

# 2021 INTERIM REPORT

寶龍商業管理控股有限公司  
POWERLONG COMMERCIAL MANAGEMENT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with Limited Liability)  
Stock code:9909.HK



# Contents

Group Introduction	2
Corporate Information	3
Management Discussion and Analysis	4
Other Information	20
Interim Condensed Consolidated Statement of Comprehensive Income	29
Interim Condensed Consolidated Balance Sheet	30
Interim Condensed Consolidated Statement of Changes in Equity	32
Interim Condensed Consolidated Statement of Cash Flows	33
Notes to the Interim Financial Information	34



## Group Introduction



Powerlong Commercial Management Holdings Limited (HK.9909) (the “**Company**” or “**Powerlong CM**”) and its subsidiaries (together, the “**Group**”) is a leading commercial operational service provider in the People’s Republic of China (“**China**” or the “**PRC**”). The Company was successfully listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 December 2019 (the “**Listing Date**”). The Group is committed to improving the living standards of the citizens and driving the urbanization progress in China.

The Group mainly provides commercial operational services under four brands, namely “Powerlong One Mall” (寶龍一城), “Powerlong City” (寶龍城), “Powerlong Plaza” (寶龍廣場) and “Powerlong Land” (寶龍天地). As at 30 June 2021, the Group had 71 retail commercial properties in operation, with an aggregate gross floor area (“**GFA**”) <sup>Note</sup> in operation of approximately 8.8 million square meters (“**sq.m.**”). As at the same date, the Group was contracted to provide commercial operational services for a total of 126 retail commercial properties with an aggregate contracted GFA of approximately 13.5 million sq.m..

The Group also provides property management services for residential properties, office buildings and serviced apartments. As at 30 June 2021, the Group had 69 residential properties delivered of its property management service with an aggregate GFA delivered of approximately 16.4 million sq.m., and was contracted to manage 125 properties with an aggregate contracted GFA of approximately 28.0 million sq.m..

With the mission of “creating space full of love”, the Company endeavours to link up living space with the well-being of everything, to promote love and care among people and within cities, delivering living space and services that represent the best experience to property owners, tenants and consumers.

Note: Unless otherwise stated, all “GFA” of commercial properties referred to in this report include car parks.

# Corporate Information

## DIRECTORS

### Executive Directors

Mr. Hoi Wa Fong (Chairman of the Board)  
Mr. Chen Deli (Chief executive officer)  
Mr. Zhang Yunfeng (Chief financial officer)

### Non-executive Directors

Ms. Hoi Wa Fan  
Ms. Hoi Wa Lam

### Independent non-executive Directors

Ms. Ng Yi Kum, Estella  
Mr. Chan Wai Yan, Ronald  
Dr. Lu Xiongwen

## AUDIT COMMITTEE

Ms. Ng Yi Kum, Estella (Chairwoman)  
Mr. Chan Wai Yan, Ronald  
Dr. Lu Xiongwen

## REMUNERATION COMMITTEE

Dr. Lu Xiongwen (Chairman)  
Mr. Hoi Wa Fong  
Mr. Chan Wai Yan, Ronald

## NOMINATION COMMITTEE

Mr. Hoi Wa Fong (Chairman)  
Mr. Chan Wai Yan, Ronald  
Dr. Lu Xiongwen

## COMPANY SECRETARIES

Ms. Jin Hong  
Ms. Suen Pui Chun Hannah

## AUTHORIZED REPRESENTATIVES

Mr. Zhang Yunfeng  
Ms. Suen Pui Chun Hannah

## REGISTERED OFFICE

Maples Corporate Services Limited  
P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

## PLACE OF BUSINESS IN HONG KONG

19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

## PRINCIPAL PLACE OF BUSINESS IN THE PRC

Powerlong Tower  
1399 Xinzhen Road  
Minhang District  
Shanghai  
PRC  
Postal Code: 201101

## PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited  
P.O. Box 1093  
Boundary Hall  
Cricket Square  
Grand Cayman KY1-1102  
Cayman Islands

## HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited,  
Gubei Branch  
Bank of Communication Limited, Jinshan Branch  
Agricultural Bank of China Limited, Xingang Branch  
Bank of China Limited

## AUDITOR

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

## COMPANY'S PERMANENT HONG KONG LEGAL ADVISOR

Sidley Austin

## COMPANY'S WEBSITE

[www.powerlongcm.com](http://www.powerlongcm.com)

# Management Discussion and Analysis

## OVERVIEW

The Group is a leading commercial operational service provider in the PRC. As at 30 June 2021, the Group had 71 retail commercial properties in operation, with an aggregate GFA in operation of approximately 8.8 million sq.m.; and was contracted to provide commercial operational services for a total of 126 retail commercial properties with an aggregate contracted GFA of 13.5 million sq.m.. Other than the aforementioned contracted projects, the Company has reached preliminary cooperation intention (contracts to be signed) with owners of 7 retail commercial properties, with an aggregate GFA of approximately 0.6 million sq.m.. The Company enjoys considerable brand recognition in the markets where it operates. In March 2021, the Company was ranked fourth among the “2021 China Top 100 Commercial Real Estate” as awarded by China Index Academy. In April 2021, the Company was recognised as a “2020 Distinguished Urban Operator in Commercial Property” as jointly awarded by Linkshop.com (聯商網), Soupu.com (搜鋪網) and other online platforms. In May 2021, the Company was recognised as a “2020-2021 Outstanding Enterprise Award in Commercial Property” as awarded by Winshang.com (贏商網) and received other awards.

The Group also provides property management services for residential properties, office buildings and serviced apartments. As at 30 June 2021, the Group had 69 projects delivered of its residential property management services with an aggregate GFA delivered of approximately 16.4 million sq.m., and was contracted to manage 125 projects with an aggregate contracted GFA of 28.0 million sq.m..

With the mission of “creating space full of love”, the Company endeavours to link up space with the well-being of everything, and to promote love and care among people and within cities. It also seeks to deliver space and services that represent the best experience to property owners, tenants and consumers.

## BUSINESS REVIEW

For the six months ended 30 June 2021, the Company mainly conducted its business activities in the following business segments, namely (i) commercial operational services; and (ii) residential property management services. The Group’s revenue is mainly derived from its commercial operational services.

*Commercial operational services:* The Company provided full-chain services covering positioning, tenant sourcing, opening, operation and management to shopping malls and shopping streets.

It primarily included:

- (i) Market research and positioning, tenant sourcing and opening preparation services to property developers or property owners during the preparation stage before the opening of a retail commercial property;
- (ii) Commercial operation and management services to property owners or tenants during the operation stage of a retail commercial property; and
- (iii) Commercial property leasing services with respect to units located within the shopping streets and shopping malls.

*Residential property management services:* The Group provided property management services for residential properties, office buildings and serviced apartments.

## Management Discussion and Analysis

It primarily included:

- (i) Pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance of pre-sale display units and sales offices;
- (ii) Property management services to property owners or property owners' associations at the post-delivery stages, such as security, cleaning, gardening and repair and maintenance services; and
- (iii) Other value-added services to property owners, tenants or residents of properties under management, such as pre-delivery preparation and trash handling service, common area, advertising space and car park management services.

The table below sets forth the Group's gross profit and gross profit margin by business segments for the periods indicated:

	Six months ended 30 June			
	2021		2020	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%
Commercial operational services	327,029	34.7	218,025	31.1
Residential property management services	56,335	24.7	36,808	21.9
Total	383,364	32.8	254,833	29.3

### Commercial Operational Services

The Group provided professional commercial operational services to property owners, tenants and consumers mainly under four brands, namely, "Powerlong One Mall" (寶龍一城), "Powerlong City" (寶龍城), "Powerlong Plaza" (寶龍廣場) and "Powerlong Land" (寶龍天地).

For the six months ended 30 June 2021, the aggregate revenue of the Group's commercial operational services amounted to approximately RMB942.3 million, representing an increase of 34.5% from approximately RMB700.4 million for the six months ended 30 June 2020; and the Group had GFA in operation of 8.8 million sq.m., representing an increase of 1.8 million sq.m. from 7.0 million sq.m. for the corresponding period of 2020; 71 projects in operation, representing an increase of 20 projects from 51 projects for the corresponding period of 2020; contracted GFA of 13.5 million sq.m., representing an increase of 3.6 million sq.m. from 9.9 million sq.m. for the corresponding period of 2020.

## Management Discussion and Analysis

The table below sets forth a breakdown of the contracted GFA and GFA in operation as at the dates indicated and the revenue from commercial operational service segment for the periods indicated by geographic region:

	For the six months ended 30 June					
	2021			2020		
	Contracted GFA	GFA in operation	Revenue	Contracted GFA	GFA in operation	Revenue
	<i>sq.m.</i>	<i>sq.m.</i>	<i>RMB</i>	<i>sq.m.</i>	<i>sq.m.</i>	<i>RMB</i>
	<i>(in thousands)</i>					
Yangtze River Delta <sup>(1)</sup>	<b>8,857</b>	<b>5,299</b>	<b>661,506</b>	5,982	3,647	471,384
Pearl River Delta <sup>(2)</sup>	<b>416</b>	–	<b>9,277</b>	181	–	–
Others <sup>(3)</sup>	<b>4,226</b>	<b>3,540</b>	<b>271,470</b>	3,734	3,335	229,023
<b>Total</b>	<b>13,499</b>	<b>8,839</b>	<b>942,253</b>	9,897	6,982	700,407

Notes:

- (1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.
- (2) Comprises Guangdong Province.
- (3) Comprises cities except those mentioned in (1) and (2) above.

## Management Discussion and Analysis

### NEW PROJECTS IN OPERATION IN THE FIRST HALF OF 2021

The Group's new retail commercial property projects in operation for the six months ended 30 June 2021 are shown in the following table:

No.	Name of project	Opening date <i>month-year</i>	City	Geographic region	Source of project	Manager	Management model	Total GFA <i>(sq.m)</i>	Shopping mall <i>(sq.m)</i>	Commercial street <i>(sq.m)</i>	Car park <i>(sq.m)</i>
<b>Powerlong Plaza</b>											
1	Wenling Powerlong Plaza (溫嶺寶龍廣場)	June 2021	Taizhou	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	108,065	82,338	–	25,727
2	Zhuji Powerlong Plaza (諸暨寶龍廣場)	June 2021	Shaoxing	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	103,300	61,700	–	41,600
3	Zhoushan Powerlong Plaza (舟山寶龍廣場)	June 2021	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Powerlong CM	Entrusted management	80,880	69,880	–	11,000
<b>Sub-total</b>								<b>292,245</b>	<b>213,918</b>	<b>–</b>	<b>78,327</b>
<b>Powerlong Xinghui</b>											
1	Ningbo Cicheng (寧波慈城)	May 2021	Ningbo	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	12,532	–	12,532	–
2	Ningbo Laowaitan (寧波老外灘)	In operation <sup>(1)</sup>	Ningbo	Yangtze River Delta	Third Party	Powerlong Xinghui	Advisory consultation	114,000	–	114,000	–
<b>Sub-total</b>								<b>126,532</b>	<b>–</b>	<b>126,532</b>	<b>–</b>
<b>Total</b>								<b>418,777</b>	<b>213,918</b>	<b>126,532</b>	<b>78,327</b>

(1) For the third party project in operation obtained in June 2021, the Group will conduct refurbishment and upgrade upon completion of signing of contract.



