		**(14,662)**	(19,234)
Proceeds from disposal of PPE		**3,205**	1,242
Purchase of other intangible assets		**(4,087)**	(1,891)
Investments in joint venture and associate		**(573,625)**	—
Payment of the acquisition deposit		**(468,000)**	—
Loans repayments received from related parties	32(e)	**—**	13,248
Acquisition of financial assets at fair value through profit or loss		**(2,120,971)**	—
Proceeds from disposal of financial assets at fair value through profit or loss		**1,696,034**	—
Interest received		**18,503**	—
Dividend received		**6,596**	—
Cash repayment/(advances to) related parties		**6,056**	(3,643)
Acquisition of subsidiaries (net of cash and cash equivalent acquired)		**(319,639)**	(116,402)
Increase in restricted bank deposits		**(4,797)**	(202)
Disposal of part of equity of a subsidiary		**290**	—
Gains on forward foreign exchange contracts	10	**—**	14,641
Net cash used in investing activities		**(1,775,097)**	(112,241)
Cash flows from financing activities			
Capital contribution from the NCI		**490**	1,072
Proceeds from issue of ordinary shares		**—**	3,313,422
Receipt of cash advances from the NCI	29(b)	**19,000**	—
Dividends paid to the then shareholders	28(b)	**—**	(50,000)
Repayments of borrowings	29(b)	**(26,800)**	(12,000)
Principal elements of lease payments	29(b)	**(22,592)**	—
Interest paid	29(b)	**(2,160)**	(376)
Repayment of cash advances from related parties	29(b)	**(5,787)**	(19,549)
Receipt of cash advances from related parties	29(b)	**20,475**	—
Dividends paid to shareholders	29(b)	**(400,000)**	—
Dividends paid to the NCI	29(b)	**(90)**	—
Listing expenses paid		**(8,968)**	(90,166)
Net cash (used in)/generated from financing activities		**(426,432)**	3,142,403
Net (decrease)/increase in cash and cash equivalents		**(601,408)**	3,913,327
Cash and cash equivalents at beginning of year		**4,807,993**	879,771
Effect of exchange rate changes on cash and cash equivalents		**675**	14,895
Cash and cash equivalents at end of year	21	**4,207,260**	4,807,993

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

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and requirements of the Hong Kong Companies Ordinance Cap. 622 ("HKCO").

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(c) 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 2019:

- HKFRS 16 Leases
- Prepayment Features with Negative Compensation – Amendments to HKFRS 9
- Long-term Interests in Associates and Joint Ventures – Amendments to HKAS 28
- Annual Improvements to HKFRS Standards 2015–2017 Cycle
- Plan Amendment, Curtailment or Settlement – Amendments to HKAS 19
- Interpretation 23 Uncertainty over Income Tax Treatments.

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in 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.

(d) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

• Definition of Material – Amendments to HKAS 1 and HKAS 8	1 January 2020
• Definition of a Business – Amendments to HKFRS 3	1 January 2020
• Revised Conceptual Framework for Financial Reporting	1 January 2020
• HKFRS 17 Insurance Contracts	1 January 2021 (likely to be extended to 1 January 2022)

2 Summary of significant accounting policies (continued)

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 *Leases* on the Group's financial statements.

As indicated in note 2.1 above, the Group has adopted HKFRS 16 *Leases* retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 2.26.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.75%.

(a) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

2 Summary of significant accounting policies (continued)

2.2 Changes in accounting policies (continued)

(b) Measurement of lease liabilities

	2019 RMB'000
Operating lease commitments disclosed as at 31 December 2018 (Audited)	39,344
Discounted using the lessee's incremental borrowing rate at the date of initial application	37,317
Less: short-term leases recognised on a straight-line basis as expense	(1,501)
Less: low-value leases recognised on a straight-line basis as expense	(1,573)
Less: contracts reassessed as service agreements	(12,986)
Lease liability recognised as at 1 January 2019	**21,257**
Of which are:	
Current lease liabilities	15,316
Non-current lease liabilities	5,941
	21,257

(c) Measurement of right-of-use assets

All right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

(d) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the consolidated balance sheet on 1 January 2019:

- right-of-use assets – increase by RMB21,257,000

- lease liabilities – increase by RMB21,257,000

There is no impact on retained earnings on 1 January 2019.

(e) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16. The new accounting policies are set out in note 2.26 below.

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 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see note 2.3.4 below), after initially being recognised at cost.

2.3.3 Joint ventures

Interests in joint ventures are accounted for using the equity method (see note 2.3.4 below), after initially being recognised at cost in the consolidated balance sheet.

2 Summary of significant accounting policies (continued)

2.3 Principles of consolidation and equity accounting (continued)

2.3.4 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.

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- 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, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

2 Summary of significant accounting policies (continued)

2.4 Business combinations (continued)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Where the Group enters into a contract that contains an obligation (for example a written put option exercisable by the contract counterparty) to acquire shares in a partly-owned subsidiary company from the owner of the non-controlling interest, which is not part of a business combination, the Group records a financial liability in respect of the present value of the redemption amount with a corresponding charge directly to equity. Changes to the value of the financial liability are recognised in the statement of profit or loss within net finance expenses.

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 Summary of significant accounting policies (continued)

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 makes 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.

(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 – 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 is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term 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 – 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 CGUs 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 6-10 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).

2 Summary of significant accounting policies (continued)

2.9 Intangible assets (continued)

(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;
- 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

Goodwill and 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. Other assets are tested 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 Summary of significant accounting policies (continued)

2.11 Investments and other financial assets

(a) Classification

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").

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 statement of comprehensive income.

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

2 Summary of significant accounting policies (continued)

2.11 Investments and other financial assets (continued)

(c) Measurement (continued)

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-net, 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-net. 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-net and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.

- 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-net in the period in which it arises.

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-net 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.

2 Summary of significant accounting policies (continued)

2.11 Investments and other financial assets (continued)

(c) Measurement (continued)

Impairment

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, see note 18 for further details.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated 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.

2.14 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 18 for further information about the Group's accounting for trade and other receivables and note 3.1.2 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 Summary of significant accounting policies (continued)

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.

2.19 Borrowing costs

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

2 Summary of significant accounting policies (continued)

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 Put option arrangements

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities as there is an obligation for the Group to deliver cash or other financial assets in exchange of its own equity shares. The amount that may become payable under the option on exercise is initially recognised at present value of the redemption amount with a corresponding charge directly to equity.

Such options, including the transaction costs, are subsequently accreted through “Finance expenses” up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

2.22 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.

2 Summary of significant accounting policies (continued)

2.22 Employee benefits (continued)

Short-term obligations (continued)

(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 dollar ("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.

(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.

2 Summary of significant accounting policies (continued)

2.22 Employee benefits (continued)

Short-term obligations (continued)

(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.

2.23 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 Summary of significant accounting policies (continued)

2.24 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.

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.

2 Summary of significant accounting policies (continued)

2.24 Revenue recognition (continued)

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 amortisation period is less than 12 months.

2.25 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 Summary of significant accounting policies (continued)

2.26 Leases

As explained in note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in note 2.2.

Until the 2018 financial year, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group of lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: fixed payments (including in-substance fixed payments), less any lease incentives receivable variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date amounts expected to be payable by the Group under residual value guarantees the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

2 Summary of significant accounting policies (continued)

2.26 Leases (continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise staff dormitory and small items of office furniture.

2.27 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.

2.28 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.

2 Summary of significant accounting policies (continued)

2.29 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains on these assets, see note 10 below. Any other interest income is included in other income, see note 9 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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 2019, major non-RMB assets are cash and cash equivalents of RMB19,837,000 denominated in HK$. Fluctuation of the exchange rates of RMB against foreign currency could affect the Group's results of operations. The Group has entered into certain forward foreign exchange contracts with reputable banks to mitigate the foreign exchange risk of its listing proceeds denominated in HK$.

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	
	2019	2018
	RMB'000	RMB'000
Monetary assets		
– HK$	**19,837**	33,423

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.1 Foreign exchange risk (continued)

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	
	2019	2018
	RMB'000	RMB'000
5% increase in RMB against HK$	**(744)**	(1,253)
5% decrease in RMB against HK$	**744**	1,253

3.1.2 Credit risk

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

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.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

(a) Deposit at banks

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.

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

The Group expects that there is no significant credit risk associated with financial products measured at fair value through profit or loss since the Group furnishes investment mandates to commercial banks. These mandates require them to invest in bank financial products with high market credit rating, liquidity and stable return. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(c) Trade and other receivables (excluding prepayments)

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 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.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for 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 to determine the expected loss provision for other receivables (excluding prepayments). As at 31 December 2019, 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 2019, the Group has assessed that the expected credit losses for the receivables from Agile Holdings, and its subsidiaries, joint ventures and associates, was immaterial. Thus no loss allowance provision for trade and other receivables from Agile Holdings, and its subsidiaries, joint ventures and associates was recognised by the Group (31 December 2018: Nil).

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

(c) Trade and other receivables (excluding prepayments) (continued)

(i) On that basis, as at 31 December 2019, the loss allowance provision for the trade receivables, excluding trade receivables from Agile Holdings, and its subsidiaries, joint ventures and associates was determined as follow. The expected credit losses below also incorporated forward looking information.

