

# 金科智慧服務集團 股份有限公司

*Jinke Smart Services Group Co., Ltd.*

股份代號 9666.HK

Stock Code 9666.HK

(於中華人民共和國註冊成立的股份有限公司)

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

# 2021

## INTERIM REPORT

### 中期報告

**JINKE** 金科服務

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Xia Shaofei (*Chairman*)  
Mr. Luo Chuansong  
Mr. Xu Guofu

### Non-Executive Directors

Mr. Luo Licheng  
Mr. Liang Zhongtai  
Mr. Li Nan

### Independent Non-Executive Directors

Mr. Cao Guohua  
Ms. Yuan Lin  
Mr. Chan Chi Fung Leo

## SUPERVISORS

Mr. Yu Yong  
Mr. Han Chong  
Ms. Ren Wenjuan

## JOINT COMPANY SECRETARIES

Mr. Xu Guofu  
Mr. Lau Kwok Yin

## AUTHORIZED REPRESENTATIVES

Mr. Xu Guofu  
Mr. Lau Kwok Yin

## AUDIT COMMITTEE

Mr. Chan Chi Fung Leo (*Chairman*)  
Mr. Liang Zhongtai  
Mr. Cao Guohua

## REMUNERATION COMMITTEE

Ms. Yuan Lin (*Chairlady*)  
Mr. Luo Licheng  
Mr. Cao Guohua

## NOMINATION COMMITTEE

Mr. Xia Shaofei (*Chairman*)  
Ms. Yuan Lin  
Mr. Cao Guohua

## HEADQUARTERS IN THE PRC

Building A4, East Zone  
Jinke Shiniancheng  
No. 480, Panxi Road  
Shimahe Street  
Jiangbei District  
Chongqing, PRC

## REGISTERED OFFICE IN THE PRC

Jinke Huayuan  
Wuhuang Road  
Wulidian Street  
Jiangbei District  
Chongqing, PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor  
Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

## H SHARE REGISTRAR

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

# CORPORATE INFORMATION

## AUDITOR

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

## COMPLIANCE ADVISOR

Guotai Junan Capital Limited

## LEGAL ADVISOR AS TO HONG KONG LAWS

Sidley Austin

## PRINCIPAL BANKS

Industrial and Commercial Bank of China,  
Chongqing Longhu Branch

China Merchants Bank, Chongqing Branch,  
Jinke Shierfang Sub-branch

## INVESTOR RELATIONS

Investor Relations Department  
E-mail: [irjks@jinke.com](mailto:irjks@jinke.com)  
Telephone: +86 (023) 8825 9666

## COMPANY'S WEBSITE

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

## STOCK CODE

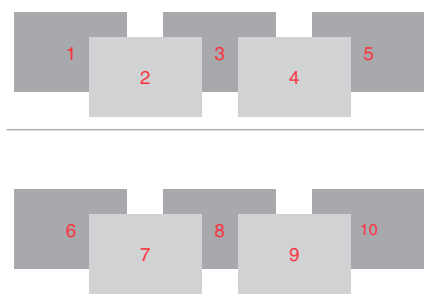
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# AWARDS AND HONORS

## HONORS OF JINKE SERVICES DURING THE PERIOD

### List of honors by CIA in 2021:

#### 1. Top 100 Property Companies



- 1 2021 Top 10 among the Top 100 Property Management Companies in China in terms of Comprehensive Strength
- 2 2021 China Leading Property Companies in terms of Technology Empowerment
- 3 2021 China Leading Property Management Companies in terms of Satisfaction
- 4 2021 China Leading Property Management Companies in terms of Quality Service
- 5 2021 China Top 10 Property Management Companies in terms of Service Scale
- 6 2021 China Top 10 Property Management Companies in terms of Operation Performance
- 7 2021 Leading Property Management Service Enterprise with Chinese Characteristics – City Service
- 8 2021 Top 10 Property Management Companies in Chongqing in terms of Overall Strengths
- 9 2021 Top 10 Property Management Companies in Wuxi in terms of Overall Strengths
- 10 2021 Top 10 Property Management Companies in Zhengzhou in terms of Overall Strengths