## Management Discussion and Analysis

### NEW CONTRACTED PROJECTS

New retail commercial property contracted projects as at the date of this report are shown in the following table:

From the Group:

No.	Name of project	City	Geographic region	Manager	Management model	Expected total GFA (sq. m.)
1	Nanjing Jiangbei Powerlong City (南京江北寶龍城)	Nanjing	Yangtze River Delta	Powerlong CM	Entrusted management	121,500
2	Nanjing Xuanwu Powerlong City (南京玄武寶龍城)	Nanjing	Yangtze River Delta	Powerlong CM	Entrusted management	127,591
3	Yixing Powerlong Plaza (宜興寶龍廣場)	Wuxi	Yangtze River Delta	Powerlong CM	Entrusted management	57,000
4	Wuxi Xinwu Powerlong Plaza (無錫新吳寶龍廣場)	Wuxi	Yangtze River Delta	Powerlong CM	Entrusted management	174,180
5	Pizhou Powerlong Plaza (邳州寶龍廣場)	Xuzhou	Yangtze River Delta	Powerlong CM	Entrusted management	129,514
6	Wuyishan Powerlong Plaza (武夷山寶龍廣場)	Nanping	Others	Powerlong CM	Entrusted management	67,633
7	Wuhan Xinzhou Powerlong Plaza (武漢新洲寶龍廣場)	Wuhan	Others	Powerlong CM	Entrusted management	115,930
8	Yangzhou Guangling Powerlong Plaza (揚州廣陵寶龍廣場)	Yangzhou	Yangtze River Delta	Powerlong CM	Entrusted management	89,700
9	Xiamen Tong'an Powerlong Plaza (廈門同安寶龍廣場)	Xiamen	Others	Powerlong CM	Entrusted management	88,000
10	Nanjing Luhe Powerlong Plaza (南京六合寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong CM	Entrusted management	144,918
11	Zhongshan Powerlong Plaza (中山寶龍廣場)	Zhongshan	Pearl River Delta	Powerlong CM	Entrusted management	100,000
12	Nanjing Qixia Powerlong Plaza (南京棲霞寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong CM	Entrusted management	150,000
13	Nanjing Economic Development Powerlong Plaza (南京經開寶龍廣場)	Nanjing	Yangtze River Delta	Powerlong CM	Entrusted management	104,000
14	Anhui Bozhou Powerlong Plaza (安徽亳州寶龍廣場)	Bozhou	Yangtze River Delta	Powerlong CM	Entrusted management	100,000
15	Anhui Xuancheng Powerlong Plaza (安徽宣城寶龍廣場)	Xuancheng	Yangtze River Delta	Powerlong CM	Entrusted management	124,289
16	Dongying Powerlong Plaza (東營寶龍廣場)	Dongying	Others	Powerlong CM	Entrusted management	133,720
17	Chuzhou Powerlong Plaza (滁州寶龍廣場)	Chuzhou	Yangtze River Delta	Powerlong CM	Entrusted management	70,000
18	Ningbo Jiangbei Powerlong Plaza (寧波江北寶龍廣場)	Ningbo	Yangtze River Delta	Powerlong CM	Entrusted management	109,716
19	Ningbo Wenchuanggang Powerlong Land (寧波文創港寶龍天地)	Ningbo	Yangtze River Delta	Powerlong CM	Entrusted management	44,900
20	Xiangshan Powerlong Land (象山寶龍天地)	Ningbo	Yangtze River Delta	Powerlong CM	Entrusted management	11,118
<b>Sub-total</b>						<b>2,063,709</b>

## Management Discussion and Analysis

From independent third parties:

No.	Name of project	City	Geographic region	Manager	Management model	Expected total GFA (sq. m.)
1	Yiwu Chengbei Commercial Centre (義烏城北商業中心)	Jinhua	Yangtze River Delta	Powerlong Xinghui	Advisory consultation	6,610
2	Shaoxing Jindi Powerlong Plaza (紹興金帝寶龍廣場)	Shaoxing	Yangtze River Delta	Powerlong Xinghui	Advisory consultation	86,000
3	Ningbo Laowaitan (寧波老外灘)	Ningbo	Yangtze River Delta	Powerlong Xinghui	Advisory consultation	114,000
4	Xiamen Jiangjunci (廈門將軍祠) <sup>(1)</sup>	Xiamen	Others	Powerlong CM	Sublease	6,470
5	Xiamen Yuanboyuan Powerlong Land (廈門園博苑寶龍天地) <sup>(1)</sup>	Xiamen	Others	Powerlong CM	Sublease	14,705
6	Xiamen Wenzao (廈門文灶) <sup>(1)</sup>	Xiamen	Others	Powerlong CM	Sublease	41,658
7	Xiamen Tangbian Powerlong Land (廈門塘邊寶龍天地) <sup>(1)</sup>	Xiamen	Others	Powerlong CM	Sublease	28,475
<b>Sub-total</b>						<b>297,918</b>
<b>Total</b>						<b>2,361,627</b>

(1) The projects were contracted in July 2021, which were not included in various kinds of statistical data for the first half of 2021.

### Occupancy Rate

The table sets forth average occupancy rate and GFA under management of retail commercial property that had commenced operation as at 30 June 2021 by brands.

Brand	Average occupancy rate <sup>(1)</sup> As of 30 June		GFA in operation <i>(in thousand sq. m.)</i>
	2021 %	2020 %	
Powerlong One Mall	98.7	92.6	171
Powerlong City	98.6	90.7	446
Powerlong Plaza	91.9	85.4	7,354
Powerlong Land	89.6	87.9	328
Powerlong Xinghui	91.2	N/A <sup>(2)</sup>	540
<b>Total</b>	<b>92.3</b>	<b>87.1</b>	<b>8,839</b>

(1) Occupancy rate is calculated as actual leased area divided by available lease area of a retail commercial property as of the end of each relevant period based on internal record. The occupancy rate only applies to retail commercial properties for which the Group has provided tenant sourcing services and may be higher or lower in different periods within one year.

(2) The Group entered into an investment agreement with Zhejiang Xinghui Commercial Management Company Limited (浙江星匯商業管理有限公司) ("Zhejiang Xinghui"), an independent third party, on 3 July 2020, to which the statistics of occupancy rate on 30 June 2020 did not apply.

## Management Discussion and Analysis

### PIPELINE PROJECTS IN THE SECOND HALF OF 2021

The Group's retail commercial property projects planning for opening in the second half of 2021 are shown in the following table:

No.	Name of project	Opening date <sup>(1)</sup> month-year	City	Geographic region	Source of project	Management model	Expected total GFA (sq.m)
<b>Powerlong Plaza</b>							
1	Ningbo Gaoxin Powerlong Plaza (寧波高新寶龍廣場)	September 2021	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	143,588
2	Wenzhou Konggang Powerlong Plaza (溫州空港寶龍廣場)	September 2021	Wenzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	47,000
3	Ningbo Fenghua Powerlong Plaza (寧波奉化寶龍廣場)	September 2021	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	71,300
4	Yancheng Jianhu Powerlong Plaza (鹽城建湖寶龍廣場)	December 2021	Yancheng	Yangtze River Delta	Third Party	Entrusted management	96,182
5	Yuyao Powerlong Plaza (余姚寶龍廣場)	December 2021	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	65,915
6	Yiwu Qingkou Powerlong Plaza (義烏青口寶龍廣場)	December 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	74,087
7	Zhuhai Gaoxin Powerlong Plaza (珠海高新寶龍廣場)	December 2021	Zhuhai	Pearl River Delta	Powerlong Real Estate	Entrusted management	115,513
8	Lanxi Powerlong Plaza (蘭溪寶龍廣場)	December 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	142,900
9	Huizhou Rongcan Powerlong Plaza (惠州榮燦寶龍廣場)	December 2021	Huizhou	Pearl River Delta	Third Party	Entrusted management	50,600
10	Hangzhou Jinnan Powerlong Plaza (杭州錦南寶龍廣場)	December 2021	Hangzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	45,772
<b>Sub-total</b>							<b>852,857</b>
<b>Powerlong Land</b>							
1	Jinhua Pan'an Powerlong Land (金華磐安寶龍天地)	September 2021	Jinhua	Yangtze River Delta	Powerlong Real Estate	Advisory consultation	43,400
2	Shanghai Jiading Powerlong Land (上海嘉定寶龍天地)	December 2021	Shanghai	Yangtze River Delta	Powerlong Real Estate	Entrusted management	21,600
3	Zhoushan Dinghai Powerlong Land (舟山定海寶龍天地)	December 2021	Zhoushan	Yangtze River Delta	Powerlong Real Estate	Entrusted management	28,100
<b>Sub-total</b>							<b>93,100</b>
<b>Powerlong Xinghui</b>							
1	Dongcheng Times Commercial Centre (東城時代商業中心)	July 2021	Huzhou	Yangtze River Delta	Third Party	Advisory consultation	42,382
2	Anji Tsinghua Yuan (安吉清華園)	September 2021	Huzhou	Yangtze River Delta	Third Party	Advisory consultation	14,000
3	Shangyu Jiayuan Plaza (上虞佳源廣場)	December 2021	Shaoxing	Yangtze River Delta	Third Party	Advisory consultation	105,216
4	Huasun • Yinghuali (華晟 • 櫻花里)	December 2021	Ningbo	Yangtze River Delta	Third Party	Advisory consultation	42,492
5	Xingyue • PARK (星悅 • PARK)	December 2021	Ningbo	Yangtze River Delta	Third Party	Advisory consultation	4,314
<b>Sub-total</b>							<b>208,404</b>
<b>Total</b>							<b>1,154,361</b>

(1) Opening dates of all the projects are estimated dates. Actual opening dates are subject to project progress.

## Management Discussion and Analysis

### Residential Property Management Services

For the six months ended 30 June 2021, revenue of the Group's residential property management service business segment amounted to approximately RMB228.3 million, representing an increase of 35.7% from RMB168.2 million for the six months ended 30 June 2020; and the Group had GFA delivered of 16.4 million sq.m., representing an increase of 4.8 million sq.m. from 11.6 million sq.m. for the corresponding period of 2020; 69 projects delivered, representing an increase of 17 projects from 52 projects for the corresponding period of 2020; contracted GFA of 28.0 million sq.m., representing an increase of 8.1 million sq.m. from 19.9 million sq.m. for the corresponding period of 2020.

The table below sets forth a breakdown of the contracted GFA and GFA delivered as at the dates indicated and our revenue from residential property management service segment for the periods indicated by geographic region:

	For the six months ended 30 June					
	2021			2020		
	Contracted GFA	GFA delivered	Revenue	Contracted GFA	GFA delivered	Revenue
	sq.m.	sq.m.	RMB	sq.m.	sq.m.	RMB
	<i>(in thousands)</i>					
Yangtze River Delta <sup>(1)</sup>	16,545	6,853	138,370	10,976	5,189	89,682
Pearl River Delta <sup>(2)</sup>	559	—	6,355	167	—	—
Others <sup>(3)</sup>	10,877	9,525	83,583	8,768	6,458	78,532
<b>Total</b>	<b>27,981</b>	<b>16,378</b>	<b>228,308</b>	19,911	11,647	168,214

Notes:

(1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.

(2) Comprises Guangdong Province.

(3) Comprises cities except those mentioned in (1) and (2) above.

### Further Cooperation with Tencent for Continuous Development of Intelligent Commerce

On 27 May 2021, Shanghai Jiashang Digital Technology Company Limited\* (上海嘉尚數字科技有限公司) (“**Shanghai Jiashang**”, a wholly-owned subsidiary of the Company), Shenzhen Tencent Industrial Venture Capital Co., Ltd. (深圳市騰訊產業創投有限公司) (“**Shenzhen Tencent**”) and Shanghai Yueshang Information Technology Co., Ltd.\* (上海悅商信息科技有限公司) (“**Shanghai Yueshang**”) jointly signed a capital increase agreement (the “**Capital Increase Agreement**”). Shanghai Jiashang and Shenzhen Tencent agreed to make a capital contribution of RMB50 million, respectively, with an aggregate amount of RMB100 million, to Shanghai Yueshang (the “**Capital Increase**”).

Shanghai Yueshang was established in 2015 and is mainly engaged in internet information services, software development, technology transfer and consulting, data processing business, as well as provision of products and services including IT infrastructure construction, cloud computation, big data and artificial intelligence. Upon completion of the Capital Increase, Shanghai Jiashang will own approximately 8.3% interests in Shanghai Yueshang.

The Company and Shenzhen Tencent will accelerate research and development through Shanghai Yueshang. The Company will inject its business and experience, and Shenzhen Tencent will introduce technologies to establish a super smart scenario which integrates stock asset management, investment and consumer and tenant services. A new value potential for the industry will be created to promote advancements.

For further details, please refer to the announcement of the Company dated 27 May 2021.

On 4 August 2021, Shanghai Jiashang completed the payment of RMB50 million in respect of the Capital Increase.

## Management Discussion and Analysis

### WORK PLAN FOR THE SECOND HALF OF 2021

As the transmission of the Coronavirus Disease 2019 (the “COVID-19”) is gradually being controlled around the globe, the overall operations of retail commercial properties in 2021 are getting back on track. In July, the epidemic situation in China showed a certain rebound trend, but overall speaking it was still manageable. Meanwhile, the change in consumption habits of residents in the post-epidemic era has provided more possibilities in tenant mix for retail commercial properties. This also promotes continuous innovation of the Group regarding new brands, new scenarios and new approaches. With enrichment in brand resources, enhancement in operation qualities and continuous growth in scale, the Group would be able to stand out in the market environment with intensifying competitions. Looking ahead to the second half of 2021, the Group shall remain with firm commitment to the Group’s initial intention and continue with its five-year strategic planning, so as to maintain its leading position in the industry and to further enhance the influence of Powerlong products in the market.

#### 1. Commercial Operational Services

##### (I) Continuous growth in scale

The Group will continue to invest significant resources in Yangtze River Delta to further consolidate the Group’s advantageous position in the region, especially in the six core cities of Shanghai, Hangzhou, Ningbo, Nanjing, Suzhou and Hefei. In the first half of 2021, openings of 3 Powerlong Plazas and 1 commercial street were completed. In the second half of 2021, there are 18 projects planned for opening. While preparing for the opening of projects, the Group will continue to actively promote the asset-light business model to secure more retail commercial properties and also continue to actively seek acquisition targets to acquire commercial management company(ies).