	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 Agile Holdings, and its subsidiaries, joint ventures and associates)						
At 31 December 2019						
Expected loss rate	**0%**	**1%**	**10%**	**20%**	**50%**	
Gross carrying amount (RMB'000)	**431,642**	**205,042**	**145,652**	**43,295**	**37,789**	**863,420**
Loss allowance provision (RMB'000)	**–**	**2,050**	**14,565**	**8,659**	**18,895**	**44,169**

	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

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

(c) Trade and other receivables (excluding prepayments) (continued)

(ii) As at 31 December 2019, 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 Agile Holdings, and its subsidiaries, joint ventures and associates) RMB'000	Other receivables (excluding Prepayments, dividend receivables and other receivables from related parties) RMB'000	Total RMB'000
At 1 January 2019	21,385	3,472	24,857
Impact of acquisition of subsidiaries	12,914	1,664	14,578
Provision for loss allowance	22,238	3,519	25,757
Unused amounts reversed	(12,368)	(1,153)	(13,521)
At 31 December 2019	44,169	7,502	51,671

As at 31 December 2019, the gross carrying amount of trade and other receivables (excluding prepayments) was RMB1,717,639,000 and thus the maximum exposure to loss was RMB1,665,968,000.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.2 Credit risk (continued)

(c) Trade and other receivables (excluding prepayments) (continued)

(ii) (continued)

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	More than 5 years RMB'000	Total RMB'000
As at 31 December 2019					
Borrowings and interest payable	**16,581**	**2,679**	**3,130**	**–**	**22,390**
Trade and other payables *	**1,243,010**	**22,726**	**–**	**–**	**1,265,736**
Financial liabilities for put option written on non-controlling interests	**–**	**5,517**	**96,686**	**–**	**102,203**
Lease liabilities	**13,122**	**7,329**	**6,155**	**713**	**27,319**
	1,272,713	**38,251**	**105,971**	**713**	**1,417,648**
As at 31 December 2018					
Trade and other payables (*)	817,748	15,423	8,233	–	841,404

* Excluding non-financial liabilities

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.4 Fair value estimation

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2019	**Note**	**Level 1 RMB'000**	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
Financial assets					
Wealth management products	20	–	–	410,000	410,000
Structural deposits	20	–	–	20,006	20,006
Hong Kong listed equity securities	20	10,205	–	–	10,205
Contingent consideration	20	–	–	170	170
Total financial assets		10,205	–	430,176	440,381
Financial liabilities					
Financial liabilities for put option written on non-controlling interests	27	–	–	70,436	70,436
Total financial liabilities		–	–	70,436	70,436

Recurring fair value measurements At 31 December 2018	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets	–	–	–	–
Financial liabilities	–	–	–	–

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.4 Fair value estimation (continued)

(i) Fair value hierarchy (continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses estimated discounted cash flows to make assumptions.

The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for wealth management products, structural deposits, contingent consideration and put option liability.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers into and out of level 3 measurements see (ii) below.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.4 Fair value estimation (continued)

(ii) The Group's financial assets at fair values included wealth management products, structural deposits and contingent consideration, fair value of which are estimated based on unobservable inputs (level 3). The following table presents the changes in level 3 instruments for year ended 31 December 2019:

	Financial assets at fair value through profit or loss			Financial liabilities for put option written on non-controlling interests	
	Wealth management products RMB'000	Structural deposits RMB'000	Contingent consideration RMB'000	RMB'000	Total RMB'000
Opening balance as at 31 December 2018	–	–	–	–	–
Addition	811,535	1,298,500	–	(62,179)	2,047,856
Impact of acquisition of subsidiaries (Note 31)	16,000	–	411	–	16,411
Gains/(losses) recognised in profit or loss	9,361	9,148	(241)	(8,257)	10,011
Disposal	(426,896)	(1,287,642)	–	–	(1,714,538)
Closing balance as at 31 December 2019	**410,000**	**20,006**	**170**	**(70,436)**	**359,740**
Includes unrealised gains/(losses) recognised in profit attributable to balances held at 31 December 2019	**–**	**6**	**(241)**	**(8,257)**	**(8,492)**

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

3.1.4 Fair value estimation (continued)

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

Description	Fair value at December 31 2019 RMB'000	Valuation techniques	Unobservable input	Range (probability-weighted average)	Relationship of unobservable inputs to fair value
Wealth management products	410,000	Discounted cash flow	Expected interest rate per annum	4.00%	A change in expected interest rate per annum +/– 10% results in a change in fair value by RMB35,000
Structural deposits	20,006	Discounted cash flow	Expected interest rate per annum	3.35%	A change in expected interest rate per annum +/– 10% results in a change in fair value by RMB1,000
Contingent consideration	170	Discounted cash flow	Expected net profit	RMB14,781,000 -51,621,000	A change in expected net profit +/– 10% results in a change in fair value by RMB-156,000/2,329,000
Financial liabilities for put option written on non-controlling interests	(70,436)	Discounted cash flow	Expected discount rate	17.39%	A change in expected discount rate +/– 10% results in a change in fair value by RMB-2,353,000/2,474,000

3 Financial risk management (continued)

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 2018 and 2019, 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 CGUs 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 31) is recognised as intangible assets (note 16). As at 31 December 2019, the carrying amount of the customer relationship identified in the acquisition was RMB342,724,000. 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 ten 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.

4 Critical accounting estimates and judgements (continued)

(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.

(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 the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

During the years ended 31 December 2019 and 2018, the Group was principally engaged in the provision of property management services and related value-added services, including pre-delivery services, household assistance services, property agency services and other services, in the PRC.

All the acquired subsidiaries were principally engaged in the provision of property management services and related value-added services. After acquisition, management reviews the operating results of the business of the acquired subsidiaries and the original business to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there are several operating segments, which are used to make strategic decisions.

For the year ended 31 December 2019, all the segments are domiciled in the PRC and all the revenue are derived in the PRC, and the segments are principally engaged in the provision of similar services to similar customers. All operating segments of the Group were aggregated into a single operating segment.

As at 31 December 2019, all of the assets were located in the PRC except bank deposits of HK$22,153,000 and RMB276,442,000 in Hong Kong.

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 2019 and 2018 is as follows:

	Timing of revenue recognition	Year ended 31 December 2019 RMB'000	2018 RMB'000
Property management services	over time	**2,829,662**	1,624,835
Value-added services related to property management			
— Other value-added services	over time	**2,286,452**	1,747,719
— Sales of goods, parking lots and shops	at a point in time	**11,179**	4,195
		5,127,293	3,376,749

(a) Contract liabilities

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

	As at 31 December 2019 RMB'000
Contract liabilities	
— Related parties (Note 32(d))	**91,430**
— Third parties	**522,575**
	614,005

(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.

6 Revenue (continued)

(a) Contract liabilities (continued)

(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 as at 1 January	2019 RMB'000	2018 RMB'000
Property management services	316,971	254,602
Value-added services	3,477	2,622
	320,448	257,224

(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 2019, there was no significant incremental costs to obtain a contract.

7 Expenses by nature

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Employee benefit expenses (Note 8)	**2,160,659**	1,472,514
Cleaning expenses	**355,382**	222,319
Security charges	**234,189**	79,901
Maintenance costs	**150,517**	130,856
Utilities	**139,102**	120,210
Cost of consumables	**91,524**	79,015
Depreciation and amortisation charges	**89,525**	33,423
Greening and gardening expenses	**86,271**	53,702
Travelling and entertainment expenses	**57,843**	59,925
Taxes and other levies	**34,880**	24,300
Office expenses	**28,258**	24,801
Advertising expenses	**23,431**	24,971
Consulting fees	**23,314**	21,518
IT system maintenance expenses	**12,264**	4,157
Operating lease payments	**11,888**	28,148
Employees training expenses	**4,395**	8,121
Auditors' remunerations		
— Audit services	**3,325**	3,100
— Non-audit services	**4,609**	1,809
Others	**71,136**	42,215
	3,582,512	2,435,005

8 Employee benefit expenses

	Year ended 31 December 2019 RMB'000	2018 RMB'000
Wages and salaries	**1,820,445**	1,224,905
Social insurance expenses (Note(a))	**229,974**	142,655
Housing benefits	**40,653**	32,447
Other employee benefits (Note(b))	**69,587**	72,507
Total (including emoluments of directors and supervisors)	**2,160,659**	1,472,514

(a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated based on certain percentages of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions and the Group's contributions are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

(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 2019 include 1 directors (2018: 2 directors), whose emoluments are reflected in the analysis shown in note 34. The emoluments payable to the remaining 4 individuals during the year ended 31 December 2019 (2018: 3 individuals) were as follows:

	Year ended 31 December 2019 RMB'000	2018 RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind	**7,249**	8,227
Contribution to pension scheme	**136**	**117**
	7,385	**8,344**

The emoluments fell within the following bands:

	Number of individuals Year ended 31 December 2019	2018
Emolument bands (in HK dollar)		
HK$1,500,001—HK$2,000,000	**2**	—
HK$2,000,001—HK$2,500,000	**1**	—
HK$2,500,001—HK$3,000,000	**1**	1
HK$3,000,001—HK$3,500,000	**—**	1
HK$3,500,001—HK$4,000,000	**—**	1
HK$4,000,001—HK$4,500,000	**—**	—

9 Other income

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Interest income	**103,347**	92,775
Tax incentives (Note (a))	**12,988**	—
Government grants (Note (b))	**9,922**	4,263
Late payment charges	**2,526**	2,562
Miscellaneous	**2,343**	869
	131,126	100,469

(a) Tax incentives mainly included additional deduction of input value-added tax applicable to the Company and its certain subsidiaries from 1 April 2019 to 31 December 2019.

(b) Government grants, consisted mainly of financial subsidies granted by the local governments.