# AWARDS AND HONORS

## 2. TOP 10 Listed Property Companies



- 1 2021 China Top 10 Listed Property Management Companies in terms of Comprehensive Strength
- 2 2021 China Top 10 Listed Property Management Companies in terms of Market Expansion Ability
- 3 2021 China Top 10 Listed Property Management Companies in terms of Community Value-added Service Capabilities



# CHAIRMAN'S STATEMENT

I am pleased to present the interim report of Jinke Smart Services Group Co., Ltd. and its subsidiaries (collectively, referred to as the "Group") for the six months ended 30 June 2021.

## MARKET AND INDUSTRY OUTLOOK

In the first half of 2021, the global pandemic continued to develop and the external environment became increasingly complicated. The global economy was under full pressure. However, the PRC economy continued to improve while maintaining stability. Upon the completion of building a moderately prosperous society in all respects, China's "14th Five-year" strategic plan mentions property management services many times and specifies to speed up in the development of property, tourism, elderly care, nursery and other service industries to constantly promote the construction of intelligent communities and digital cities and satisfy the people's growing needs for a better life. As a result, different ministries and commissions have successively released various regulatory and incentive policies to further promote the development of the property management industry. Meanwhile, property management enterprises are playing more and more important roles in the grass-roots governance with increasing industrial value and importance. The long-term sound development trend of the industry remained unchanged.

## INTERIM RESULTS

The overall strength has been significantly improved, and the operating indicators have been continuously optimized. For the six months ended 30 June 2021, the Group achieved the revenue of approximately RMB2,586 million, with an increase of approximately 89% over the same period of 2020, of which, the revenue from community value-added services reached approximately RMB652 million, with a significant year-on-year increase of approximately 419%. In the first half of the year, it achieved net profit of approximately RMB542 million, with a year-on-year increase of approximately 79%; net profit attributable to owners of the Company for the first half of 2021 was approximately RMB530 million, with a year-on-year increase of approximately 80% over the same period of last year. As at 30 June 2021, the Group has completed a nationwide layout of 26 provinces and 166 cities, with a total GFA under management of approximately 187 million sq.m., of which approximately 52% was attributable to Independent Third Parties. The new GFA under management in the first half of 2021 was approximately 31 million sq.m., of which 68% was attributable to Independent Third Parties. The contracted GFA totaled approximately 315 million sq.m., of which approximately 58% was attributable to Independent Third Parties. The new contracted GFA in the first half of 2021 was approximately 380,000 sq.m., of which 73% was attributable to Independent Third Parties. The external expansion capabilities of third parties continued to display, achieving mutual growth in profit and scale.

## MAKE NEW ACHIEVEMENTS IN NEXT FIVE YEARS

In the first half of 2021, the Company unswervingly implemented the strategy of "service + technology, service + ecology", and continued to build the core capabilities in the three major business lines: urban space services, better life services, and intelligent technology services. The construction synergy of three major capabilities in new services, new ecology, and new technology has achieved obvious results. The structure of the four major segments has been optimized, and the community ecology has been effective.

In talent system construction, we adhered to talents being the primary resources to highly match the development strategy. We unceasingly introduced high-level and highly skilled talents with leading advantages and diversified experiences in the industry, and built a "young, professional and knowledge-based" talent system and guaranteed that the talent introduction match the business expansion. In the first half of the year, three new high-level management personnel were introduced. At the same time, we continued to improve the structure of our business team. Among them, the personnel of investment and development team increased by 45% year-on-year, and the personnel of value-added service team increased by 52% year-on-year.