##### (II) Continuous increase in occupancy rate

In the first half of 2021, the Group’s overall average occupancy rate reached a record high in recent years of 92.3%. In the second half of 2021, leasing out of existing vacant shops will be conducted continuously.

##### (III) Enhancement in management quality

In the first half of 2021, the Group underwent hardware refurbishment for some projects in operation through the owners and enhanced the operation quality of projects, which enabled a steady increase in the overall consumer traffic and turnover of the shopping malls. In the second half of 2021, the Group will continue to enhance the operation quality of projects in operation, adjust the existing tenant mix, and further increase the overall occupancy rates and operating gains of projects. At the same time, we will focus on a number of projects with potential and establish them as benchmarks of cities, which will further enhance the market image and brand influence of Powerlong products.

##### (IV) Promotion of intelligent commerce

The Group will continue to concentrate on the core operational logic of the commercial “people, products and venue”, with a focus on launching the “3+N” product R&D plan, i.e., the product R&D and application of 1 – member products, 2 – live broadcast products, 3 – new lease systems and N – intelligent hardware equipment. While building “people, products and venue”, the Company realises the unification of business flow, cash flow and data flow.

##### (V) Optimization of talent structure

The Group will continue to reserve and cultivate talents, gather elite talents, attract and retain talents through more competitive remuneration packages and incentivising policies, stimulate employees’ potential, and build a first-class business operation team in the industry.

#### 2. Residential Property Management Services

- (I) **Optimization of management system** – Optimizing the operational systems for residential and commercial properties and office buildings to foster the implementation progress for the digitalization of property management;
- (II) **Improvement of business standards** – Improving the “creating space full of love” service standard unique to Powerlong’s properties to establish a brand image in the industry;
- (III) **Uplifting operation quality** – Uplifting the operation and service quality for the Group’s projects to increase customers’ satisfaction; and
- (IV) **Enhancement of profitability** – Enhancing the profitability of the Group’s commercial properties, office buildings and sales offices to explore other more income with commercial advantages.

## Management Discussion and Analysis

### FINANCIAL REVIEW

#### Revenue

For the six months ended 30 June 2021, the Group recorded a revenue of approximately RMB1,170.6 million, representing an increase of approximately RMB302.0 million as compared with approximately RMB868.6 million for the six months ended 30 June 2020.

The Group's revenue indicated by business segment and type of service are as follows:

	For the six months ended 30 June			
	2021		2020	
	RMB'000	%	RMB'000	%
<b>Commercial Operational Services</b>				
Market research and positioning, business tenant sourcing and opening preparation services	136,129	11.6	90,933	10.5
Commercial operation and management services	703,964	60.1	514,692	59.3
Commercial property lease income	102,160	8.8	94,782	10.8
	<b>942,253</b>	<b>80.5</b>	700,407	80.6
<b>Residential Property Management Services</b>				
Pre-sale management services	17,724	1.5	9,206	1.1
Residential property management services	163,384	14.0	116,131	13.4
Other value-added services	47,200	4.0	42,877	4.9
	<b>228,308</b>	<b>19.5</b>	168,214	19.4
<b>Total</b>	<b>1,170,561</b>	<b>100.0</b>	868,621	100.0

#### Market research and positioning, business tenant sourcing and opening preparation services

The Group's market research and positioning, business tenant sourcing and opening preparation services primarily include (i) market research and positioning services; and (ii) business tenants sourcing and opening preparation services, provided to property developers or property owners before the opening of a retail commercial property.

For the six months ended 30 June 2021, the Group's revenue from market research and positioning, business tenant sourcing and opening preparation services amounted to approximately RMB136.1 million, representing a period-on-period increase of 49.7% and accounting for approximately 11.6% of the Group's total revenue.

The increase in the revenue from market research and positioning, business tenant sourcing and opening preparation services was primarily due to the fact that the Group provided market research and positioning, business tenant sourcing and opening preparation services with respect to 36 retail commercial properties for the six months ended 30 June 2021, compared to 22 for the six months ended 30 June 2020.

## Management Discussion and Analysis

### Commercial operation and management services

The Group's commercial operation and management services primarily include (i) retail commercial property management services; (ii) tenant management and rent collection services; and (iii) other value-added services, provided to property owners or tenants.

For the six months ended 30 June 2021, the Group's revenue from commercial operation and management services amounted to approximately RMB704.0 million, representing a period-on-period increase of 36.8% and accounting for approximately 60.1% of the Group's total revenue.

The increase in the revenue from commercial operation and management services was primarily driven by the increase in the aggregate GFA in operation and the improvement in occupancy rate. For the six months ended 30 June 2021, the Group's commercial properties GFA in operation was 8.8 million sq.m., representing a period-on-period increase of 26.6%.

### Commercial property lease income

The Group provides commercial property lease services with respect to units located within the shopping streets and shopping malls.

For the six months ended 30 June 2021, the Group's revenue derived from commercial property lease services amounted to approximately RMB102.2 million, representing a period-on-period increase of 7.8% and accounting for approximately 8.8% of the Group's total revenue.

The increase in the revenue from commercial property lease services was primarily attributable to the increase in the lease income of sublease projects.

### Residential Property Management Services

The Group's residential property management services primarily include (i) pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance services for pre-sale display units and sales offices; (ii) property management services such as security, cleaning, gardening and repair and maintenance services to property owners or property owners' associations at the post-delivery stages; and (iii) other value-added services such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services to property owners, tenants or residents of the Group's managed properties.

For the six months ended 30 June 2021, the Group's revenue from residential property management services amounted to approximately RMB228.3 million, representing a period-on-period increase of 35.7% and accounting for approximately 19.5% of the Group's total revenue.

The increase in the revenue from residential property management services was primarily attributable to: (i) the increase in the residential properties GFA delivered to 16.4 million sq.m. for the six months ended 30 June 2021, representing a period-on-period increase of 40.6%; and (ii) the improvement of service quality and the increase in the number of contracts with residents.

## Management Discussion and Analysis

Revenue indicated by type of customers is as follows:

	For the six months ended 30 June			
	2021		2020	
	RMB'000	%	RMB'000	%
<b>Commercial Operational Services</b>				
Fellow subsidiaries <sup>(i)</sup>	124,059	10.6	58,812	6.8
Other related parties <sup>(ii)</sup>	49,678	4.2	35,881	4.1
External customers <sup>(iii)</sup>	768,516	65.7	605,714	69.7
	<b>942,253</b>	<b>80.5</b>	700,407	80.6
<b>Residential Property Management Services</b>				
Fellow subsidiaries <sup>(i)</sup>	58,688	5.0	25,844	3.0
Other related parties <sup>(ii)</sup>	645	0.1	1,020	0.1
External customers <sup>(iii)</sup>	168,975	14.4	141,350	16.3
	<b>228,308</b>	<b>19.5</b>	168,214	19.4
<b>Total</b>	<b>1,170,561</b>	<b>100.0</b>	868,621	100.0

Notes:

- (i) Fellow subsidiaries represented the Remaining Powerlong Group and other entities controlled by Mr. Hoi.
- (ii) Other related parties represented entities jointly controlled by the Remaining Powerlong Group.
- (iii) External customers represented independent third parties.

Revenue derived from external customers represents the largest source of the Group's revenue. For the six months ended 30 June 2021, revenue derived from external customers was approximately RMB937.5 million, representing an increase of approximately RMB190.4 million from approximately RMB747.1 million for the six months ended 30 June 2020, and accounting for 80.1% of the total revenue of the Group.



## Management Discussion and Analysis

Revenue indicated by geographic regions is as follows:

	For the six months ended 30 June			
	2021		2020	
	RMB'000	%	RMB'000	%
<b>Commercial Operational Services</b>				
Yangtze River Delta	661,506	56.5	471,384	54.3
Pearl River Delta	9,277	0.8	–	–
Others	271,470	23.2	229,023	26.3
	<b>942,253</b>	<b>80.5</b>	700,407	80.6
<b>Residential Property Management Services</b>				
Yangtze River Delta	138,370	11.8	89,682	10.3
Pearl River Delta	6,355	0.5	–	–
Others	83,583	7.2	78,532	9.1
	<b>228,308</b>	<b>19.5</b>	168,214	19.4
<b>Total</b>	<b>1,170,561</b>	<b>100.0</b>	868,621	100.0

For the six months ended 30 June 2021, the Group's commercial operational properties and residential management properties were primarily located in the Yangtze River Delta and the revenue generated from this region had further increased.

### Cost of services

The cost of services primarily include: (i) staff costs; (ii) subcontracting costs for security, greening and cleaning services; (iii) depreciation expenses; (iv) utility expenses; (v) variable lease payments; (vi) short-term lease expenditure; (vii) taxes and other levies; and (viii) other miscellaneous costs.

For the six months ended 30 June 2021, the Group's cost of services was approximately RMB787.2 million, representing a period-on-period increase of 28.3%. Such increase in cost of services was in line with the Group's business expansion.

### Gross profit and gross profit margin

The gross profit of the Group for the six months ended 30 June 2021 amounted to approximately RMB383.4 million, representing a period-on-period increase of 50.5%. For the six months ended 30 June 2021, the gross profit margin was 32.8%, representing an increase of 3.5 percentage points as compared to 29.3% for the six months ended 30 June 2020.

The gross profit of commercial operational services for the six months ended 30 June 2021 amounted to approximately RMB327.0 million, representing a period-on-period increase of 50.0%. The gross profit margin of the Group's commercial operational services for the six months ended 30 June 2021 was 34.7%, representing an increase of 3.6 percentage points as compared to 31.1% for the six months ended 30 June 2020, primarily due to the business growth and excellent cost control of the Group.

The gross profit of residential property management services for the six months ended 30 June 2021 amounted to approximately RMB56.3 million, representing a period-on-period increase of 53.1%. The gross profit margin of the Group's residential property management services for the six months ended 30 June 2021 was 24.7%, representing an increase of 2.8 percentage points as compared to 21.9% for the six months ended 30 June 2020, primarily due to the continued expansion of the contracted GFA of residential properties, the increase in the number of contracts with residents and the optimization of revenue structure.

## Management Discussion and Analysis

The Group's gross profit and gross profit margin by segment are as follows:

	For the six months ended 30 June			
	2021		2020	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%
Commercial operational services	327,029	34.7	218,025	31.1
Residential property management services	56,335	24.7	36,808	21.9
<b>Total</b>	<b>383,364</b>	<b>32.8</b>	<b>254,833</b>	<b>29.3</b>

For the six months ended 30 June 2021, the Group further fostered the project-regionalized integrated management. Meanwhile through technological upgrade and empowerment as well as enhancement in operation quality and standards, the Group laid a sound foundation for increasing the gross profit of its business in future years.

### Other income and gains

Other income and gains mainly represented the various government grants and subsidies income from local governments and the forfeited deposits from tenants due to their premature termination of contracts. For the six months ended 30 June 2021, the Group's other income and gains amounted to approximately RMB9.7 million, representing a period-on-period decrease of 12.6%, which was mainly attributable to the foreign exchange losses during the period.

### Net impairment losses on financial assets

The Group's net impairment losses on financial assets mainly include the allowance for impairment made in respect of operating leases and trade receivables and other receivables. For the six months ended 30 June 2021, the Group's net impairment losses on financial assets amounted to approximately RMB13.6 million, representing a period-on-period decrease of 31.7%. This was mainly attributable to the reduction in adverse effects on some tenants' operations as the COVID-19 epidemic was gradually being controlled.

### Finance income – net

The Group's net finance income mainly include interest expense on lease liabilities and net interest income from bank deposits.

For the six months ended 30 June 2021, the Group's net finance income amounted to approximately RMB0.2 million, as compared to the net finance income of approximately RMB4.1 million for the corresponding period in 2020. This was mainly because of the increase in interest expense on lease liabilities.

### Income tax expense

The Group's income tax expense mainly comprises PRC corporate income tax. For the six months ended 30 June 2021, the effective income tax rates were 26.8%, representing an increase of 2.0 percentage points as compared to 24.8% for the six months ended 30 June 2020, primarily because the fees incurred by share incentives were non-deductible for tax.

### Profit for the period

For the six months ended 30 June 2021, the Group's net profit was approximately RMB204.8 million, representing an increase of 41.3% from approximately RMB144.9 million for the six months ended 30 June 2020. For the six months ended 30 June 2021, the Group's profit attributable to the owners of the Company was approximately RMB203.3 million. The profit attributable to the owners of the Company increased by 40.3% as compared with the net profit of approximately RMB144.9 million for the six months ended 30 June 2020.

## Management Discussion and Analysis

### Goodwill

As at 30 June 2021, the Group's goodwill amounted to approximately RMB20.6 million, primarily attributable to the acquisition of 60% equity interest in Zhejiang Xinghui in 2020.