10 Other gains — net

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Gains on disposal of financial assets at fair value through profit or loss	**18,503**	—
Exchange gains	**6,506**	16,890
Gains/(losses) on disposal of property, plant and equipment	**444**	(214)
Fair value losses on financial assets at fair value through profit or loss — net	**(969)**	—
Gains on forward exchange contract	**—**	14,641
	24,484	31,317

11 Finance expenses

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
— Fair value loss on financial liabilities for put option written on non-controlling interests	**8,257**	—
— Interest expense of amortisation of long-term consideration	**4,275**	541
— Interest expense of short-term borrowings	**2,160**	376
— Interest and finance charges paid/payable for lease liabilities (Note 15(b))	**1,656**	—
	16,348	917

12(a) Subsidiaries

The following is a list of the principal subsidiaries at 31 December 2019 and 2018:

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	
				2019	2018	2019	2018
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%	–	–
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%	–	–

12(a) Subsidiaries (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	
				2019	2018	2019	2018
A-TRO Properties Consultancy Co, Ltd.* (formerly known as: Yazhuo Real Estate Consultant Co., Ltd.*) 雅卓房地產顧問有限公司(前稱: "廣州市雅卓房地產行銷有限公司")	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%	–	–
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.* 黑龍江雅天網路科技有限公司	The PRC, Limited liability company	RMB8,000,000	Software engineering services in Mainland of the PRC	60%	60%	40%	40%
Zhengzhou Huamao Agile Property Management Services Co., Ltd.* 鄭州市雅生活華茂物業服務有限公司	The PRC, Limited liability company	RMB500,000	Property management services in Mainland of the PRC	100%	N/A	–	N/A
Nantong Yazhuo Real Estate Marketing Co., Ltd.* 南通雅卓房地產行銷有限公司	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%	100%	–	–
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%	100%	–	–

12(a) Subsidiaries (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 2019	Ownership interest held by the Group 2018	Ownership interest held by non-controlling interests 2019	Ownership interest held by non-controlling interests 2018
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%	51%	49%	49%
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%	100%	–	–
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%	100%	–	–
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%	100%	–	–
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%	60%	40%	40%
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%	100%	–	–
Khorgos 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%	100%	–	–
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%	100%	–	–
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%	51%	49%	49%
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%	100%	–	–

12(a) Subsidiaries (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 2019	Ownership interest held by the Group 2018	Ownership interest held by non-controlling interests 2019	Ownership interest held by non-controlling interests 2018
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%	100%	–	–
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%	100%	–	–
HK A-TRO Property Marking Co., Ltd. 香港雅卓房地產行銷有限公司	Hong Kong, Limited liability company	HK$1,000,000	Real estate marketing services in Hong Kong	100%	100%	–	–
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%	100%	–	–
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%	100%	–	–
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%	100%	–	–
Harbin Jingyang Property Management Co.,Ltd.* ("Harbin Jingyang") 哈爾濱景陽物業管理有限公司	The PRC, Limited liability company	RMB5,000,000	Property management services in Mainland of the PRC	60%	N/A	40%	N/A
Qingdao Huaren Property Co.,Ltd* ("Qingdao Huaren") 青島華仁物業股份有限公司	The PRC, Limited liability company	RMB46,875,000	Property management services in Mainland of the PRC	90%	N/A	10%	N/A

12(a) Subsidiaries (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	
				2019	2018	**2019**	2018
Guangzhou Yuehua Property Co.,Ltd.* (Guangzhou Yuehua) 廣州粵華物業有限公司	The PRC, Limited liability company	RMB10,300,000	Property management services in Mainland of the PRC	**51%**	N/A	**49%**	N/A
Lanzhou Chengguan Property Services Group Co.,Ltd.*(Lanzhou Chengguan) 蘭州城關物業服務集團有限公司	The PRC, Limited liability company	RMB50,000,000	Property management services in Mainland of the PRC	**51%**	N/A	**49%**	N/A
Kaiping Agile Enterprise Management Services Co., Ltd.* 開平雅居樂雅生活物業管理有限公司	The PRC, Limited liability company	RMB500,000	Property management services in Mainland of the PRC	**100%**	N/A	**–**	N/A

* 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.

12(b) Investments accounted for using the equity method

In the opinion of the directors, there is no associate individually material to the Group. The carrying amount of equity-accounted investments has changed as follows in the years ended 31 December 2019 and 2018:

	Year ended 31 December 2019 RMB'000	Year ended 31 December 2018 RMB'000
Beginning of the year	**422**	—
Additions (Note(a))	**573,625**	422
Impact of acquisition of subsidiaries (Note 31)	**9,415**	—
Share of the profits	**22,635**	—
Dividends proposed	**(22,463)**	—
End of the year	**583,634**	422

(a) The additions in the year 2019 mainly represent the Group's capital contribution of RMB240,000,000 and RMB300,000,000 to two associates respectively. As at 31 December 2019, the Group held 30% of equity interest in each of these two associates.

Subsequent to the year end and in March 2020, the Group disposed of an associate and received cash consideration of RMB300,000,000. The Group also received dividend of RMB15,867,000.

13 Income tax expenses

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Current income tax		
— PRC corporate income tax	**403,090**	272,983
Deferred income tax (Note 26)		
— PRC corporate income tax	**(236)**	(8,499)
	402,854	264,484

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	
	2019	2018
	RMB'000	RMB'000
Profit before income tax	**1,694,442**	1,075,363
Tax charge at effective rate applicable to profits in the respective group entities	**398,001**	258,250
Tax effects of:		
— Expenses not deductible for tax purposes	**3,701**	2,907
— Reversal of deferred tax assets recognised for tax losses in prior years	**2,974**	1,001
— Associates' and joint ventures' results reported net of tax	**(3,805)**	—
— Tax losses for which no deferred income tax asset was recognised	**1,983**	2,326
	402,854	264,484

The effective income tax rate was 24% for the year ended 31 December 2019 (2018: 25%).

13 Income tax expenses (continued)

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%. Hengqin Yaheng has enjoyed a preferential policy in Zhuhai Hengqin (Free Trade Area) with an enterprise income tax rate of 15%. Certain subsidiaries of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% in certain years.

Hong Kong income tax

No Hong Kong profits tax was applicable to the Group for the year ended 31 December 2019. There were two subsidiaries incorporated in Hong Kong. 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 2019 (2018:Nil).

14 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares deemed to be in issue during the years ended 31 December 2019 and 2018.

The Company did not have any potential ordinary shares outstanding during the years ended 31 December 2019 and 2018. Diluted earnings per share is equal to basic earnings per share.

	Year ended 31 December	
	2019	2018
Profit attributable to Shareholders of the Company (RMB'000)	**1,230,764**	801,045
Weighted average number of ordinary shares deemed to be in issue (in thousands)	**1,333,334**	1,296,667
Basic earnings per share for profit attributable to the shareholders of the Company during the year (expressed in RMB per share)	**0.92**	0.62

15(a) 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 2018					
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	–	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
Year ended 31 December 2019					
Opening net book amount	**46,199**	**6,790**	**11,507**	**15,510**	**80,006**
Additions	**88**	**3,586**	**1,756**	**9,232**	**14,662**
Acquisition of subsidiaries (Note 31)	**59,704**	**4,639**	**354**	**21,943**	**86,640**
Disposals	**–**	**(529)**	**(564)**	**(1,668)**	**(2,761)**
Depreciation charge	**(4,067)**	**(3,590)**	**(2,752)**	**(8,832)**	**(19,241)**
Closing net book amount	**101,924**	**10,896**	**10,301**	**36,185**	**159,306**
As at 31 December 2019					
Cost	**124,868**	**23,914**	**21,625**	**62,368**	**232,775**
Accumulated depreciation	**(22,944)**	**(13,018)**	**(11,324)**	**(26,183)**	**(73,469)**
Net book amount	**101,924**	**10,896**	**10,301**	**36,185**	**159,306**

Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2019 RMB'000	2018 RMB'000
Cost of sales	**7,858**	6,733
Selling and marketing expenses	**604**	1,483
Administrative expenses	**10,779**	1,905
	19,241	10,121

15(b) Leases

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

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31 December 2019 RMB'000	1 January 2019* RMB'000
Right-of-use assets		
Buildings	**24,335**	21,114
Equipment	**285**	143
	24,620	21,257
Lease liabilities		
Current	**12,191**	15,316
Non-current	**13,344**	5,941
	25,535	21,257

* For adjustments recognised on adoption of HKFRS 16 on 1 January 2019, please refer to note 2.2.

Additions to the right-of-use assets during the year ended 31 December 2019 were RMB25,214,000.

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

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

	Note	31 December 2019 RMB'000
Depreciation charge of right-of-use assets		
Buildings		**(21,675)**
Equipment		**(176)**
		(21,851)
Interest expense (included in finance cost)	11	**(1,656)**
Expense relating to short-term leases and leases of low-value assets (included in cost of sale and administrative expenses)		**(11,888)**

The total cash outflow for leases in 2019 was RMB34,480,000.

15(b) Leases (continued)

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

The Group leases various offices and staff dormitories. Rental contracts are typically made for fixed periods of 3 months to 15 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

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 2018						
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	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
Year ended 31 December 2019						
Opening net book amount	21,736	22,307	122,405	166,448	1,045,362	1,211,810
Additions	4,087	–	–	4,087	–	4,087
Acquisition of subsidiaries (Note (a))	1,364	–	260,990	262,354	325,566	587,920
Amortisation	(3,121)	(4,641)	(40,671)	(48,433)	–	(48,433)
Closing net book amount	24,066	17,666	342,724	384,456	1,370,928	1,755,384
As at 31 December 2019						
Cost	33,370	28,400	404,850	466,620	1,370,928	1,837,548
Accumulated amortisation	(9,304)	(10,734)	(62,126)	(82,164)	–	(82,164)
Net book amount	24,066	17,666	342,724	384,456	1,370,928	1,755,384

16 Intangible assets (continued)

Amortisation of intangible assets has been charged to the consolidated statement of comprehensive income as follows:

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Cost of sales	**46,618**	21,322
Selling and marketing expenses	**25**	212
Administrative expenses	**1,790**	1,768
	48,433	23,302

(a) During the year ended 31 December 2019, the Group acquired several property management companies (note 31). Total identifiable net assets of these entities acquired as at their respective acquisition dates were amounted to RMB423,889,000, including identified customer relationships of RMB260,990,000 recognised by the Group.

The excess of the consideration transferred over the fair value of the identifiable net assets attributable to the Group is recorded as goodwill.

(b) An independent valuation was performed by an independent valuer to determine the amount of the customer relationship recognised by the Group during 2019. Methods and key assumptions in determining the fair value of the customer relationship as at respective acquisition dates are disclosed as follows:

	Valuation technique	**Discount rate**	**Expected life of the intangible assets**
Customer relationship	Discounted cash flow	18.48-18.51%	10 years

(c) Impairment tests for goodwill
As at 31 December 2019, goodwill of RMB1,370,928,000 (31 December 2018: RMB1,045,362,000) has been allocated to each cash-generating units of the subsidiaries acquired for impairment testing. Goodwill of RMB918,967,000 (31 December 2018: RMB918,967,000) was allocated to the property management business operated by Greenland Property Services.