In urban space services, we reinforced the urban density strategy and built direct expansion moat. We further reinforced and deepened the urban density strategy and consistently consolidated the four advantageous regions by focusing on the Yangtze River Economic Belt and core areas in Southern China and obtaining various projects with different businesses and high industrial value leveraging on our advantages in resources and brands for direct expansion, achieving stable increase in the proportions of GFA under management and contracted GFA attributable to Independent Third Parties with the expansion strength proved in the market. Leveraging on high-quality joint ventures and cooperation, we cooperated with local governments of Xinpu in Zunyi, Xuancheng in Anhui, Neijiang in Sichuan, Liuyang in Hunan, Wuhan in Hubei and Jiulong in Chongqing as well as other third-party private developers and obtained various high-quality urban services, residential and non-residential projects. Through high-quality and efficient mergers and acquisitions, we acquired Baotou Smart Property Service Co., Ltd. (包頭智慧物業服務有限公司) and Chongqing Meilishan Property Service Co., Ltd. (重慶美利山物業服務有限公司), filling blankness in urban layout and improving the concentration in core areas. We always put customers as the center and constantly refine the details of services and products and have been recognized in the industry and by customers for consecutive years. Our customer satisfaction rate was over 90% for nine consecutive years.

# CHAIRMAN'S STATEMENT

In better life services, the implementation of “service + ecology” has been accelerated, and the ecological construction of communities has achieved remarkable results. In the first half of 2021, we relied on a large base of property owners, focused on their “food, accommodation, transportation, travel, shopping and education”, and accurately controlled their demands. Leveraging on professional operation and service teams, we expanded the value-added service offerings, increased the penetration rate of our business into communities, resulting in a doubled growth in segment revenue and gross profit. We focused on the three sectors of “space, assets and customers”, did a thorough community value-added business, quickly improved the service capacity of our value-added business and extended the service chains by attracting professional talents and acquiring professional companies, so as to further improve the proportion of revenue generated from the value-added business. We focused on the field of major consumption, worked around the three core functions of community life service, owner asset operation and community space operation, vigorously developed community group purchase, home renovation and housing brokerage, consolidated our internal strength to improve the competitiveness of products and services, and transformed our business from focusing on the community to focusing on the society; rapidly developed group meal, travel services and life supply chain services to improve regional concentration construction, as well as made use of the advantages of online + offline services and integrated local upstream and downstream resources to improve customer loyalty, so as to build into a service provider for local better life.

In intelligent technology services, we led the digital transformation of the industry, and technology empowers a better life. We adhered to the mechanization of manpower and the intellectualization of machinery and took cost reduction and efficiency enhancement as the core work, constantly optimized and diversified our smart property solutions, continuously built a “new ecosystem on digital and intelligent scenarios” featured by mechanization, intellectualization and datamation and conducted explorations and attempts on the concept of smart services in various sectors in urban space services and gradually expanded from smart communities to diversified businesses, including smart buildings, smart parks and smart cities.

## NEW MISSION, NEW JOURNEY

2021 is the first year of Jinke Services with the vision of “tenfold increase in results in next five years”. In the first half of 2021, the Company made great progress in various businesses. In the future, we will adhere to the development strategy of “service + technology, service + ecology”, continue to display the role of “ecology + technology” as double engines, and further strengthen the construction and coordination of the three core capabilities in new services, new ecology and new technology, and further enhance dense development, deep coordination and concentration construction.

In urban space services, we will continue to strengthen and deeply develop the layout on urban density and strengthen the acquisitions and mergers of urban residential properties and the direct expansion of various businesses. In digital and intelligent technology services, we will intensify the coordination between services and technology and deeply empower property services and business expansion. In the better life services, we will give play to the density advantages and provide complete community value-added and local life concentration services. We will introduce the local life services track, deploy meal services and speed up the integration with local supply chains to boost business collaboration.

We have taken customer satisfaction as the core to achieve high efficiency, high quality, high density, high satisfaction and high technology content, and have insisted on the rapid growth with high efficiency and quality. With lofty aspiration and firmly-determined original vision, in the future, we will continue to run to surpass our better self and start from the end to return our shareholders with high satisfaction and better results!