### Investment properties

The Group's investment properties primarily consist of shopping malls and units within the shopping streets for which the Group entered into lease contracts with independent third parties who were properties owners. As at 30 June 2021, the Group's net amount of investment properties were approximately RMB634.8 million, representing a decrease of approximately RMB53.5 million as compared with 31 December 2020, primarily due to depreciation.

### Operating lease and trade receivables

The Group's operating lease and trade receivables primarily arose from commercial property lease income for units located within the shopping malls and shopping streets as well as the provision of various services under the Group's commercial operational service segment and residential property management service segment. As at 30 June 2021, the Group's operating lease and trade receivables were approximately RMB209.9 million, representing an increase of 29.6% as compared with approximately RMB162.0 million as of 31 December 2020, primarily attributable to the business growth of the Group.

### Trade and other payables

The Group's trade and other payables primarily represent amounts due to suppliers/subcontractors for the purchase of services and goods and amounts due to related parties, cash received on behalf of tenants or residents, deposits received from tenants or residents and others. As at 30 June 2021, the Group's trade and other payables amounted to approximately RMB1,217.7 million, representing an increase of 14.8% as compared with approximately RMB1,061.0 million as of 31 December 2020. This was primarily attributable to the expansion of the Group's business scale.

### Lease liabilities

The Group's lease liabilities primarily represent its commercial arrangements with the owners of units located within the shopping streets and owners of shopping malls, pursuant to which, the Group agrees to pay rents for such units located within the shopping streets and shopping malls during the agreed period. As at 30 June 2021, lease liabilities amounted to approximately RMB798.1 million, representing a decrease of 7.4% as compared with approximately RMB861.9 million as of 31 December 2020. This was primarily attributable to the rental payment.

### Contract liabilities

Contract liabilities mainly represent advance payments made by the customers of the Group's commercial operational services and residential property management services. As at 30 June 2021, contract liabilities amounted to approximately RMB407.4 million, representing an increase of 31.8% as compared with approximately RMB309.2 million as of 31 December 2020, which was mainly due to the expansion of business scale and improvement in collection rate.

### Pledge of assets

As at 30 June 2021, no property and equipment was restricted or pledged for the Group's borrowings (31 December 2020: nil).

### Contingent liabilities

As at 30 June 2021, the Group did not have any material contingent liabilities.

### Liquidity and capital resources

The Company has maintained stable financial condition and sufficient liquidity. As at 30 June 2021, the Group's cash and cash equivalents amounted to approximately RMB3,796.4 million, representing an increase of 10.1% as compared with approximately RMB3,449.1 million as of 31 December 2020. This was primarily attributable to the business growth of the Group.

As at 30 June 2021 and 31 December 2020, the Group had no borrowings.

### Cashflow from operating activities

For the six months ended 30 June 2021, the Group's net cashflow generated from operating activities amounted to approximately RMB443.6 million, compared to approximately RMB262.4 million in the corresponding period in 2020. This was primarily attributable to the business growth of the Group.

## Management Discussion and Analysis

### Financial risks

As at 30 June 2021, the Group is not subject to significant credit risk and liquidity risk.

### Gearing ratio

Gearing ratio is calculated based on total liabilities as at the corresponding date divided by total assets as at the same date. As at 30 June 2021, gearing ratio was 0.53 (31 December 2020: 0.52).

### Foreign currency risk

The Group's businesses are principally conducted in RMB and exposure to foreign currency risk is minimal. As such, during the six months ended 30 June 2021, the Group had not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

As at 30 June 2021, major non-RMB assets and liabilities of the Group were cash and cash equivalents denominated in Hong Kong dollar. Fluctuation of the exchange rate of RMB against HK\$ could affect the Group's results of operations. The Group will closely monitor the fluctuations in exchange rate and will consider hedging its exposure to foreign exchange risk as and when appropriate.

## HUMAN RESOURCES

The Group believes that the expertise, experience and professional development of the employees contribute to the growth of the Group. The human resources department of the Company manages, trains and hires employees. As at 30 June 2021, the Group had 6,012 (31 December 2020: 5,390) employees. For details of the staff costs, please refer to Note 8 to the Interim Financial Information of this report. The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. The Group's success depends on the Group's ability to attract, retain and motivate qualified personnel. As part of the Group's retention strategy, the Group offers employees performance-based cash bonuses and other incentives in addition to basic salaries. The Group also participates in various employee social security plans for its employees, including housing provident fund, pension, medical insurance, social insurance and unemployment insurance. In determining the remuneration package of the employees, the Group will take into account salaries paid by comparable companies, time commitment and responsibilities of the employees. During the six months ended 30 June 2021, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group intends to utilise the net proceeds raised from the Listing to upgrade the information technology systems according to the prospectus of the Company dated 16 December 2019. On 27 May 2021, Shanghai Jiashang, Shenzhen Tencent and Shanghai Yueshang jointly signed the Capital Increase Agreement. For further details, please refer to the paragraph headed "Further Cooperation with Tencent for Continuous Development of Intelligent Commerce" in this report and the announcement of the Company dated 27 May 2021. Save as disclosed in this report, the Company had not authorised any plan for other material investments or acquisition of capital assets as at the date of this report.

## SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this report, the Company has no significant investments or significant acquisitions, and has no disposal of subsidiaries, associates and joint ventures.

## Other Information

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2021, the interests and short positions of our Directors or chief executives of our Company in the shares, underlying shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), 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 Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix 10 to the Rules Governing the Listing of Securities (the "**Listing Rules**") were as follows:

#### (i) Long position in shares and underlying shares of the Company

Name of Director	Nature of interest	Number of ordinary shares	Approximate percentage of holding <sup>(1)</sup>
Mr. Hoi Wa Fong <sup>(2)</sup>	Interest in a controlled corporation	45,000,000	6.99%
Mr. Chen Deli <sup>(3)</sup>	Beneficial owner and beneficiary of a trust	22,500,000	3.49%

Notes:

- The calculation is based on the total number of 644,000,000 shares in issue as at 30 June 2021.
- Huihong Management (PTC) Limited ("**Huihong Management**"), the trustee of the Huihong Trust, is wholly-owned by Mr. Hoi Wa Fong for the purpose of a share award scheme (the "**Scheme**") to be adopted at least six months after the Listing. As of the date of this report, the Scheme was adopted by Huihong Management. As the Scheme is not adopted by the Company and does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purposes of Chapter 17 of the Listing Rules, it is not required to comply with the rules thereunder. Further details are set out in the announcement of the Company dated 31 December 2020. By virtue of the SFO, Mr. Hoi Wa Fong is deemed to be interested in the shares held by Huihong Management.
- On 10 September 2020, the Company entered into a subscription agreement with Mr. Chen Deli, pursuant to which, the Company has conditionally agreed to allot and issue, and Mr. Chen Deli has conditionally agreed to subscribe for 11.25 million new Shares, at the Subscription Price of HK\$24.30 per Subscription Share upon the terms and subject to the conditions set out in the Subscription Agreement. The Company had sought and obtained shareholders' approval at the extraordinary general meeting held on 24 November 2020. The Subscription Shares have been allotted and issued on 4 December 2020. On 10 September 2020, the Board has resolved to adopt the Scheme. The Company further resolved to award an aggregate of 11.25 million Awarded Shares to Mr. Chen Deli, by way of issue and allotment of new Shares pursuant to the Share Award Specific Mandate. The Company had sought and obtained shareholders' approval at the extraordinary general meeting held on 24 November 2020. The Awarded Shares have been issued on 4 December 2020.

## Other Information

### (ii) Long position in shares of associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number of shares interested	Approximate percentage of interest
Mr. Hoi Wa Fong	Powerlong Holdings	Beneficial owner, interest of a controlled corporation and interest of spouse <sup>(1)</sup>	605,509,400	14.62%
Ms. Hoi Wa Fan	Powerlong Holdings	Beneficial owner and interest of a controlled corporation <sup>(2)</sup>	268,093,000	6.47%
Ms. Hoi Wa Lam	Powerlong Holdings	Beneficial owner	15,868,000	0.38%

Notes:

- Of the 605,509,400 shares in Powerlong Holdings which Mr. Hoi Wa Fong is interested in, (i) 596,018,000 shares are held by Sky Infinity Holdings Limited, which is owned by Seletar Limited and Serangoon Limited as nominee in trust for Credit Suisse Trust Limited, the trustee of the Sky Infinity Trust. Mr. Hoi Wa Fong is the settlor of the Sky Infinity Trust; (ii) 8,988,000 shares are held by Mr. Hoi Wa Fong in his personal capacity; and (iii) 503,400 shares are held by Ms. Shih Sze Ni Cecilia, the spouse of Mr. Hoi Wa Fong.
- Of the 268,093,000 shares in Powerlong Holdings which Ms. Hoi Wa Fan is interested in, (i) 206,623,000 shares are held by Walong Holdings Limited and Mantong (HK) Trading Co., Ltd, which are wholly and beneficially owned by Ms. Hoi Wa Fan; and (ii) 61,470,000 shares are held by Ms. Hoi Wa Fan in her personal capacity.

Save as disclosed above, as at 30 June 2021, none of the Directors or the chief executives of the Company had, or were deemed to have, any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Other Information

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2021, so far as the Directors are aware, the following persons (other than the Directors or chief executives of the Company) and companies had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

#### (i) Long position in shares of the Company

Name of Shareholder	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding <sup>(1)</sup>
Mr. Hoi Kin Hong <sup>(2)</sup>	Interest in a controlled corporation	405,000,000	62.89%
Powerlong Real Estate (BVI) Holdings Limited ("Powerlong BVI Holding") <sup>(2)</sup>	Beneficial owner	405,000,000	62.89%
Powerlong Holdings <sup>(2)</sup>	Interest in a controlled corporation	405,000,000	62.89%
Skylong Holdings Limited <sup>(2)</sup>	Interest in a controlled corporation	405,000,000	62.89%
Ms. Wong Lai Chan <sup>(3)</sup>	Interest of spouse	405,000,000	62.89%
Huihong Management <sup>(4)</sup>	Beneficial owner	45,000,000	6.99%
Ms. Shih Sze Ni Cecilia <sup>(5)</sup>	Interest of spouse	45,000,000	6.99%

Notes:

- The calculation is based on the total number of 644,000,000 Shares in issue as at 30 June 2021.
- Powerlong BVI Holding is wholly-owned by Powerlong Holdings, which is in turn owned as to approximately 43.57% by Skylong Holdings Limited, a company wholly-owned by Mr. Hoi Kin Hong. By virtue of the SFO, each of Powerlong Holdings, Skylong Holdings Limited and Mr. Hoi Kin Hong is deemed to be interested in the same number of shares in which Powerlong BVI Holding is interested in. Mr. Hoi Kin Hong and Ms. Wong Lai Chan also hold approximately 0.69% and 0.07% of direct interest in Powerlong Holdings, respectively. Mr. Hoi Wa Fong is the son of Mr. Hoi Kin Hong and Ms. Wong Lai Chan.
- Ms. Wong Lai Chan is the spouse of Mr. Hoi Kin Hong. By virtue of the SFO, Ms. Wong Lai Chan is deemed to be interested in the shares held by Mr. Hoi Kin Hong.
- Huihong Management, the trustee of the Huihong Trust, is wholly-owned by Mr. Hoi Wa Fong for the purpose of a Scheme to be adopted at least six months after the Listing. As of the date of this report, the Scheme was adopted by Huihong Management. As the Scheme is not adopted by the Company and does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purposes of Chapter 17 of the Listing Rules, it is not required to comply with the rules thereunder. Further details are set out in the announcement of the Company dated 31 December 2020. By virtue of the SFO, Mr. Hoi Wa Fong is deemed to be interested in the shares held by Huihong Management.
- Ms. Shih Sze Ni Cecilia is the spouse of Mr. Hoi Wa Fong. By virtue of the SFO, Ms. Shih Sze Ni Cecilia is deemed to be interested in the shares held by Mr. Hoi Wa Fong.

## Other Information

### INTERIM DIVIDEND

At the Board meeting held on 18 August 2021, the Board recommended the payment of an interim dividend of HK\$0.15 per ordinary share for the six months ended 30 June 2021, amounting to approximately HK\$94.9 million (equivalent to approximately RMB79.0 million) in total, which is calculated according to the number of ordinary shares in issue as at 30 June 2021 excluding shares held for shares award scheme. The interim dividend will be paid on or around Wednesday, 15 December 2021 to the shareholders whose names appear on the register of members of the Company on Monday, 29 November 2021.

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders' entitlement to the proposed interim dividend for the six months ended 30 June 2021, the register of members of the Company will be closed from Wednesday, 24 November 2021 to Monday, 29 November 2021, both days inclusive, during which period no transfer of shares of the Company will be registered.

For the purpose of determining the entitlement to the proposed interim dividend for the six months ended 30 June 2021, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 23 November 2021.