Management performed an impairment assessment on the goodwill as at 31 December 2019. The recoverable amount of the property management business operated by the acquired subsidiaries have been assessed by an independent valuer and determined based on value-in-use calculations. The calculations used cash flow projections based on financial budgets covering a five-year period approved by management.

16 Intangible assets (continued)

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

	Greenland Property Services	Other subsidiaries
2019		
Compound annual growth rate of revenue during the projection period (%)	**40.8%**	**3.0-10.2%**
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period (%)	**14.3–14.5%**	**9.6–19.7%**
Average trade receivables turnover days	**163-314 days**	**30-138 days**
Long term growth rate (%)	**3%**	**3%**
Pre-tax discount rate (%)	**20.3%**	**20.1-22.6%**
2018		
Compound annual growth rate of revenue during the projection period (%)	46.2%	11.8%
EBITDA margins during the projection period (%)	14.5–16.0%	14.5–14.8%
Average trade receivables turnover days	230-339 days	90-122 days
Long term growth rate (%)	3%	3%
Pre-tax discount rate (%)	20.6%	19.9%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determining values
Compound annual growth rate of revenue	Based on past performance and management's expectations of market development. For Greenland Property Services, year-on-year increment in projected revenue is mainly attributable to the estimated incremental gross floor area committed by Greenland Holdings according to the investment cooperation framework agreement.
EBITDA margin	Based on past performance and management's expectations for the future.
Average trade receivables turnover days	Based on past performance and management's expectations for the future.
Long term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.
Pre-tax discount rate	Reflect specific risks relating to the relevant cash-generating units

16 Intangible assets (continued)

As at 31 December 2019, the recoverable amount of RMB1,299 million of the property management business operated by Greenland Property Services calculated based on VIU exceeded its carrying value of RMB1,148 million by RMB151 million. Decrease by 4.12 percentage points in compound annual growth rate of revenue, decrease by 1.97 percentage points in estimated EBITDA margin, decrease by 3.69 percentage points in estimated long term growth rate, increase by 39.6 days in estimated average trade receivables turnover days or increase by 2.06 percentage points in estimated pre-tax discount rate, all changes taken in isolation in the VIU calculations, would remove the remaining headroom.

By reference to the recoverable amount assessed by the independent valuer as at 31 December 2019, the directors of the Company determined that no impairment provision on goodwill was required as at 31 December 2019 (31 December 2018: Nil).

17 Financial instruments by category

The Group holds the following financial instruments:

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Financial assets		
Financial assets at amortised cost		
— Trade and other receivables excluding prepayments (Note 18)	**1,665,968**	1,128,960
— Cash and cash equivalents (Note 21)	**4,207,260**	4,807,993
— Restricted cash	**5,383**	586
	5,878,611	5,937,539
Financial assets at fair value through profit or loss (Note 20)	**440,381**	—
	6,318,992	5,937,539
Financial liabilities		
Financial liabilities at amortised cost		
Borrowings (Note 25)	**21,300**	—
Trade and other payables excluding non-financial liabilities (Note 24)	**1,261,534**	841,404
	1,282,834	841,404
Lease liabilities (Note 15(b))	**25,535**	—
Financial liabilities for put option written on non-controlling interests (Note 27)	**70,436**	—
	1,378,805	841,404

18 Trade and other receivables

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Trade receivables (Note (a))		
— Related parties (Note 32(d))	**708,447**	507,646
— Third parties	**612,246**	342,766
	1,320,693	850,412
Less: allowance for impairment of trade receivables	**(44,169)**	(21,385)
	1,276,524	829,027
Other receivables		
— Related parties (Note 32(d))	**79,874**	70,669
— Third parties	**301,205**	232,736
	381,079	303,405
Less: allowance for impairment of other receivables	**(7,502)**	(3,472)
	373,577	299,933
Prepayments		
— Related parties(Note 32(d))	**436**	—
— Third parties (Note (b))	**522,943**	35,953
	523,379	35,953
Dividend receivables (Note 32(d))	**15,867**	—
	2,189,347	1,164,913

(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.

(b) The prepayments of third parties mainly included a prepayment of RMB468,000,000 for the acquisition of 60% equity interest in CMIG Futurelife Property Management Limited (中民未來物業服務有限公司) (Note 35(a)).

18 Trade and other receivables (continued)

As at 31 December 2019 and 2018, the aging analysis of the trade receivables based on invoice date were as follows:

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
0–180 days	**774,828**	556,855
181–365 days	**285,351**	142,015
1 to 2 years	**166,593**	101,565
2 to 3 years	**56,132**	24,557
Over 3 years	**37,789**	25,420
	1,320,693	850,412

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2019, a provision of RMB44,169,000 was made against the gross amounts of trade receivables (note 3.1.2) (2018: RMB21,385,000).

19 Inventories

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Parking lots and shops	**1,648**	1,852
Consumables	**10,716**	13,338
Less: allowance for impairment	**—**	—
	12,364	15,190

20 Financial assets at fair value through profit or loss

Financial assets mandatorily measured at FVPL include the following:

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Non-current assets		
Contingent consideration (note 31(b))	**170**	—
Current assets		
Wealth management products	**410,000**	—
Structural deposits	**20,006**	—
Hong Kong listed equity securities	**10,205**	—
	440,211	—
	440,381	—

(a) Amounts recognised in profit or loss

During the year, the following gains were recognised in profit or loss:

	As at 31 December	
	2019	2,018
	RMB'000	RMB'000
Fair value gains on debt instruments at FVPL recognised in Other gains-net	**18,509**	—
Fair value losses on equity investments at FVPL recognised in Other gains-net	**(734)**	—
Fair value losses on contingent consideration	**(241)**	—

(b) Risk exposure and fair value measurements

For information about the methods and assumptions used in determining fair value refer to note 3.1.4.

21 Cash and cash equivalents

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Cash at bank and in hand:		
— Denominated in RMB	**4,187,542**	4,774,570
— Denominated in HK$	**19,718**	33,423
	4,207,260	4,807,993

(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	
	2019	2018	**2019**	2018
	shares	shares	**RMB'000**	RMB'000
Issued and fully paid	**1,333,334,000**	1,333,334,000	**1,333,334**	1,333,334

(a) Movements in ordinary shares

	Number of ordinary shares (thousands)	**Share capital** RMB'000
Opening balance as at 1 January 2018	1,000,000	1,000,000
Issue of H shares (Note (i))	333,334	333,334
Balance as at 31 December 2018	1,333,334	1,333,334
Balance as at 31 December 2019	**1,333,334**	**1,333,334**

(i) 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

	Share premium RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Total RMB'000
As at 1 January 2018	272,044	33,524	67,975	373,543
Issue of H shares	2,866,009	—	—	2,866,009
Appropriation of statutory reserves (Note (a))	—	26,335	—	26,335
As at 31 December 2018	3,138,053	59,859	67,975	3,265,887
Appropriation of statutory reserves (Note (a))	—	67,783	—	67,783
Transaction with NCI	—	—	(81)	(81)
Put options granted during the acquisition of subsidiaries (Note 31(e))	—	—	(62,179)	(62,179)
As at 31 December 2019	**3,138,053**	**127,642**	**5,715**	**3,271,410**

(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	
	2019	2018
	RMB'000	RMB'000
Trade payables (Note (a))		
— Related parties (Note 32 (d))	**5,766**	7,333
— Third parties	**493,826**	306,051
	499,592	313,384
Other payables		
— Related parties (Note 32 (d))	**55,443**	40,755
— Third parties	**706,499**	487,265
	761,942	528,020
Accrued payroll	**384,102**	274,974
Other taxes payables	**111,344**	76,178
	1,756,980	1,192,556
Less: non-current portion of other payables (Note (b))	**(18,524)**	(23,656)
Current portion	**1,738,456**	1,168,900

(a) As at 31 December 2019 and 2018, the aging analysis of the trade payables (including amounts due to related parties in trade nature) based on invoice date were as follows:

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Up to 1 year	**455,734**	283,634
1 to 2 years	**32,709**	21,379
2 to 3 years	**3,996**	2,864
Over 3 years	**7,153**	5,507
	499,592	313,384

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, Lanzhou Chengguan and Qingdao Huaren to be settled beyond one year from 31 December 2019.

25 Borrowings

	31 December 2019 RMB'000	31 December 2018 RMB'000
Borrowings included in non-current liabilities:		
Long-term bank borrowings		
— secured	**7,800**	—
Less: current portion of non-current borrowings	**(2,400)**	—
	5,400	—
Borrowings included in current liabilities:		
Short-term bank borrowings		
— secured	**13,500**	—
Current portion of long-term bank borrowings	**2,400**	—
	15,900	—
	21,300	—

At 31 December, the Group's borrowings were repayable as follows:

	31 December 2019 RMB'000	31 December 2018 RMB'000
Within 1 year	**15,900**	—
Between 1 and 2 years	**2,400**	—
Between 2 and 5 years	**3,000**	—
	21,300	—

(a) As at 31 December 2019, the loans are attributable to Lanzhou Chengguan, a subsidiary acquired by the Company on 31 March 2019. The loans are repayable with fixed interest rates of 6.48%–7.32% per annum. The loans are secured by certain of its self-used properties and guaranteed by the NCI of Lanzhou Chengguan.

The loans are RMB denominated loans which are carried at amortised cost. It therefore did not have any impact on the Group's exposure to foreign exchange and cash flow interest rate risk.

26 Deferred income tax

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Deferred tax assets:		
— Deferred tax asset to be recovered after more than 12 months	**12,631**	12,152
— Deferred tax asset to be recovered within 12 months	**2,331**	5,457
— Set-off of deferred tax liabilities pursuant to set-off provisions	**(5,126)**	(1,980)
	9,836	15,629
Deferred tax liabilities:		
— Deferred tax liability to be recovered after more than 12 months	**(71,417)**	(23,041)
— Deferred tax liability to be recovered within 12 months	**(17,683)**	(15,501)
— Set-off of deferred tax liabilities pursuant to set-off provisions	**5,126**	1,980
	(83,974)	(36,562)
	(74,138)	(20,933)

26 Deferred income tax (continued)

The movement in deferred income tax assets and liabilities during the years ended 31 December 2019 and 2018, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred tax assets – allowance on doubtful debts RMB'000	Deferred tax assets – impairment of inventories RMB'000	Deferred tax assets – deductible tax losses RMB'000	Deferred tax assets – accrued expenses RMB'000	Deferred tax assets – financial assets at fair value through profit and loss RMB'000	Deferred tax assets – financial liabilities for put option written on non-controlling interests RMB'000	Deferred tax liabilities – excess of carrying amount of other intangible assets over the tax bases RMB'000	Deferred tax liabilities – differences on recognition of depreciation RMB'000	Total RMB'000
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	168	–	–	–	–	–	(19,316)	–	(19,148)
As at 31 December 2018	3,006	–	5,457	9,146	–	–	(36,179)	(2,363)	(20,933)
As at 1 January 2019	**3,006**	**–**	**5,457**	**9,146**	**–**	**–**	**(36,179)**	**(2,363)**	**(20,933)**
(Charged)/credit to the consolidated statement of comprehensive income	**2,380**	**–**	**(3,126)**	**(8,916)**	**242**	**2,064**	**10,796**	**(3,204)**	**236**
Acquisition of subsidiaries (Note 31)	**4,709**	**–**	**–**	**–**	**–**	**–**	**(58,150)**	**–**	**(53,441)**
As at 31 December 2019	**10,095**	**–**	**2,331**	**230**	**242**	**2,064**	**(83,533)**	**(5,567)**	**(74,138)**

27 Financial liabilities for put option written on non-controlling interests

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Financial liabilities for put option written on non-controlling interests	**70,436**	—
Less: Current portion	**—**	—
Non-current portion	**70,436**	—

In March 2019, the Company entered into equity interests transfer agreement with the non-controlling interests of Harbin Jingyang, pursuant to which, the Company issued put option to the non-controlling interests which grant its right to sell the 32% equity interest in Harbin Jingyang back to the Company. The put option written on the non-controlling interests of Harbin Jingyang was then regarded as redemption liabilities determined as the present value of future cash outflows assuming the exercise of the put option by the non-controlling interests, with corresponding charges in equity.

In April 2019, the Company entered into equity interests transfer agreement with the non-controlling interests of Qingdao Huaren, pursuant to which, the Company issued put option to the non-controlling interests which grant its right to sell the all remaining equity interest in Qingdao Huaren back to the Company. The put option written on the non-controlling interests of Qingdao Huaren was then regarded as redemption liabilities determined as the present value of future cash outflows assuming the exercise of the put option by the non-controlling interests, with corresponding charges in equity.

The valuation of the redemption liabilities for initial recognition was determined using the discounted cash flow method under the income approach. The significant unobservable inputs are expected discount rate as at the exit date which was determined by the probability-weighted average of floating premiums under three financial projection scenarios prepared by management, and the expected discount rate which was determined using the capital asset pricing model. The redemption liabilities are subsequently accreted through "Financial expenses".

The movement of the redemption liabilities is set out below:

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Opening balance	**—**	—
Initial recognition at fair value (Note 31(e))	**62,179**	—
Changes in discounted present value (Note 11)	**8,257**	—
	70,436	—
Less: Current portion	**—**	—
Non-current portion	**70,436**	—

28 Dividends

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Proposed Annual Dividend comprised of a final dividend of RMB0.225 (2018: RMB0.15) per ordinary share and a special dividend of RMB0.225 (2018: RMB0.15) per ordinary share ((Note (a))	**600,000**	400,000
Special dividend of 2017 (Note(b))	**—**	50,000
	600,000	450,000

(a) A final dividend of RMB0.225 per share and a special dividend of RMB0.225 per share for the year ended 31 December 2019 (collectively the "Annual Dividend"), totalling RMB600,000,000 have been proposed by the Board of the Company and are subject to the approval of the forthcoming annual general meeting to be held on 15 May 2020. The Annual Dividend will be distributed out of the Company's retained earnings. These consolidated financial statements have not reflected the Annual Dividend payable.

A final dividend of RMB0.15 per share and a special dividend of RMB0.15 per share for the year ended 31 December 2018, totalling RMB400,000,000 were declared at the annual general meeting on 28 May 2019. These dividends have been distributed out of the Company's retained earnings.

(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 of 2017 has been distributed out of the Company's retained earnings.

29 Cash flow information

(a) Cash generated from operations

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Profit before income tax	**1,694,442**	1,075,363
Adjustments for:		
— Depreciation of property, plant and equipment (Note 15(a))	**19,241**	10,121
— Amortisation of intangible assets (Note 16)	**48,433**	23,302
— Amortisation of right-of-use assets (Note 15(b))	**21,851**	—
— Impairment provision for trade and other receivables, net	**12,236**	(2,750)
— (Gains)/losses on disposal of property, plant and equipment (Note 10)	**(444)**	214
— Share of post-tax profits of joint ventures and associate	**(22,635)**	—
— Fair value gains on financial assets at fair value through profit and loss	**(17,534)**	—
— Finance expenses (Note 11)	**16,348**	917
— Other gains	**5,831**	(29,536)
Changes in working capital:		
— Inventories	**4,000**	2,479
— Trade and other receivables	**(310,132)**	(568,333)
— Trade and other payables	**281,943**	483,038
— Contract liabilities	**161,899**	31,673
	1,915,479	1,026,488

29 Cash flow information (continued)

(b) A reconciliation of liabilities arising from financing activities is as follows:

	Borrowings RMB'000	Lease liabilities RMB'000	Dividends payable RMB'000	Other payables – related parties RMB'000	Other payables – third parties (excluding trade nature) RMB'000	Total RMB'000
As at 1 January 2018	–	–	–	60,304	–	60,304
Cash flows						
– Outflow from financing activities	(12,000)	–	(50,000)	(19,549)	–	(81,549)
Non-cash changes						
– Accrued dividends payable	–	–	50,000	–	–	50,000
– Acquisition of subsidiaries	12,000	–	–	–	–	12,000
As at 31 December 2018	–	–	–	40,755	–	40,755
Recognised on adoption of HKFRS16 (Note 2.2)	–	21,257	–	–	–	21,257
	—	21,257	–	40,755	–	62,012
Cash flows						
– Inflow from financing activities	–	–	–	20,475	19,000	39,475
– Outflow from financing activities	(28,960)	(22,592)	(400,090)	(5,787)	–	(457,429)
Non-cash changes						
– Addition of lease liabilities	–	25,214	–	–	–	25,214
– Accrued interest expense	2,160	–	–	–	–	2,160
– Finance expense recognised	–	1,656	–	–	–	1,656
– Accrued dividends payable	–	–	400,090	–	–	400,090
– Acquisition of subsidiaries (Note 31)	48,100	–	–	–	–	48,100
As at 31 December 2019	**21,300**	**25,535**	**–**	**55,443**	**19,000**	**121,278**

30 Commitments

(a) Capital commitments

Capital expenditures contracted but not provided for at the end of the year were as follows:

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Other intangible assets	**2,705**	3,060

(b) Operating lease commitments – as lessee

The Group leases offices and staff dormitories under non-cancellable operating lease agreements. The lease terms are between 3 months and 15 years.

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see note 15(b) for further information.

31 Business combinations

Business combinations during the year included the acquisitions of Harbin Jingyang, Qingdao Huaren, Lanzhou Chengguan and Guangzhou Yuehua, at an aggregate purchase consideration of RMB583,904,000. Goodwill of RMB325,566,000 and total identifiable net assets of RMB423,889,000 were recognised. The directors of the Company consider that none of these subsidiaries acquired during the year was significant to the Group and thus the individual financial information of these subsidiaries on the acquisition date was not disclosed.

31 Business combinations (continued)

Details of the purchase considerations, the net assets acquired are as follows:

	RMB'000
Purchase consideration	
Total fair value of cash consideration	584,315
Contingent consideration (Note(b)) (Note 3.1.4)	(411)
Total purchase consideration	583,904
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	243,372
Financial assets at fair value through profit or loss (Note 3.1.4)	16,000
Property, plant and equipment (Note 15)	86,640
Investments accounted for using the equity method (Note 12(b))	9,415
Inventories	1,174
Other intangible assets (Note 16)	262,354
Trade and other receivables (Note(c))	273,073
Trade and other payables	(250,024)
Current income tax liabilities	(29,967)
Contract liabilities	(86,607)
Borrowings	(48,100)
Deferred income tax assets	4,709
Deferred income tax liabilities	(58,150)
Total identifiable net assets	423,889
Less: non-controlling interests	(165,551)
Identifiable net assets attributable to the Group	258,338
Goodwill (Note 16)	325,566

(a) Net cash outflow arising on acquisition during the period ended 31 December 2019:

	RMB'000
Total cash considerations	**584,315**
Less: cash considerations payable as at 31 December 2019	**(44,173)**
Less: cash considerations paid in prior year	**(24,345)**
Cash considerations paid in the period	**515,797**
Less: cash and cash equivalents in the subsidiaries acquired	**(243,372)**
Cash outflow in the year	**272,425**

31 Business combinations (continued)

(b) Contingent considerations

The contingent consideration arrangement entitles the Group to have the receivable from the former owners of Harbin Jingyang, Qingdao Huaren and Lanzhou Chengguan, if they are unable to achieve their targets of adjusted profit during 2019 to 2021.

The fair value of the contingent consideration arrangement of RMB411,000 was estimated calculating the present value of the future expected cash flows. The estimates are based on their individual discount rate and probability of achieving the target, and might be modified by inspecting the performance from the acquisition date.

As at 31 December 2019, the fair value of the contingent considerations was RMB170,000. The asset is presented within financial assets at fair value through profit or loss in the balance sheet.