### SHARE AWARD SCHEME

On 10 September 2020, the Board of the Company has resolved to adopt a share award scheme. A summary of the major terms is set out below:

#### Purposes and Objectives

1. to recognise and motivate the contributions by certain eligible participants and to give incentives thereto in order to retain them for the continual operation and development of the Group;
2. to attract suitable personnel for further development of the Group; and
3. to provide certain eligible participants with a direct economic interest in attaining a long-term relationship between the Group and certain eligible participants.

#### Eligible Participants

- (a) any employee of the Group;
- (b) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any entity in which any member of the Group holds any equity interest;
- (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any entity in which any member of the Group holds any equity interest; and
- (d) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

#### Administration

The Scheme shall be subject to the administration of the Board. In the event that a Selected Participant or his/her associate is a member of the Board, such person will abstain from voting on any approval by the Board of an award of Shares to such Selected Participant. The Board may, by passing resolutions, appoint any one or more senior management of the Company as authorised representative(s) to give instructions or notices to Tricor Trust (Hong Kong) Limited (the "Trustee") on all matters in connection with the Scheme and other matters in the routine administration of the trust constituted by the trust deed which establishes the Share Award Scheme (the "Trust Deed").

The Trustee will hold the Shares and the income derived therefrom in accordance with the Scheme Rules and subject to the terms of the Trust Deed.



## Other Information

### Duration

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Scheme shall be valid and effective for a term of 10 years commencing on 10 September 2020.

### Maximum Limit

The Board shall not make any further grant of award of Shares under the Share Award Scheme such that the total number of Shares granted under the Share Award Scheme will exceed 5% of the total number of issued Shares as of 10 September 2020.

The Board shall not instruct the Trustee to subscribe for and/or purchase any Shares for the purpose of the Share Award Scheme when such subscription and/or purchase will exceed 5% of the total number of issued Shares as of 10 September 2020.

There is no maximum entitlement to each awardee.

### Operation

Pursuant to the terms of the Share Award Scheme, the Board may, from time to time, at its absolute discretion select any Eligible Participant(s) for participation in the Share Award Scheme as a selected participant and determine the number of Shares to be awarded. The Trustee shall purchase from the open market or subscribe for the relevant number of Shares awarded and shall hold such Shares until they are vested in accordance with the terms of the Share Award Scheme.

### Share Award to Directors and/or Connected Persons

Shares may be awarded to Eligible Participants, including the directors of the Company and/or its subsidiaries and/or connected persons of the Company. If Shares are awarded to any director of the Company and/or its subsidiaries and/or connected persons of the Company, such awards shall constitute connected transactions under Chapter 14A of the Listing Rules and the Company shall comply with the relevant requirements under the Listing Rules.

### Movement of Share Awards

On 24 November 2020, as the grant date, the Company has resolved to award (the “**Award**”) an aggregate of 11,250,000 awarded shares (“**Awarded Shares**”) to Mr. Chen Deli. Such Awarded Shares have been issued to a trustee which shall hold on trust for Mr. Chen Deli pursuant to the terms of the trust deed. These Awarded Shares shall then transfer to Mr. Chen Deli after the relevant vesting conditions are fulfilled.

Further details of the Share Award Scheme and the Award are set out in the announcement of the Company dated 10 September 2020 and the circular of the Company dated 6 November 2020.

As of 30 June 2021, there were 11,250,000 shares granted and outstanding, no share has been vested.

During the six months ended 30 June 2021, no Awarded Shares were awarded, vested, cancelled or lapsed.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence in the Company and the Company's accountability. The Company therefore strives to attain and maintain effective corporate governance practices and procedures.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company with effect from the Listing Date.

The Directors are of the view that the Company had complied with all applicable code provisions contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2021.

## Other Information

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. The provisions under the Listing Rules in relation to compliance with the Model Code by the Directors regarding securities transactions have been applicable to the Company since the Listing Date.

Having made specific enquiry of all the Directors, the Directors confirmed that they were in compliance with the required standard as set out in the Model Code during the six months ended 30 June 2021 (the "**Reporting Period**"). No incident of non-compliance was noted by the Company to date. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code during the Reporting Period.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any member of the Group purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2021.

### USE OF NET PROCEEDS

#### (i) Use of Net Proceeds from Initial Public Offering and Over Allotment

The Company was listed on the main board of the Stock Exchange on 30 December 2019. The net proceeds from the Listing was approximately HK\$1,380.5 million (equivalent to approximately RMB1,236.9 million). On 22 January 2020, the Company exercised the over-allotment option and issued 22,500,000 shares at a price of HK\$9.5 per share. Discounting the transaction costs attributable to the exercise of the over-allotment option, net proceeds from the over-allotment amounted to approximately HK\$208.0 million (equivalent to approximately RMB184.6 million). The Company intends to apply the proceeds from the over-allotment in proportion to the use of proceeds stated in the Prospectus. The net proceeds from the initial public offering and the over allotment amounted to approximately HK\$1,588.5 million.

As set out in the Prospectus, the Company intended to use such proceeds for the purposes as follows: (i) approximately 50% of the proceeds will be used to pursue strategic acquisitions of other small to medium-sized commercial operational service providers in order to scale up its commercial operational service business and expand its commercial operational service portfolio; (ii) approximately 25% of the proceeds will be used to upgrade its information technology systems for digitization and smart operation and management, aiming to enhance consumer experience, improve the quality of services provided to the Group's tenants and improve operational efficiency; (iii) approximately 10% of the proceeds will be used to make equity investment in certain tenants with an aim of establishing close strategic cooperation with them; (iv) approximately 5% of the proceeds will be used for the renovation of retail commercial properties developed or owned by independent third parties under the asset-light business model; and (v) approximately 10% of the proceeds will be used for general business purpose and as working capital of the Group.

As at 30 June 2021, the Directors are not aware of any material change to the planned use of the proceeds as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

## Other Information

The following table sets forth the status of use of net proceeds from the Company's initial public offering and over allotment as at 30 June 2021 together with the expected timeline of use:

Business objective as stated in the Prospectus	Net proceeds from the initial public offering and the over allotment HK\$ million	Actual use of net proceeds during the six months ended 30 June 2021 HK\$ million	Actual use of net proceeds up to 30 June 2021 HK\$ million	Proceeds unused HK\$ million	Expected timeline
(i) Pursue strategic acquisition of and investment in other commercial operational service providers	794.3	7.8	22.6	771.7	1 January 2020 to 31 December 2023
(ii) Upgrade our information technology systems	397.1	9.3	20.3	376.8	1 January 2020 to 31 December 2023
(iii) Make equity investment in certain tenants and suppliers	158.8	—	—	158.8	1 January 2020 to 31 December 2023
(iv) Renovation of retail commercial properties developed or owned by independent third parties	79.5	6.5	12.6	66.9	1 January 2020 to 31 December 2023
(v) General business purpose and working capital	158.8	53.4	99.3	59.5	1 January 2020 to 31 December 2023
	<b>1,588.5</b>	<b>77.0</b>	<b>154.8</b>	<b>1,433.7</b>	

The remaining amount of unused proceeds is planned to be utilised by 31 December 2023 as originally intended. Accordingly, the Board will re-assess and revise the timeline of the said development where necessary.

As at 30 June 2021, the remaining net proceeds from the initial public offering and over allotment were not utilised and were deposited into the licensed banks in Hong Kong and mainland China.

## Other Information

### (ii) Use of Net Proceeds from Subscription

The following table sets forth the status of use of net proceeds from the Subscription as of 30 June 2021 together with the expected timeline of use:

Intended use of proceeds from the Subscription	Net proceeds HK\$ million	Actual use of proceeds during the six months ended 30 June 2021 HK\$ million	Actual use of proceeds up to 30 June 2021 HK\$ million	Proceeds unused HK\$ million	Expected timeline
(i) Personnel expansion: attract and recruit additional management personnel to the Group's projects and headquarters	82.0	15.0	30.0	52.0	On or before 30 June 2023
(ii) Property leasing business: develop three leasing projects, namely Shaoxing Kejiao Powerlong Plaza (紹興柯橋寶龍廣場), Hangzhou Qingshan Lake Powerlong Plaza (杭州青山湖寶龍廣場) and Taizhou Duqiao Powerlong Plaza (台州杜橋寶龍廣場)	109.4	2.9	5.0	104.4	On or before 30 June 2023
(iii) IT infrastructure enhancement: create the "Precise Consumer Traffic System" which uses face recognition technology instead of traditional sensors to achieve accurate data collection and perform precise analysis on consumer traffic statistics	82.0	–	–	82.0	On or before 30 June 2023
	<b>273.4</b>	<b>17.9</b>	<b>35.0</b>	<b>238.4</b>	

As at 30 June 2021, the remaining net proceeds from the Subscription were not utilised and were deposited into the licensed banks in Hong Kong and mainland China.

## Other Information

### CHANGE IN DIRECTOR'S INFORMATION

Changes in the Board since the date of annual report 2020 of the Company and as at the date of this report are set out below:

- On 23 June 2021, Dr. Lu Xiongwen was appointed as an independent director of China Eastern Airlines Corporation Limited, an air transportation company whose shares are listed on the Shanghai Stock Exchange (stock code for A-shares: 600115.SH).

Save as disclosed above, there was no other change in the Board and the information of Directors since the date of annual report 2020 of the Company and as at the date of this report which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company did not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules during the six months ended 30 June 2021.

### AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the audit committee include, but not limited to (i) review and supervise the financial reporting process and internal control system of the Group, risk management and internal audit; (ii) provide advice and comments to the Board; and (iii) perform other duties and responsibilities as may be assigned by the Board. The audit committee consists of three independent non-executive Directors, namely Ms. Ng Yi Kum, Estella, Mr. Chan Wai Yan, Ronald and Dr. Lu Xiongwen. Ms. Ng Yi Kum, Estella is the chairwoman of the audit committee.

The audit committee has reviewed the interim report for the six months ended 30 June 2021 in conjunction with the Company's management and external auditor. The audit committee has no disagreement with the accounting treatment adopted by the Company.

### OTHER BOARD COMMITTEES

In addition to the audit committee, the Company has also established a nomination committee and a remuneration committee.

### IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

In July 2021, the Group and a state-owned company entered into an agreement, pursuant to which the Group would lease four properties located in Xiamen with a total contracted GFA of approximately 91,000 sq.m.. The total contract amount of the lease payment is approximately RMB760.0 million which will be settled by annual installments within the lease period of 20 years. As at the date of this report, the lease term has not commenced and the Group has not incurred any payment obligations.

Saved as disclosed above, the Group did not have any other material subsequent events after the Reporting Period.

On behalf of the Board

**HOI Wa Fong**

*Chairman*

Hong Kong, 18 August 2021

# Interim Condensed Consolidated Statement of Comprehensive Income

	Note	Six months ended 30 June	
		2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
<b>Revenue</b>	6	<b>1,170,561</b>	868,621
Cost of services	7	<b>(787,197)</b>	(613,788)
<b>Gross profit</b>		<b>383,364</b>	254,833
Selling and marketing expenses	7	<b>(11,853)</b>	(9,785)
Administrative expenses	7	<b>(88,990)</b>	(46,077)
Other income and losses	9	<b>9,705</b>	11,104
Net impairment losses on financial assets		<b>(13,602)</b>	(19,909)
<b>Operating profit</b>		<b>278,624</b>	190,166
Finance costs	10	<b>(22,164)</b>	(14,434)
Finance income	10	<b>22,337</b>	18,534
Finance income – net	10	<b>173</b>	4,100
Share of profit/(loss) of investments accounted for using the equity method		<b>823</b>	(1,482)
<b>Profit before income tax</b>		<b>279,620</b>	192,784
Income tax expenses	11	<b>(74,827)</b>	(47,872)
<b>Profit and total comprehensive income for the period</b>		<b>204,793</b>	144,912
<b>Profit and total comprehensive income attributable to:</b>			
– Shareholders of the Company		<b>203,338</b>	144,912
– Non-controlling interests		<b>1,455</b>	–
		<b>204,793</b>	144,912
<b>Earnings per share for profit attributable to shareholders of the Company for the period (expressed in RMB cents per share)</b>			
– Basic earnings per share	12	<b>32.14</b>	23.40
– Diluted earnings per share	12	<b>31.90</b>	23.40

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

# Interim Condensed Consolidated Balance Sheet

	Note	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	13	10,111	9,819
Financial assets at fair value through profit or loss		313	313
Investment properties	14	634,748	688,205
Intangible assets		5,140	5,420
Goodwill	15	20,640	20,640
Deferred income tax assets		79,850	74,457
Investments accounted for using the equity method		3,334	2,511
		<b>754,136</b>	801,365
<b>Current assets</b>			
Operating lease and trade receivables	16	209,935	161,954
Prepayments and other receivables	17	109,718	104,759
Current income tax recoverables		8,159	2,726
Restricted cash	18	—	518
Cash and cash equivalents	18	3,796,393	3,449,101
		<b>4,124,205</b>	3,719,058
<b>Total assets</b>		<b>4,878,341</b>	4,520,423
<b>Equity</b>			
Share capital and premium	19	1,385,562	1,479,288
Other reserves	20	69,657	42,033
Shares held for shares award scheme		(95)	(95)
Retained earnings		835,050	631,712
<b>Capital and reserves attributable to shareholders of the Company</b>		<b>2,290,174</b>	2,152,938
Non-controlling interests		14,420	12,965
<b>Total equity</b>		<b>2,304,594</b>	2,165,903

## Interim Condensed Consolidated Balance Sheet

	Note	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		2,514	2,891
Long-term payables		3,676	3,271
Lease liabilities	22	685,438	659,816
		<b>691,628</b>	665,978
<b>Current liabilities</b>			
Trade and other payables	23	1,217,672	1,060,984
Advances from lessees		25,350	14,889
Current income tax liabilities		119,074	101,410
Lease liabilities	22	112,639	202,072
Contract liabilities	6(b)	407,384	309,187
		<b>1,882,119</b>	1,688,542
<b>Total liabilities</b>		<b>2,573,747</b>	2,354,520
<b>Total equity and liabilities</b>		<b>4,878,341</b>	4,520,423

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

The interim financial information on pages 29 to 60 were approved by the board of directors of the Company on 18 August 2021 and were signed on its behalf.