(c) Acquired receivables

The fair value of trade and other receivables is RMB273,073,000 which includes trade receivables with a fair value of RMB201,007,000. The gross contractual amount for trade receivables due is RMB213,921,000, with a loss allowance of RMB12,914,000 recognised on acquisition.

(d) Revenue and profit contribution

The acquired businesses contributed revenues of RMB1,053,311,000 and net profits of RMB127,344,000 to the Group for the period from the respective acquisition date to 31 December 2019.

If the acquisitions had occurred on 1 January 2019, the Group's consolidated pro-forma revenue and profit for the year ended 31 December 2019 would have been RMB5,407,653,000 and of RMB1,315,095,000, respectively.

No contingent liability has been recognised for the business combination.

(e) Put option arrangements

The Group has written put options (Note 27) over the equity of Harbin Jingyang and Qingdao Huaren which permit the non-controlling interests to put their shares in the subsidiaries back to the Group at their fair value over respective specified periods. The amount of RMB62,179,000 that may become payable under the option on exercise is initially recognised at the present value of the redemption amount with a corresponding charge directly to equity.

The liability is subsequently accreted through financial expenses up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

32 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") 綠地控股集團股份有限公司	Non-controlling shareholder of the Company
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
Zhongshan Changjiang Golf Course* 中山長江高爾夫球場	Controlled by the Founding Shareholders
Nanjing Haiyue Property Management Co.,Ltd* 南京海玥物業管理有限公司	Joint venture of the Group
Guangdong Yingmei Yihao Equity Investment Corporation (Limited Partnership)* 廣東盈美壹號股權投資合夥企業(有限合夥)	Associate of the Group

32 Related party transactions (continued)

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

Name	Relationship
Lanzhou Lanshi Property Management Co.,Ltd* 蘭州蘭石物業服務有限公司	Associate of the Group
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
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.* 中山雅居樂雍景園房地產有限公司	Controlled by the same ultimate holding company

32 Related party transactions (continued)

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

Name	Relationship
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
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

32 Related party transactions (continued)

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

Name	Relationship
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.* (formerly named Zhongshan Agile Property Land Co., Ltd.) 雅居樂地產置業有限公司(前稱中山市雅居樂地產置業有限公司)	Controlled by the same ultimate holding company

32 Related party transactions (continued)

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

Name	Relationship
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
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

32 Related party transactions (continued)

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

Name	Relationship
Xishuangbanna Agile Resort Co., Ltd.* (formerly named Xishuang Banna Agile Resort Development Co., Ltd.) 西雙版納雅居樂旅遊置業有限公司(前稱西雙版納雅居樂旅遊發展有限公司)	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
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
Changzhou Hupan Land Co., Ltd.* 常州湖畔置業有限公司	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

32 Related party transactions (continued)

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

Name	Relationship
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
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
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
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

32 Related party transactions (continued)

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

Name	Relationship
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 Longxing Land Co., Ltd.* 海南隆興置業有限公司	Controlled by the same ultimate holding company
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

32 Related party transactions (continued)

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

Name	Relationship
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
Changshu Agile Land Co., Ltd.* 常熟雅居樂置業有限公司	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
Wuxi Agile Real Estate Development Co., Ltd.* 無錫雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Nanjing Yaning Property Development Co., Ltd.* 南京雅甯房地產開發有限公司	Controlled by the same ultimate holding company
Henan Yajing Property Co., Ltd.* 河南雅景置業有限公司	Controlled by the same ultimate holding company
Huangshi Greenland Land Co., Ltd.* 黃石綠地置業有限公司	Controlled by the same ultimate holding company

32 Related party transactions (continued)

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

Name	Relationship
Zhanjiang Yagao Property Development Co., Ltd.* 湛江雅高房地產開發有限公司	Controlled by the same ultimate holding company
Ningxiang Agile Travel Development Co., Ltd.* 甯鄉雅居樂旅遊發展有限公司	Controlled by the same ultimate holding company
Heyuan Yasheng Property Development Co., Ltd.* 河源市雅生房地產開發有限公司	Controlled by the same ultimate holding company
Henan Yafu Property Co., Ltd.* 河南雅福置業有限公司	Controlled by the same ultimate holding company
Taishan Yasheng Property Development Co., Ltd.* 臺山市雅晟房地產開發有限公司	Controlled by the same ultimate holding company
Henan Yatong Property Co., Ltd.* 河南雅同置業有限公司	Controlled by the same ultimate holding company
Jingzhou Yaleyuan Property Development Co., Ltd.* 荊州雅樂源房地產開發有限公司	Controlled by the same ultimate holding company
Tianjin Yaze Property Development Co., Ltd.* 天津市雅澤房地產開發有限公司	Controlled by the same ultimate holding company
Dezhou Greenland Property Co., Ltd.* 德州綠地綠州置業有限公司	Controlled by the same ultimate holding company

32 Related party transactions (continued)

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

Name	Relationship
Jinzhong Jintianheyi Property Development Co., Ltd.* 晉中錦添合意房地產開發有限公司	Controlled by the same ultimate holding company
Nantong Agile Real Estate Development Co., Ltd.* 南通雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Beihai Yaguang Property Development Co., Ltd.* 北海雅廣房地產開發有限公司	Controlled by the same ultimate holding company
Gongyi Agile Property Co., Ltd.* 鞏義雅居樂置業有限公司	Controlled by the same ultimate holding company
Zhongshan Yongjian Property Development Co., Ltd.* 中山市雍建房地產開發有限公司	Controlled by the same ultimate holding company
Tongchuan Greenland Property Co., Ltd.* 綠地集團銅川置業有限公司	Controlled by the same ultimate holding company
Honghu Xinlv property Development Co., Ltd.* 洪湖新綠房地產開發有限公司	Controlled by the same ultimate holding company
Xianyang Greenland Property Co., Ltd.* 綠地集團咸陽置業有限公司	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

32 Related party transactions (continued)

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

Name	Relationship
Agile Shangqiu Property Co., Ltd.* 商丘雅居樂置業有限公司	Controlled by the same ultimate holding company
Hangzhou Yuhang Agile Real Estate Development Co., Ltd.* 杭州余杭雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Greenland Jingan Shenfei Property Co., Ltd.* 靖安綠地申飛置業有限公司	Controlled by the same ultimate holding company
Foshan Yajian Property Development Co., Ltd.* 佛山雅建房地產開發有限公司	Controlled by the same ultimate holding company
Shantou Yasheng Property Development Co., Ltd.* 汕頭市雅生房地產開發有限公司	Controlled by the same ultimate holding company
Fuzhou Yasheng Property Development Co., Ltd.* 福州雅生房地產開發有限公司	Controlled by the same ultimate holding company
Zhenjiang Agile Real Estate Development Co., Ltd.* 鎮江雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Xiamen Yashen Property Development Co., Ltd.* 廈門雅深房地產開發有限公司	Controlled by the same ultimate holding company
Greenland Baoxin Property Co., Ltd.* 綠地集團寶鑫置業有限公司	Controlled by the same ultimate holding company

32 Related party transactions (continued)

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

Name	Relationship
Sichuan Yarun Property Development Co., Ltd.* 四川雅潤房地產開發有限公司	Controlled by the same ultimate holding company
Hubei Zihong Property Development Co., Ltd.* 湖北梓鴻房地產有限公司	Controlled by the same ultimate holding company
Wuxi Yahui Real Estate Development Co., Ltd.* 無錫雅輝房地產開發有限公司	Controlled by the same ultimate holding company
Tianjin Yayi Property Development Co., Ltd.* 天津雅逸房地產開發有限公司	Controlled by the same ultimate holding company
Jieyang Lvhao Property Development Co., Ltd.* 揭陽綠昊房地產開發有限公司	Controlled by the same ultimate holding company
Ji'nan Yahe Property Development Co., Ltd.* 濟南雅和房地產開發有限公司	Controlled by the same ultimate holding company
Qiangwu Yaxu Property Development Co., Ltd.* 蕪湖雅旭房地產開發有限公司	Controlled by the same ultimate holding company
Zhongshan Yongya Property Development Co., Ltd.* 中山市雍雅房地產開發有限公司	Controlled by the same ultimate holding company

32 Related party transactions (continued)

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

Name	Relationship
Yuyao Ningbo Linwan Property Co., Ltd.* 寧波余姚臨灣置業有限公司	Controlled by the same ultimate holding company
Taishan Wantai Property Co., Ltd.* 臺山市萬泰置業有限公司	Controlled by the same ultimate holding company
Maoming Agile Real Estate Development Co., Ltd.* 茂名市雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Nanning Qiaoyun Asset Managment Co., Ltd.* 南寧僑運資產管理有限公司	Controlled by the same ultimate holding company
Fujian Yaojing Real Estate Co., Ltd.* 福建耀璟房地產有限公司	Controlled by the same ultimate holding company
Kaifeng Fenghui Property Co., Ltd.* 開封豐輝置業有限公司	Controlled by the same ultimate holding company
Yangzhou Agile Real Estate Development Co., Ltd.* 揚州雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Foshan Changzhong Property Development Co., Ltd.* 佛山市昌重房地產開發有限公司	Controlled by the same ultimate holding company
Zhongshan Yingxuan Property Development Co., Ltd.* 中山市盈軒房地產開發有限公司	Controlled by the same ultimate holding company

32 Related party transactions (continued)

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

Name	Relationship
Greenland Dezhou Xinli Property Co., Ltd.* 德州綠地新裡置業有限公司	Controlled by the same ultimate holding company
Greenland Yuyao Property Co., Ltd.* 余姚綠地天晟置業有限公司	Controlled by the same ultimate holding company
Shangqiu Chuanda Property Development Co., Ltd.* 商丘川達房地產開發有限公司	Controlled by the same ultimate holding company
Agile Tourism Management Co., Ltd. Hainan Subsidiary 雅居樂文化旅遊管理（廣州）有限公司海南分公司	Controlled by the same ultimate holding company
Guangzhou Zhenzhong Development Co., Ltd.* 廣州振中建設有限公司	Controlled by the same ultimate holding company
Weifang Chenwen Property Co., Ltd.* 濰坊辰文置業有限公司	Controlled by the same ultimate holding company
Yunfu Yaxing Real Estate Development Co., Ltd.* 雲浮市雅興房地產開發有限公司	Controlled by the same ultimate holding company
Wuzhou Canghai Real Estate Co., Ltd.* 梧州市蒼海朗潤地產有限公司	Controlled by the same ultimate holding company
Greenland Yixing Property Co., Ltd.* 綠興置業(宜興)有限公司	Controlled by the same ultimate holding company
Fuzhou Shengquan Real Estate Development Co., Ltd.* 福州盛全房地產開發有限公司	Controlled by the same ultimate holding company

32 Related party transactions (continued)

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

Name	Relationship
Yangjiang Property Development Co., Ltd.* 陽江市綠畔房地產開發有限公司	Controlled by the same ultimate holding company
Changsha Agile Real Estate Development Co., Ltd.* 長沙雅居樂房地產開發有限公司	Controlled by the same ultimate holding company
Hebei Jiucang Real Estate Development Co., Ltd.* 河北九倉築業房地產開發有限公司	Controlled by the same ultimate holding company
Henan Yasheng Property Co., Ltd.* 河南雅晟置業有限公司	Controlled by the same ultimate holding company
Zhanjiang Linghang Real Estate Development Co., Ltd.* 湛江市領航房地產開發有限公司	Controlled by the same ultimate holding company
Greenland Xianghe Investment Co., Ltd.* 上海綠地集團香河投資開發有限公司	Controlled by the same ultimate holding company
Wenhua Zhongshan Real Estate Co., Ltd.* 中山市文華房地產有限公司	Controlled by the same ultimate holding company
Hainan Tianhong Investment Co., Ltd.* 海南天泓基業投資有限公司	Controlled by the same ultimate holding company
Hainan Yihai Rongsheng Property Development Co., Ltd.* 海南伊海榮盛房地產開發有限公司	Controlled by the same ultimate holding company
Greenland Wuhan Business Development Co., Ltd.* 武漢綠地商業管理有限公司	Controlled by the same ultimate holding company

32 Related party transactions (continued)

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

Name	Relationship
Hainan Yacheng Property Development Co., Ltd.* 海南雅誠房地產開發有限公司	Controlled by the same ultimate holding company
Greenland Huaibei Property Co., Ltd.* 綠地集團淮北彭城置業有限公司	Controlled by the same ultimate holding company
Handan Hanya Property Development Co., Ltd.* 邯鄲邯雅房地產開發有限公司	Controlled by the same ultimate holding company
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
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
Haimen Xinya Real Estate Development Co., Ltd.* 海門新雅房地產開發有限公司	Associate of Agile Holdings
Kaifeng Guokong Songdu Property Co., Ltd.* 開封國控宋都置業有限公司	Joint venture of Agile Holdings
Changzhou Yajin Property Development Co., Ltd.* 常州雅勁房地產開發有限公司	Joint venture of Agile Holdings
Jinzhong Xiya Property Development Co., Ltd.* 晉中熙雅房地產開發有限公司	Joint venture of Agile Holdings

32 Related party transactions (continued)

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

Name	Relationship
Foshan Zhongjiao Property Development Co., Ltd.* 佛山中交房地產開發有限公司	Joint venture of Agile Holdings
Weihai Yalan Investment Co., Ltd.* 威海雅藍投資開發有限公司	Joint venture of Agile Holdings
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
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

32 Related party transactions (continued)

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

Name	Relationship
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
Greenland Xuzhou Xincheng Property Co., Ltd.* 綠地地產集團徐州新誠置業有限公司	Controlled by Greenland Holdings
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 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
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 Lingyue Market Management Co., Ltd.* 廣州領越市場管理有限公司	Controlled by Greenland Holdings

32 Related party transactions (continued)

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

Name	Relationship
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 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

32 Related party transactions (continued)

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

Name	Relationship
Shijiazhuang Zhongdi Real Estate 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
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
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 Suzhou Land Co., Ltd.* 綠地集團宿州置業有限公司	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

32 Related party transactions (continued)

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

Name	Relationship
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
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
Haozhou Jiayue Property Co., Ltd.* 亳州嘉悦置業有限公司	Controlled by Greenland Holdings
Greenland Henan Jinlu Property Co., Ltd.* 河南綠地金路置業有限公司	Controlled by Greenland Holdings
Greenland Jinan Binhe Property Co., Ltd.* 綠地地產濟南濱河置業有限公司	Controlled by Greenland Holdings
Wuijang Shenying Property Development Co., Ltd.* 吳江神鷹房地產開發有限公司	Controlled by Greenland Holdings
Kunshan Business Development Co., Ltd.* 昆山聯合商業發展有限公司	Controlled by Greenland Holdings
Greenland Yingsheng Property Co., Ltd.* 南寧綠地穎晟置業有限公司	Controlled by Greenland Holdings
Greenland Haikou Hongxiang Property Co., Ltd.* 海口綠地鴻翔置業有限公司	Controlled by Greenland Holdings

32 Related party transactions (continued)

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

Name	Relationship
Jiaxing Lvzhan Property Co., Ltd.* 嘉興綠展置業有限公司	Controlled by Greenland Holdings
Pingshan Huihong Real Estate Development Co., Ltd.* 平山縣慧宏房地產開發有限公司	Controlled by Greenland Holdings
Greenland Chizhou Property Co., Ltd.* 綠地集團池州置業有限公司	Controlled by Greenland Holdings
Greenland Sanya Property Co., Ltd.* 綠地集團三亞置業有限公司	Controlled by Greenland Holdings
Wuhan Xinlv Property Co., Ltd.* 武漢新綠置業有限公司	Controlled by Greenland Holdings
Greenland Lvyang Property Co., Ltd.* 綠地集團哈爾濱綠洋置業有限公司	Controlled by Greenland Holdings
Greenland Anqing Property Co., Ltd.* 綠地集團安慶置業有限公司	Controlled by Greenland Holdings
Guangzhou Greenland Baiyun Property Co., Ltd.* 廣州綠地白雲置業有限公司	Joint venture of Greenland Holdings
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

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.

32 Related party transactions (continued)

(b) Transactions with related parties

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Provision of services		
Controlled by the same ultimate holding company	**1,532,583**	1,243,936
Greenland Holdings and entities controlled by Greenland Holdings	**199,934**	207,243
Joint ventures and associates of Agile Holdings	**194,923**	114,996
Joint venture of the Group	**3,913**	—
Joint ventures of Greenland Holdings	**2,947**	1,846
Associates of the Group	**980**	—
Controlled by the Founding Shareholders	**810**	1,349
	1,936,090	1,569,370

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Rental expenses charged by:		
Controlled by the same ultimate holding company	**—**	**5,784**
Controlled by the Founding Shareholders	**—**	**3,002**
A Founding Shareholder of Agile Holdings	**—**	**445**
	—	**9,231**

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Short-term lease expenses and management fee		
Controlled by the same ultimate holding company	**1,528**	—

32 Related party transactions (continued)

(b) Transactions with related parties (continued)

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Interest expense for lease liabilities		
Controlled by the same ultimate holding company	**145**	–
Controlled by the Founding Shareholders	**70**	–
A Founding Shareholder of Agile Holdings	**11**	–
	226	–

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Payment of lease liabilities		
Controlled by the same ultimate holding company	**3,916**	—
Controlled by the Founding Shareholders	**2,824**	—
A Founding Shareholder of Agile Holdings	**468**	—
	7,208	–

(c) Key management compensation

Compensations for key management other than those for directors and supervisors as disclosed in note 34 is set out below.

	Year ended 31 December	
	2019	2018
	RMB'000	RMB'000
Salaries and other short-term employee benefits	**8,674**	13,046
Retirement scheme contributions	**170**	188
	8,844	**13,234**

32 Related party transactions (continued)

(d) Balances with related parties

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Receivables from related parties		
– Trade receivables		
Controlled by the same ultimate holding company	**399,752**	**242,803**
Greenland Holdings and entities controlled by Greenland Holdings	**247,526**	**227,136**
Joint ventures and associates of Agile Holdings	**55,821**	**26,257**
Joint ventures of Greenland Holdings	**3,648**	**7,170**
Joint venture of the Group	**1,700**	**—**
Controlled by the Founding Shareholders	**—**	**4,280**
	708,447	**507,646**
– Other receivables (Note (i))		
Controlled by the same ultimate holding company	**59,692**	**56,947**
Associate of the Group	**10,000**	**—**
Joint ventures and associates of Agile Holdings	**9,475**	**6,115**
Controlled by the Founding Shareholders	**557**	**6,767**
Greenland Holdings and entities controlled by Greenland Holdings	**150**	**706**
Intermediate holding company	**—**	**134**
	79,874	**70,669**
– Prepayments		
Controlled by the same ultimate holding company	**436**	**—**
– Dividend receivables		
Associate of the Group	**15,867**	**—**
Total receivables from related parties	**804,624**	**578,315**

32 Related party transactions (continued)

(d) Balances with related parties (continued)

	As at 31 December	
	2019	2018
	RMB'000	RMB'000
Payables to related parties		
– Trade payables		
Controlled by the same ultimate holding company	**5,766**	**6,616**
Greenland Holdings and entities controlled by Greenland Holdings	**–**	**605**
A Founding Shareholder of Agile Holdings	**–**	**112**
	5,766	**7,333**
– Other payables (Note(ii))		
Controlled by the same ultimate holding company	**54,175**	**38,455**
Greenland Holdings and entities controlled by Greenland Holdings	**1,258**	**1,923**
Joint venture of Agile Holdings	**10**	**–**
Joint ventures and associates of Agile Holdings	**–**	**181**
Controlled by the Founding Shareholders	**–**	**196**
	55,443	**40,755**
– Contract liabilities		
Controlled by the same ultimate holding company	**90,022**	**46,995**
Greenland Holdings and entities controlled by Greenland Holdings	**733**	**1,135**
Joint venture and associate of Agile Holdings	**675**	**3,530**
	91,430	**51,660**
Total payables to related parties	**152,639**	**99,748**