**Hoi Wa Fong**  
Director

**Zhang Yunfeng**  
Director



# Interim Condensed Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Company							Total equity RMB'000
		Share capital	Share premium	Shares held for shares award scheme	Other reserves	Retained earnings	Subtotal	Non-controlling interests	
		RMB'000 (Note 19)	RMB'000 (Note 19)	RMB'000	RMB'000 (Note 20)	RMB'000	RMB'000	RMB'000	
<b>Six months ended 30 June 2021 (Unaudited)</b>									
<b>Balance as at 1 January 2021</b>		<b>5,756</b>	<b>1,473,532</b>	<b>(95)</b>	<b>42,033</b>	<b>631,712</b>	<b>2,152,938</b>	<b>12,965</b>	<b>2,165,903</b>
<b>Comprehensive income</b>									
Profit for the period		–	–	–	–	203,338	203,338	1,455	204,793
<b>Total comprehensive income</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>203,338</b>	<b>203,338</b>	<b>1,455</b>	<b>204,793</b>
<b>Transactions with owners</b>									
– Dividends	21	–	(93,726)	–	–	–	(93,726)	–	(93,726)
– Shares Award Scheme – value of employee service	20	–	–	–	27,624	–	27,624	–	27,624
<b>Total transactions with owners</b>		<b>–</b>	<b>(93,726)</b>	<b>–</b>	<b>27,624</b>	<b>–</b>	<b>(66,102)</b>	<b>–</b>	<b>(66,102)</b>
<b>Balance at 30 June 2021 (Unaudited)</b>		<b>5,756</b>	<b>1,379,806</b>	<b>(95)</b>	<b>69,657</b>	<b>835,050</b>	<b>2,290,174</b>	<b>14,420</b>	<b>2,304,594</b>
<b>Six months ended 30 June 2020 (Unaudited)</b>									
<b>Balance as at 1 January 2020</b>		<b>5,376</b>	<b>1,231,531</b>	<b>–</b>	<b>22,430</b>	<b>327,835</b>	<b>1,587,172</b>	<b>–</b>	<b>1,587,172</b>
<b>Comprehensive income</b>									
Profit for the period		–	–	–	–	144,912	144,912	–	144,912
<b>Total comprehensive income</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>144,912</b>	<b>144,912</b>	<b>–</b>	<b>144,912</b>
<b>Transactions with owners</b>									
– Allotment of shares		199	184,448	–	–	–	184,647	–	184,647
– Repurchase of shares		(9)	(8,543)	–	–	–	(8,552)	–	(8,552)
– Dividends		–	–	–	–	(113,541)	(113,541)	–	(113,541)
<b>Total transactions with owners</b>		<b>190</b>	<b>175,905</b>	<b>–</b>	<b>–</b>	<b>(113,541)</b>	<b>62,554</b>	<b>–</b>	<b>62,554</b>
<b>Balance at 30 June 2020 (Unaudited)</b>		<b>5,566</b>	<b>1,407,436</b>	<b>–</b>	<b>22,430</b>	<b>359,206</b>	<b>1,794,638</b>	<b>–</b>	<b>1,794,638</b>

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

## Interim Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
<b>Cash flows of operating activities</b>		
Cash generated from operations	511,954	296,347
PRC corporate income tax paid	(68,366)	(33,941)
<b>Net cash generated from operating activities</b>	<b>443,588</b>	262,406
<b>Cash flows of investing activities</b>		
Purchases of property and equipment	(2,494)	(3,528)
Payments for acquisition of subsidiaries	(6,480)	–
Net proceeds from disposals of property and equipment	128	–
Interest received	3,197	15,948
<b>Net cash (used in)/generated from investing activities</b>	<b>(5,649)</b>	12,420
<b>Cash flows of financing activities</b>		
Allotment of shares	–	189,817
Repurchase of shares	–	(8,552)
Repayments of cash advances to related parties	(3,410)	(35,007)
Payments of principal and interest elements of lease	(85,569)	(90,860)
<b>Net cash (used in)/generated from financing activities</b>	<b>(88,979)</b>	55,398
Increase in cash and cash equivalents	348,960	330,224
Cash and cash equivalents at beginning of the period	3,449,101	2,616,113
Exchange (losses)/gain on cash and cash equivalents	(1,668)	4,083
<b>Cash and cash equivalents at end of the period</b>	<b>3,796,393</b>	2,950,420

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

# Notes to the Interim Financial Information

## 1 GENERAL INFORMATION

Powerlong Commercial Management Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 25 March 2019 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company and its subsidiaries (the “Group”) are primarily engaged in the provision of commercial operational services and residential property management services in the People’s Republic of China (the “PRC”).

The Company was listed on The Stock Exchange of Hong Kong Limited on 30 December 2019.

The Company’s immediate holding company is Powerlong Real Estate (BVI) Holdings Limited. The Company’s intermediate holding company is Powerlong Real Estate Holdings Limited (“Powerlong Holdings”) whose shares have been listed on the Main Board of the Stock Exchange since 14 October 2009. As at 30 June 2021, Mr. Hoi Kin Hong (“Mr. Hoi”) held approximate 44.34% interests in the issued share capital of Powerlong Holdings.

Powerlong Holdings and its subsidiaries exclusive of the Group are collectively referred to as the Remaining Powerlong Group in this interim financial information.

The interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. The interim financial information has been approved for issue by the board of directors (the “Board”) of the Company on 18 August 2021.

The interim financial information has not been audited.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial information for the six months ended 30 June 2021 has been prepared in accordance with HKAS 34 “Interim Financial Reporting”.

The interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, the interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2020 and any public announcement made by the Company during the interim reporting period.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those annual financial statements, except for the adoption of new and amended standards and interpretation as described below.

### (a) Amended standards adopted by the Group

Amendments to HKFRS 7, HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform – Phase 2

The adoption of the amended standards did not have any material impact on the interim financial information.

## Notes to the Interim Financial Information

### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

#### (b) New standards, amendments, interpretation and accounting guideline not yet adopted

The following new standards and amendments and interpretation to standards have been published that are not mandatory for the year beginning on 1 January 2021 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendment to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2 and HKAS 8	Disclosure of Accounting Policies	1 January 2023
Amendments to HKFRS 17	Insurance contracts	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to HKFRS 3	Reference to the conceptual framework	1 January 2022
Amendments to HKAS 16	Property, plant and equipment: proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts – cost of fulfilling a contract	1 January 2022
Annual Improvements	Annual improvements to HKFRS Standards 2018-2020 Cycle	1 January 2022
Revised Accounting Guideline 5	Merger Accounting for Common Control Combination	1 January 2022
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The impact of new and amended standards above is still under assessment by the Group.

### 3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020.

There have been no changes in the risk management department or in any risk management policies since 31 December 2020.

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

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

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2020.

## Notes to the Interim Financial Information

### 5 SEGMENT INFORMATION

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

The Group has two business segments:

– **Commercial operational services**

The Group is engaged in the provision of (a) market research and positioning, business tenant sourcing and opening preparation services; (b) commercial operational services during the operation stage, including business tenant management, rent collection services and other value-added services (mainly including car parks, common areas and advertising space management services); and (c) commercial property management services including security, gardening, cleaning, repair and maintenance services.

Besides, to maximise its commercial operational efficiency, the Group leased certain retail commercial properties and shopping malls, and sub-leased them for long-term rental yield.

– **Residential property management services**

The Group provides residential property management services for residential properties, serviced apartments and office building, including pre-sale management services and other value-added services to property developers, property owners and residents.

As the CODM considers most of the Group’s consolidated revenue and results are attributable to the market in the PRC and the Group’s consolidated non-current assets are substantially located in the PRC, no geographical information is presented.

## Notes to the Interim Financial Information

**5 SEGMENT INFORMATION (CONTINUED)**

- (a) Segment results represent the profit earned by each segment without other income and gains or losses, unallocated operating costs, finance income – net, share of profit/(loss) of investments accounted for using the equity method and income tax expenses. Revenue recognised at a point in time from contracts with customers represents revenue from market research and positioning services, other revenue from contracts with customers is recognised over time. The following is the analysis of the Group's revenue and results by operating and reportable segments:

**For the six months ended 30 June 2021 (Unaudited)**

	Commercial operational services RMB'000	Residential property management services RMB'000	Group RMB'000
Gross segment revenue	942,253	228,308	1,170,561
Revenue from contracts with customers	840,093	228,308	1,068,401
– at a point in time	48,089	–	48,089
– over time	792,004	228,308	1,020,312
Revenue from other sources			
– rental income	102,160	–	102,160
Segment results	274,967	49,807	324,774
Other income and losses			9,705
Unallocated operating costs			(55,855)
Interest expense			(22,164)
Interest income			22,337
Share of profit of investments accounted for using the equity method			823
Profit before income tax			279,620
Income tax expenses			(74,827)
Profit for the period			204,793
Depreciation and amortisation	55,239	572	55,811

## Notes to the Interim Financial Information

## 5 SEGMENT INFORMATION (CONTINUED)

(a) (Continued)

## For the six months ended 30 June 2020 (Unaudited)

	Commercial operational services RMB'000	Residential property management services RMB'000	Group RMB'000
Gross segment revenue	700,407	168,214	868,621
Revenue from contracts with customers	605,625	168,214	773,839
– at a point in time	56,453	–	56,453
– over time	549,172	168,214	717,386
Revenue from other sources			
– rental income	94,782	–	94,782
Segment results	185,524	23,830	209,354
Other income and losses			11,104
Unallocated operating costs			(30,292)
Interest expense			(14,434)
Interest income			14,766
Foreign exchange gains – net			3,768
Share of loss of investments accounted for using the equity method			(1,482)
Profit before income tax			192,784
Income tax expenses			(47,872)
Profit for the period			144,912
Depreciation	53,929	526	54,455

## Notes to the Interim Financial Information

**5 SEGMENT INFORMATION (CONTINUED)**

(b) The following is the analysis of the Group's segment assets and liabilities and capital expenditure for the period then ended:

**As at 30 June 2021 (Unaudited)**

	Commercial operational services RMB'000	Residential property management services RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	1,084,057	123,585	(2,304)	1,205,338
Other assets				3,673,003
<b>Total assets</b>				<b>4,878,341</b>
Segment liabilities	2,115,687	225,604	(2,304)	2,338,987
Other liabilities				234,760
<b>Total liabilities</b>				<b>2,573,747</b>
Capital expenditure (six months ended 30 June 2021) (Unaudited)	2,152	342	–	2,494

**As at 31 December 2020 (Audited)**

	Commercial operational services RMB'000	Residential property management services RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	1,123,065	100,751	(4,512)	1,219,304
Other assets				3,301,119
<b>Total assets</b>				<b>4,520,423</b>
Segment liabilities	2,005,859	215,673	(4,512)	2,217,020
Other liabilities				137,500
<b>Total liabilities</b>				<b>2,354,520</b>
Capital expenditure (six months ended 30 June 2020) (Unaudited)	202,891	538	–	203,429



## Notes to the Interim Financial Information

**5 SEGMENT INFORMATION (CONTINUED)**

Segment assets are reconciled to total assets as follows:

	<b>30 June 2021</b> <b>(Unaudited)</b> <b>RMB'000</b>	31 December 2020 <b>(Audited)</b> <b>RMB'000</b>
Segment assets	<b>1,205,338</b>	1,219,304
Other assets		
Current income tax recoverables	<b>8,159</b>	2,726
Deferred income tax assets	<b>79,850</b>	74,457
Unallocated cash and cash equivalents and restricted cash	<b>3,574,534</b>	3,212,997
Unallocated property and equipment	<b>243</b>	220
Other corporate assets	<b>9,904</b>	10,406
Financial assets at fair value through profit and loss	<b>313</b>	313
<b>Total assets</b>	<b>4,878,341</b>	4,520,423

Segment liabilities are reconciled to total liabilities as follows:

	<b>30 June 2021</b> <b>(Unaudited)</b> <b>RMB'000</b>	31 December 2020 <b>(Audited)</b> <b>RMB'000</b>
Segment liabilities	<b>2,338,987</b>	2,217,020
Other liabilities		
Current income tax liabilities	<b>119,074</b>	101,410
Deferred income tax liabilities	<b>2,514</b>	2,891
Dividends payable	<b>94,772</b>	–
Other payables – related parties (Note 24 (d))	–	3,410
Other corporate liabilities	<b>18,400</b>	29,789
<b>Total liabilities</b>	<b>2,573,747</b>	2,354,520

The amounts provided to the CODM with respect to total assets and liabilities are measured in a manner consistent with that of the interim condensed consolidated balance sheet. These assets and liabilities are allocated based on the operations of the segments.

Segment assets consist primarily of property and equipment, investment properties, receivables and cash and cash equivalents.

Segment liabilities consist of operating liabilities.

Capital expenditure comprises additions to property and equipment (Note 13) and investment properties (Note 14).

## Notes to the Interim Financial Information

**6 REVENUE**

(a) Revenue of the Group for the six months ended 30 June 2021 is as follows:

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
<b>Type of services</b>		
<i>Rental income:</i>		
– Commercial property lease income	<b>102,160</b>	94,782
<i>Revenue from customer:</i>		
– Commercial operational services		
Market research and positioning, business tenant sourcing, opening preparation services	<b>136,129</b>	90,933
Commercial operation and management services	<b>703,964</b>	514,692
Commercial operation service during the operation stage	<b>264,935</b>	147,961
Commercial property management service	<b>439,029</b>	366,731
	<b>840,093</b>	605,625
– Residential property management services		
Pre-sale management services	<b>17,724</b>	9,206
Residential property management services	<b>163,384</b>	116,131
Other value-added services	<b>47,200</b>	42,877
	<b>228,308</b>	168,214
	<b>1,170,561</b>	868,621

- (i) For the six months ended 30 June 2021, revenue arising from the Remaining Powerlong Group contributed 15.6% of the Group's revenue (six months ended 30 June 2020: 9.7%). Other than the Remaining Powerlong Group and other entities controlled by Mr. Hoi, the Group has a large number of customers, none of them contributed 10% or more of the Group's revenue during the period (six months ended 30 June 2020: none).

## Notes to the Interim Financial Information

**6 REVENUE (CONTINUED)****(b) Liabilities related to contracts with customers**

	<b>30 June 2021</b> <b>(Unaudited)</b> <b>RMB'000</b>	31 December 2020 <b>(Audited)</b> <b>RMB'000</b>
Contract liabilities	<b>407,384</b>	309,187

Contract liabilities of the Group mainly arose from the advanced payments made by the customers while the underlying services are yet to be provided. Such liabilities increased as a result of the growth of the Group's business.

**(i) 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.

	<b>Six months ended 30 June</b> <b>2021</b> <b>(Unaudited)</b> <b>RMB'000</b>	2020 <b>(Unaudited)</b> <b>RMB'000</b>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
– Commercial operational services	<b>253,960</b>	183,336
– Residential property management services	<b>55,227</b>	40,386
	<b>309,187</b>	223,722

**(ii) Unsatisfied performance obligations**

For commercial operational services and residential property management services, the Group recognises revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group's performance to date, on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for those types of contracts. The majority of the property management services contracts and property developer-related services do not have a fixed term. The term of the contracts for other value-added services is generally set to expire when the counterparties notify the Group several months in advance that the services are no longer required.

## Notes to the Interim Financial Information

## 7 EXPENSES BY NATURE

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Employee and other labour costs	443,884	340,614
Outsourced security, greening, cleaning and maintenance costs	153,148	121,022
Utilities	83,215	48,263
Short-term lease expenditure (Note 24(a))	75,577	51,071
Depreciation and amortisation	55,811	54,455
Travelling and entertainment expenses	15,883	8,286
Office expenses	11,632	8,199
Promotion and advertising expenses	11,366	9,487
Variable lease payments	8,435	5,284
Taxes and other levies	7,087	4,025
Professional fees	1,857	2,311
Auditors' remuneration – Audit services	1,000	1,200
Others	19,145	15,433
	<b>888,040</b>	<b>669,650</b>

## 8 STAFF COSTS

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Wages and salaries	296,138	256,741
Social insurance expenses (Note (a))	48,249	17,954
Share-based payments (Note 20)	27,624	–
Housing benefits	17,447	12,033
Other employee benefits (Note (b))	5,040	3,506
	<b>394,498</b>	<b>290,234</b>

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

(b) Other employee benefits mainly include meal, travelling and transportation allowances.

## Notes to the Interim Financial Information

## 9 OTHER INCOME AND LOSSES

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
<b>Other income</b>		
Government grants (Note (a))	5,209	3,823
Penalty income	5,871	4,713
Others	1,339	2,568
	<b>12,419</b>	11,104
<b>Other losses</b>		
Foreign exchange losses	(2,714)	–
	<b>9,705</b>	11,104

(a) The government grants represented mainly rewards, tax refunds and rental refunds from local government without attached conditions.

## 10 FINANCE INCOME – NET

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
<i>Interest expense in respect of:</i>		
Lease liabilities	(21,759)	(14,434)
Long-term payables	(405)	–
	<b>(22,164)</b>	(14,434)
<i>Interest income in respect of:</i>		
Bank deposits	22,337	14,766
Foreign exchange gains on financing activities – net	–	3,768
Finance income – net	<b>173</b>	4,100

## Notes to the Interim Financial Information

## 11 INCOME TAX EXPENSES

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Current income tax		
– PRC corporate income tax	<b>80,597</b>	62,449
Deferred income tax		
– PRC corporate income tax	<b>(5,770)</b>	(14,577)
	<b>74,827</b>	47,872

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the group entities as follows:

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Profit before income tax	<b>279,620</b>	192,784
Tax charge at effective rate applicable to profits in the respective group entities	<b>69,905</b>	48,196
Tax effects of:		
– Share of (profit)/loss of investments accounted for using the equity method	<b>(206)</b>	370
– Expenses not deductible for tax purposes (Note (a))	<b>5,128</b>	248
– Effect of income not subject to income tax	–	(942)
PRC corporate income tax	<b>74,827</b>	47,872

- (a) Expenses not deductible for tax purposes for the six months ended 30 June 2021 mainly represent expenses recognised in relation to the shares award scheme of the Company (the "Shares Award Scheme").

## Notes to the Interim Financial Information

### 11 INCOME TAX EXPENSES (CONTINUED)

#### PRC corporate income tax

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

The general corporate income tax rate in the PRC is 25%.

#### Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and pursuant to the rules and regulations of Cayman Islands, the Company is not subject to any income tax. The Company's subsidiaries in the British Virgin Islands were incorporated under the International Business Companies Act (as amended) of the British Virgin Islands and, accordingly are exempted from British Virgin Islands income tax.

#### Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these interim condensed consolidated financial information as the Company and the Group did not have assessable profit in Hong Kong during the six months ended 30 June 2021 (six months ended 30 June 2020: nil). The profit of the group entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.

### 12 EARNINGS PER SHARE

#### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2021 and 2020.

	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
<b>Earnings (RMB'000)</b>		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	<b>203,338</b>	144,912
<b>Number of shares ('000)</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>632,750</b>	619,158
Basic earnings per share (RMB cents per share)	<b>32.14</b>	23.40

## Notes to the Interim Financial Information

**12 EARNINGS PER SHARE (CONTINUED)****(b) Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
<b>Earnings (RMB'000)</b>		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	<b>203,338</b>	144,912
<b>Number of shares ('000)</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>632,750</b>	619,158
Effect of dilutive potential ordinary shares:		
Awarded shares	<b>4,675</b>	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>637,425</b>	619,158
Diluted earnings per share (RMB cents per share)	<b>31.90</b>	23.40



## Notes to the Interim Financial Information

## 13 PROPERTY AND EQUIPMENT

	Motor vehicles RMB'000	Furniture, fitting and equipment RMB'000	Total RMB'000
<b>Six months ended 30 June 2021 (Unaudited)</b>			
Opening net book amount	572	9,247	9,819
Additions	254	2,240	2,494
Disposals	(33)	(95)	(128)
Depreciation charge	(132)	(1,942)	(2,074)
<b>Closing net book amount</b>	<b>661</b>	<b>9,450</b>	<b>10,111</b>
<b>As at 30 June 2021 (Unaudited)</b>			
Cost	6,983	26,608	33,591
Accumulated depreciation	(6,322)	(17,158)	(23,480)
<b>Net book amount</b>	<b>661</b>	<b>9,450</b>	<b>10,111</b>
<b>Six months ended 30 June 2020 (Unaudited)</b>			
Opening net book amount	908	6,020	6,928
Additions	519	3,009	3,528
Disposals	(21)	(78)	(99)
Depreciation charge	(647)	(2,164)	(2,811)
<b>Closing net book amount</b>	<b>759</b>	<b>6,787</b>	<b>7,546</b>
<b>As at 30 June 2020 (Unaudited)</b>			
Cost	6,339	21,273	27,612
Accumulated depreciation	(5,580)	(14,486)	(20,066)
<b>Net book amount</b>	<b>759</b>	<b>6,787</b>	<b>7,546</b>

- (a) Depreciation expenses were charged to the following categories in the interim condensed consolidated statements of comprehensive income:

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Cost of services	826	1,105
Administrative expenses	1,248	1,706
	<b>2,074</b>	<b>2,811</b>

## Notes to the Interim Financial Information

## 14 INVESTMENT PROPERTIES

	Leased commercial properties – right of use assets RMB'000
<b>Six months ended 30 June 2021 (Unaudited)</b>	
Opening net book amount	688,205
Depreciation charge	(53,457)
Closing net book amount	634,748
<b>As at 30 June 2021 (Unaudited)</b>	
Cost	1,140,190
Accumulated depreciation	(505,442)
<b>Net book amount</b>	<b>634,748</b>
<b>Six months ended 30 June 2020 (Unaudited)</b>	
Opening net book amount	207,207
Additions	199,901
Depreciation charge	(51,644)
<b>Closing net book amount</b>	<b>355,464</b>
<b>As at 30 June 2020 (Unaudited)</b>	
Cost	763,864
Accumulated depreciation	(408,400)
<b>Net book amount</b>	<b>355,464</b>

(a) Depreciation expenses were charged to the following categories in the consolidated statements of comprehensive income:

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Cost of services	53,457	51,644

## Notes to the Interim Financial Information

**15 GOODWILL**

No impairment provision on goodwill was recognised as at 30 June 2021.

**16 OPERATING LEASE AND TRADE RECEIVABLES**

	<b>30 June 2021</b> <b>(Unaudited)</b> <b>RMB'000</b>	31 December 2020 <b>(Audited)</b> <b>RMB'000</b>
Operating lease receivables (Note (a))		
– Third parties	<b>22,971</b>	17,170
Trade receivables (Note (a))		
– Related parties (Note 24(d))	<b>48,220</b>	32,718
– Third parties	<b>195,286</b>	154,943
	<b>243,506</b>	187,661
Operating lease and trade receivables	<b>266,477</b>	204,831
Less: allowance for impairment	<b>(56,542)</b>	(42,877)
	<b>209,935</b>	161,954

- (a) The Group's revenue is derived from provision of commercial operational services, residential property management services and lease of properties. Proceeds in respect of service rendering and rental income are to be received in accordance with the terms of relevant property service agreements and tenant contracts.

As at the respective balance sheet date, the aging analysis of the operating lease and trade receivables due from related parties and third parties based on the demand note dates is as follows:

	<b>30 June 2021</b> <b>(Unaudited)</b> <b>RMB'000</b>	31 December 2020 <b>(Audited)</b> <b>RMB'000</b>
0-30 days	<b>71,553</b>	49,187
31-180 days	<b>75,570</b>	51,472
181-365 days	<b>52,676</b>	46,128
1-2 years	<b>27,390</b>	20,386
2-3 years	<b>13,108</b>	20,319
Over 3 years	<b>26,180</b>	17,339
	<b>266,477</b>	204,831

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2021, a provision of RMB56,542,000 was made against the gross amounts of operating lease and trade receivables (31 December 2020: RMB42,877,000).

As at 30 June 2021 and 31 December 2020, the operating lease and trade receivables were denominated in RMB, and their fair values approximated their carrying amounts.