(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	
	2019	2018
	RMB'000	RMB'000
As at beginning of the year	**–**	13,248
Loans repayments received	**–**	(13,248)
As at end of the year	**–**	–

33 Balance sheet and reserve movement of the Company

	As at 31 December 2019 RMB'000	2018 RMB'000
Assets		
Non-current assets		
Property, plant and equipment	61,467	64,542
Right-of-use assets	5,462	—
Other intangible assets	2,319	2,642
Investments accounted for using the equity method	269,962	—
Deferred income tax assets	1,833	5,712
Investments in subsidiaries	3,169,166	1,276,358
Financial assets at fair value through profit or loss	170	—
	3,510,379	1,349,254
Current assets		
Inventories	8,728	10,379
Trade and other receivables	1,666,830	546,799
Financial assets at fair value through profit or loss	410,204	—
Restricted cash	87	386
Cash and cash equivalents	2,697,062	4,445,643
	4,782,911	5,003,207
Total assets	8,293,290	6,352,461
Equity		
Equity attributable to shareholders of the Company		
Share capital	1,333,334	1,333,334
Reserves (Note (a))	3,231,273	3,225,750
Retained earnings	665,857	456,614
Total equity	5,230,464	5,015,698
Liabilities		
Non-current liabilities		
Lease liabilities	2,265	—
Financial liabilities for put option written on non-controlling interests	70,436	—
Other payables	18,524	23,656
	91,225	23,656
Current liabilities		
Contract liabilities	300,113	235,260
Trade and other payables	2,622,108	1,018,145
Current income tax liabilities	46,074	59,702
Lease liabilities	3,306	—
	2,971,601	1,313,107
Total Liabilities	3,062,826	1,336,763
Total equity and liabilities	8,293,290	6,352,461

The balance sheet of the Company was approved by the Board of Directors on 17 March 2020 and was signed on its behalf:

Chan Cheuk Hung
Director

Huang Fengchao
Director

33 Balance sheet and reserve movement of the Company (continued)

(a) Reserve movement of the Company

	Share premium RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Total RMB'000
As at 1 January 2018	272,044	25,153	36,209	333,406
Issue of H shares (Note 22(a))	2,866,009	—	—	2,866,009
Appropriation of statutory reserves (Note 23 (a))	—	26,335	—	26,335
As at 31 December 2018	3,138,053	51,488	36,209	3,225,750
Appropriation of statutory reserves (Note 23 (a))	**—**	**67,783**	**—**	**67,783**
Transaction with NCI	**—**	**—**	**(81)**	**(81)**
Put options granted during the acquisition of subsidiaries (Note 31(e))	**—**	**—**	**(62,179)**	**(62,179)**
As at 31 December 2019	**3,138,053**	**119,271**	**(26,051)**	**3,231,273**

34 Directors' and supervisors' benefits and interests

During 2019, 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),(f))

Mr. Feng Xin (Note (a)(ii), (f))

Non-executive director

Mr. Wei Xianzhong (Note (a)(ii))

Ms. Yue Yuan (Note (a)(iii))

Independent Non-executive Directors

Mr. Wan Kam To(Note (a)(ii))

Mr. Wan Sai Cheong, Joseph(Note (a)(ii))

Mr. Wang Peng(Note (a)(ii))

Supervisors

Ms. Chen Liru (Note (a)(ii))

Ms. Huang Zhixia (Note (a)(ii))

Mr. Shi Zhengyu (Note (a)(ii))

Mr. Li Jianhui (Note (a)(ii))

Mr. Wang Shao (Note (a)(ii))

34 Directors' and supervisors' benefits and interests (continued)

(a) Directors' and supervisors' emoluments

The directors and supervisors received emoluments from the Group for the year ended 31 December 2019 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. Feng Xin (Note (ii), (f))	–	1,916	41	1,957
Non-executive director				
Mr. Wei Xianzhong (Note (ii))	356	–	–	356
Independent Non-executive Directors				
Mr. Wan Kam To (Note (ii))	353	–	–	353
Mr. Wan Sai Cheong, Joseph (Note (ii))	353	–	–	353
Supervisors				
Ms. Chen Liru (Note (ii))	–	817	42	859
Ms. Huang Zhixia (Note (ii))	–	499	36	535
Mr. Li Jianhui (Note (a)(ii))	–	120	–	120
Mr. Wang Shao (Note (a)(ii))	–	120	–	120
	1,062	3,472	119	4,653

34 Directors' and supervisors' benefits and interests (continued)

(a) Directors' and supervisors' emoluments (continued)

The directors and supervisors received emoluments from the Group for the year ended 31 December 2018 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 (iv))	—	5,913	153	6,066
Mr. Feng Xin (Note (ii), (f))	—	1,942	105	2,047
Mr. Wang Wei (Note (v))	—	944	38	982
Non-executive director				
Mr. Wei Xianzhong (Note (ii))	317	—	—	317
Independent Non-executive Directors				
Mr. Wan Kam To (Note (ii))	310	—	—	310
Mr. Wan Sai Cheong, Joseph (Note (ii))	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

(i) The directors, Mr. Huang Fengchao and Mr. Chan Cheuk Hung received emoluments totalling RMB11,300,000 during the year ended 31 December 2019 (2018: RMB10,306,000),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 2019, 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, Ms. Huang Zhixia, Mr. Li Jianhui and Mr. Wang Shao did not receive any emoluments from the related parties of the Group for the year ended 31 December 2019(2018: nil).

The independent non-executive director Mr. Wang Peng and the supervisor Mr. Shi Zhenyu did not receive any emoluments from the Group or the related parties of the Group for the year ended 31 December 2019 (2018: nil).

(iii) On May 28, 2019, Ms. Yue Yuan was appointed as non-executive director, and received emoluments totalling RMB5,270,000 during the year ended 31 December 2019, which were borne by related parties of the Group. Ms. Yue Yuan was also management of Agile Holdings during the year ended 31 December 2019, and her emolument was not allocated to the Group as the management of the Company considers there is no reasonable basis of allocation.

(iv) 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.

(v) 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.

34 Directors' and supervisors' benefits and interests (continued)

(b) Retirement benefits of directors and supervisors

During the year ended 31 December 2019, 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 (2018:nil).

(c) Termination benefits of directors and supervisors

During the year ended 31 December 2019, there were no termination benefits received by the directors and supervisors (2018: nil).

(d) Consideration provided to third parties for making available the services of directors and supervisors

During the year ended 31 December 2019, no consideration was paid for making available the services of the directors or supervisors of the Company (2018: 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 2019, 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 (2018: 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 2019 (2018: 62.63%). The Group's transactions with Agile Holdings and related entities are set out in note 30(a).

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") was established under the laws of the PRC. 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. As at 31 December 2019, Gongqingcheng Yagao was Gongqingcheng Investment's general partner and Mr. Huang Fengchao (黃奉潮), Mr. Feng Xin (馮欣) and Mr. Li Dalong (李大龍) were its limited partners.

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 2019 and 2018 or at any time during the years ended 31 December 2019 and 2018.

35 Events after the balance sheet date

(a) On 25 September 2019, the Group entered into a framework agreement to conditionally agree to acquire the 60% equity interest in CMIG Futurelife Property Management Limited (中民未來物業服務有限公司) ("CMIG PM") at the fixed consideration RMB1,560,000,000 from Guangdong Fengxin Yinglong Equity Investment Partnership (Limited Partnership). The Circular had been despatched to the Group's Shareholders on 24 February 2020. Upon the completion of the acquisition, the CMIG PM would become a subsidiary of the Group.

(b) After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country/region. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

Consolidated statement of comprehensive income

	Year ended 31 December				
	2019	2018	2017	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**5,127,293**	3,376,749	1,760,753	1,244,735	934,412
Cost of sales	**(3,244,433)**	(2,086,808)	(1,170,188)	(933,088)	(785,597)
Gross profit	**1,882,860**	1,289,941	590,565	311,647	148,815
Selling and marketing expenses	**(43,103)**	(45,951)	(32,629)	(19,057)	(8,810)
Administrative expenses	**(294,976)**	(302,246)	(171,222)	(73,017)	(43,165)
(Impairment losses)/reversal of losses on financial assets	**(12,236)**	2,750	1,207	(5,675)	(8,516)
Other income	**131,126**	100,469	10,596	3,471	(170)
Other gains – net	**24,484**	31,317	(100)	(219)	(327)
Operating profit	**1,688,155**	1,076,280	398,417	217,150	87,827
Finance expenses	**(16,348)**	(917)	4,279	14,606	11,581
Share of post-tax profits of joint ventures and associates	**22,635**	–	–	–	–
Profit before income tax	**1,694,442**	1,075,363	402,696	231,756	99,408
Income tax expenses	**(402,854)**	(264,484)	(102,489)	(62,710)	(27,377)
Profit and total comprehensive income for the year	**1,291,588**	810,879	300,207	169,046	72,031
Profit and total comprehensive income attributable to:					
– Shareholders of the Company	**1,230,764**	801,045	289,727	160,670	64,966
– Non-controlling interests	**60,824**	9,834	10,480	8,376	7,065
	1,291,588	810,879	300,207	169,046	72,031
Earnings per share (expressed in RMB per share)					
– Basic and diluted earnings per share	**0.92**	0.62	0.35	0.22	0.09

Consolidated assets,equity and liabilities

	As at 31 December				
	2019	2018	2017	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets	**2,532,950**	1,307,867	1,111,808	719,679	659,819
Current assets	**6,854,565**	5,988,682	1,398,989	1,179,178	594,173
Total assets	**9,387,515**	7,296,549	2,510,797	1,898,857	1,253,992
Equity and Liabilities					
Total equity	**6,505,685**	5,510,037	1,474,069	303,482	102,960
Non-current liabilities	**191,678**	60,218	22,118	595,691	442,160
Current liabilities	**2,690,152**	1,726,294	1,014,610	999,684	708,872
Total liabilities	**2,881,830**	1,786,512	1,036,728	1,595,375	1,151,032
Total equity and liabilities	**9,387,515**	7,296,549	2,510,797	1,898,857	1,253,992