## Notes to the Interim Financial Information

## 17 PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
Other receivables		
– Payments on behalf of tenants or residents (Note (a))	57,194	50,767
– Others	24,350	7,927
	<b>81,544</b>	58,694
Less: allowance for impairment	<b>(4,681)</b>	(4,745)
	<b>76,863</b>	53,949
Prepayments		
– Third parties (Note (b))	32,047	50,615
– Related parties (Note 24(d))	808	195
	<b>32,855</b>	50,810
	<b>109,718</b>	104,759

(a) Amounts represented mainly the payments of utility fees on behalf of tenants or residential communities.

(b) Amounts represented mainly the prepaid utility expenses.

(c) The balances of prepayments and other receivables were all denominated in RMB.

## Notes to the Interim Financial Information

## 18 CASH AND CASH EQUIVALENTS

	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
Cash at bank and in hand (Note (a))	<b>3,796,393</b>	3,449,619
Less: Restricted cash	–	(518)
Cash and cash equivalents	<b>3,796,393</b>	3,449,101

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

	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
RMB	<b>3,793,042</b>	3,268,469
HK\$	<b>3,351</b>	181,084
Other currencies	–	66
	<b>3,796,393</b>	3,449,619

## Notes to the Interim Financial Information

## 19 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Share capital		Share premium	Total
		HK\$'000	RMB'000	RMB'000	RMB'000
<b>Authorised</b>					
As at 1 January 2021 and 30 June 2021	2,000,000,000	20,000	17,905	–	17,905
<b>Issued</b>					
As at 1 January 2021	644,000,000	6,440	5,756	1,473,532	1,479,288
Dividends (Note 21)	–	–	–	(93,726)	(93,726)
<b>As at 30 June 2021 (Unaudited)</b>	<b>644,000,000</b>	<b>6,440</b>	<b>5,756</b>	<b>1,379,806</b>	<b>1,385,562</b>

	Number of ordinary shares	Share capital		Share premium	Total
		HK\$'000	RMB'000	RMB'000	RMB'000
<b>Authorised</b>					
At 1 January 2020 and 30 June 2020	2,000,000,000	20,000	17,905	–	17,905
<b>Issued</b>					
At at 1 January 2020	600,000,000	6,000	5,376	1,231,531	1,236,907
Issued upon the exercise of the over-allotment option	22,500,000	225	199	184,448	184,647
Repurchased	(1,000,000)	(10)	(9)	(8,543)	(8,552)
<b>As at 30 June 2020 (Unaudited)</b>	<b>621,500,000</b>	<b>6,215</b>	<b>5,566</b>	<b>1,407,436</b>	<b>1,413,002</b>

## Notes to the Interim Financial Information

## 20 OTHER RESERVES

	Statutory reserves RMB'000	Shares Award Scheme – value of employee service RMB'000	Total reserves RMB'000
<b>Balance at 1 January 2021</b>	23,617	18,416	42,033
Shares Award Scheme – value of employee service (Note (a))	–	27,624	27,624
<b>Balance at 30 June 2021 (Unaudited)</b>	23,617	46,040	69,657
<b>Balance at 1 January 2020 and 30 June 2020 (Unaudited)</b>	22,430	–	22,430

## (a) Shares Award Scheme

On 24 November 2020, as the grant date, the Company has resolved to award an aggregate of 11,250,000 awarded shares ("Awarded Shares") to Mr. Chen Deli, an executive director and the chief executive officer of the Company.

Under the terms of the Shares Award Scheme, when the vesting conditions are fulfilled, 50% of the Awarded Shares shall be vested in June 2023 and 50% of the Awarded Shares shall be vested in June 2025 respectively.

The Awarded Shares have an aggregate nominal value of HK\$112,500 and a fair value of HK\$226,688,000 based on the price of HK\$20.15 on the grant date (equivalent to approximately RMB192,446,000). For the six months ended 30 June 2021, an expense of RMB27,624,000 was recognised in relation to the Shares Award Scheme.

## 21 DIVIDEND

On 11 June 2021, the annual general meeting of the Company for the year ended 31 December 2020 approved the payment of a final dividend amounting to HK\$113,895,000 (equivalent to approximately RMB93,726,000) (2020: HK\$124,300,000, equivalent to approximately RMB113,541,000) which is calculated according to the number of ordinary shares in issue as at 31 December 2020 excluding shares held for shares award scheme. Such dividend was paid on 11 August 2021.

On 18 August 2021, the Board recommended the payment of an interim dividend of HK\$0.15 (equivalent to RMB0.13 based on the exchange rate of 30 June 2021) per ordinary share. Total amount of interim dividend would be HK\$94,913,000 (equivalent to approximately RMB78,977,000) which is calculated according to the number of ordinary shares in issue as at 30 June 2021 excluding shares held for shares award scheme. These interim condensed consolidated financial information has not reflected this dividend payable.

## Notes to the Interim Financial Information

**22 LEASES****(a) Amounts recognised in the interim condensed consolidated balance sheets**

	<b>30 June 2021</b> <b>(Unaudited)</b> <b>RMB'000</b>	31 December 2020 <b>(Audited)</b> <b>RMB'000</b>
Leased in properties for sub-lease to tenants – Leased commercial properties (Note 14)	<b>634,748</b>	688,205
Lease liabilities		
Current	<b>112,639</b>	202,072
Non-current	<b>685,438</b>	659,816
	<b>798,077</b>	861,888

**(b) Amounts recognised in profit and loss**

	<b>Six months ended 30 June</b> <b>2021</b> <b>(Unaudited)</b> <b>RMB'000</b>	2020 <b>(Unaudited)</b> <b>RMB'000</b>
Depreciation charge		
Commercial properties (Note 14)	<b>53,457</b>	51,644
Interest expense (included in finance income – net)	<b>21,759</b>	14,434
Variable lease payments (included in cost of services)	<b>8,435</b>	5,284
Short-term lease expenditure for car parks and common areas and advertising space	<b>75,577</b>	51,071
Cash outflows for lease payments (including principal elements and relevant interest expense)	<b>85,569</b>	90,860



## Notes to the Interim Financial Information

## 23 TRADE AND OTHER PAYABLES

	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
Trade payables		
– Related parties (Note 24(d))	1,229	2,156
– Third parties	103,460	118,343
	<b>104,689</b>	120,499
Other payables		
– Related parties (Note 24(d))	210,353	161,826
– Receipts on behalf of tenants or residents (Note (a))	191,481	194,420
– Payables for promotion fees	47,555	31,119
– Deposits received (Note (b))	451,771	364,415
– Payables for business combination	3,759	10,239
– Others	15,093	17,645
	<b>920,012</b>	779,664
Accrued payroll	84,777	140,903
Other taxes payables	13,422	19,918
Dividend payables	94,772	–
	<b>1,217,672</b>	1,060,984

- (a) Amounts represented the receipts on behalf of tenants or residents to settle the bills of utilities charges.
- (b) Amounts represented mainly deposits received from tenants as performance securities in relation to tenant agreements or property management service agreements.
- (c) As at 30 June 2021 and 31 December 2020, the carrying amounts of trade and other payables approximated their fair values.
- (d) As at the respective balance sheet date, the ageing analysis of the trade payables (including amounts due to related parties) based on invoice dates is as follows:

	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
Within 1 year	102,518	116,029
1 to 2 years	1,857	3,598
2 to 3 years	314	872
	<b>104,689</b>	120,499

## Notes to the Interim Financial Information

**23 TRADE AND OTHER PAYABLES (CONTINUED)**

(e) Trade and other payables (excluding accrued payroll and other tax payables) were denominated in the following currencies:

	<b>30 June 2021</b> (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
RMB	<b>1,024,293</b>	900,155
HK\$	<b>95,180</b>	8
	<b>1,119,473</b>	900,163

**24 RELATED PARTY TRANSACTIONS**

(a) Transactions with related parties

	<b>Six months ended 30 June</b>	
	<b>2021</b> (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Revenue arising from provision of services (Note (ii))		
– Entities controlled by Mr. Hoi	<b>182,746</b>	84,656
– Entities jointly controlled by Mr. Hoi	<b>50,323</b>	36,901
	<b>233,069</b>	121,557
Office leasing expenditure paid/payable		
– Entities controlled by Mr. Hoi	<b>933</b>	928
Short-term lease expenditure for car parks, common areas and advertising space		
– Entities controlled by Mr. Hoi	<b>75,577</b>	51,071
Purchase of low-value consuming goods		
– Entities controlled by Mr. Hoi	<b>114</b>	627
Purchase of information technology services		
– Entities jointly controlled by Mr. Hoi	–	5,878

## Notes to the Interim Financial Information

**24 RELATED PARTY TRANSACTIONS (CONTINUED)****(a) Transactions with related parties (Continued)**

- (i) Transactions with related parties were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.
- (ii) Amounts mainly comprised revenue from commercial operational services and residential properties management services.

**(b) Free trademark license agreement**

On 8 August 2019, a trademark licencing agreement was entered into between the Group and Powerlong Group Development Co., Ltd. (寶龍集團發展有限公司) ("Powerlong Group Development"), pursuant to which Powerlong Group Development agreed to irrevocably and unconditionally grant to the Group the right to (i) use; and/or (ii) sub-license to a third party due to operational needs arising from its usual and ordinary course of business and other activities, certain trademarks registered in the PRC for a perpetual term commencing from the date of the trademark licensing agreement on a royalty-free basis.

**(c) Key management compensation**

Compensations for key management is set out below.

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Salaries and other short-term employee benefits	<b>2,892</b>	2,339

## Notes to the Interim Financial Information

**24 RELATED PARTY TRANSACTIONS (CONTINUED)****(d) Balances with related parties**

	<b>30 June 2021</b> <b>(Unaudited)</b> <b>RMB'000</b>	31 December 2020 <b>(Audited)</b> <b>RMB'000</b>
Trade receivables		
– Entities controlled by Mr. Hoi	<b>43,764</b>	21,606
– Entities jointly controlled by Mr. Hoi	<b>4,456</b>	11,112
	<b>48,220</b>	32,718
Prepayments		
– Entities controlled by Mr. Hoi	<b>808</b>	195
Trade payables		
– Entities controlled by Mr. Hoi	<b>1,154</b>	2,081
– Entities jointly controlled by Mr. Hoi	<b>75</b>	75
	<b>1,229</b>	2,156
Other payables (non-trade)		
– Entities controlled by Mr. Hoi	–	3,292
– Entities jointly controlled by Mr. Hoi	–	118
	–	3,410

## Notes to the Interim Financial Information

**24 RELATED PARTY TRANSACTIONS (CONTINUED)****(d) Balances with related parties (Continued)**

	<b>30 June 2021</b> <b>(Unaudited)</b> <b>RMB'000</b>	31 December 2020 <b>(Audited)</b> <b>RMB'000</b>
Other payables (trade) (Note (i))		
– Entities controlled by Mr. Hoi	<b>196,294</b>	121,337
– Entities jointly controlled by Mr. Hoi	<b>14,059</b>	37,079
	<b>210,353</b>	158,416
Contract liabilities		
– Entities controlled by Mr. Hoi	<b>85,155</b>	84,673
– Entities jointly controlled by Mr. Hoi	<b>30,218</b>	33,908
	<b>115,373</b>	118,581

- (i) The balances consisted of short-term lease payments of car parks, common areas and advertising spaces and the receipts on behalf of owners of the commercial properties to settle the expenses relating promotion and marketing activities.

Trade receivables, trade payables, other payables and contract liabilities due from/to related parties were unsecured and interest-free.

**25 CONTINGENCIES**

As at 30 June 2021, the Group did not have any significant contingent liabilities (31 December 2020: same).

**26 COMMITMENTS**

As at 30 June 2021, the Group's future aggregate commitments were RMB128,346,000 (31 December 2020: RMB158,878,000) including:

- (i) The Group's future aggregate minimum lease payments under non-cancellable short-term leases arrangements of RMB78,346,000 due within one year;
- (ii) On 27 May 2021, the Group entered into a capital increase agreement, pursuant to which the Group agreed to acquire 8.3% interest of Shanghai Yueshang Information Technology Co., Ltd. ("Shanghai Yueshang") by a capital injection of RMB50,000,000 based on certain conditions precedent. Shanghai Yueshang is a related party of the Company, which is owned as to 40.5% by Mr. Hoi Wa Fong, an executive Director of the Company, as at the date of the capital increase agreement. The aforesaid transaction was completed in August 2021.

**27 EVENTS AFTER THE BALANCE SHEET DATE**

In July 2021, the Group and a state-owned company entered into an agreement, pursuant to which the Group would lease four properties located in Xiamen with a total contracted gross floor area of approximately 91,000 square meters. The total contract amount of the lease payment is approximately RMB760,000,000 which will be settled by annual installments within the lease period of 20 years.