Xia Shaofei  
*Chairman and Executive Director*

Chongqing, the PRC, 25 August 2021



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW

The Group is a leading, comprehensive and “smart” property management service provider in the PRC and ranked first in the Southwestern China Region. Relying on its leading overall strength, the Group was recognized by CIA as a top ten property management company in China for six consecutive years, and the Group’s market share in the Southwestern China Region have ranked first for six consecutive years. In the first half of 2021, relying on its leading service quality, the customer satisfaction rate of the residential properties managed by the Group was over 90% for nine consecutive years, and the Group was awarded the “Top 2 among the Top 100 China Leading Property Management Companies in terms of Quality Service” (中國物業服務百強服務質量領先企業Top 2) and the “Top 2 among the Top 100 China Leading Property Management Companies in terms of Customer Satisfaction Rate” (中國物業服務百強滿意度領先企業Top 2) by CIA. Based on its leading technological strength, the Group was awarded the “Top 3 among the Leading Property Management Enterprise in Terms of Technological Capabilities” (中國物業科技賦能領先企業Top 3). In March 2021, the Company was included as a constituent stock of the Hang Seng Composite Index, and in June 2021, it was included as a constituent stock of the FTSE Russell Flagship Index, which demonstrated the full recognition of the capital markets.

The four main business lines of the Group are: (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) smart living technology solutions. The Group adheres to the development strategy of service + technology, service + ecology, insists on customer satisfaction as the core, continues to improve service quality and build community ecology, and strives to become a world-class comprehensive and “smart” service provider.

## FINANCIAL REVIEW

### Revenue

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

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

	As at or for the six months ended 30 June			
	2021		2020	
	(RMB'000)	(%)	(RMB'000)	(%)
Property management services	1,309,579	50.6	925,381	67.6
Value-added services to non-property owners	567,387	21.9	292,227	21.3
Community value-added services	651,744	25.2	125,568	9.2
Smart living technology solutions	57,030	2.3	26,428	1.9
Total	<u>2,585,740</u>	<u>100.0</u>	<u>1,369,604</u>	<u>100.0</u>

# MANAGEMENT DISCUSSION AND ANALYSIS

The Group's revenue increased by approximately 88.8% from RMB1,369.6 million for the six months ended 30 June 2020 to RMB2,585.7 million for the six months ended 30 June 2021. This increase was mainly attributable to:

- (i) the increase in revenue from property management services by approximately 41.5% from RMB925.4 million for the six months ended 30 June 2020 to RMB1,309.6 million for the six months ended 30 June 2021, which was primarily driven by the Group's business expansion, of which the GFA under management increased by approximately 44.0% from 129.7 million sq.m. as at 30 June 2020 to 186.8 million sq.m. as at 30 June 2021;
- (ii) the increase in revenue from value-added services to non-property owners by approximately 94.2% from RMB292.2 million for the six months ended 30 June 2020 to RMB567.4 million for the six months ended 30 June 2021, which was primarily driven by (a) the increase in sales assistance services provided to property developers as a result of an increase in the number of sales offices; (b) the COVID-19's impact is easing off in China; and (c) the breakthrough achieved by the Group in the development of the commercial property sales agency business in the first half of 2021;
- (iii) the increase in revenue from community value-added services by approximately 419.0% from RMB125.6 million for the six months ended 30 June 2020 to RMB651.7 million for the six months ended 30 June 2021, which was primarily driven by (a) the increase in scale of the Group's property management business which led to an increase in customer base; (b) the expansion of the Group's community value-added service offerings to residents and so on; and
- (iv) the increase in revenue from smart living technology solutions by approximately 115.8% from RMB26.4 million for the six months ended 30 June 2020 to RMB57.0 million for the six months ended 30 June 2021, which was primarily driven by (a) the increase in smart solutions that the Group developed for Independent Third Parties; and (b) the wider implementation of the Home-Life system (生命家系統) in sales offices where the Group provides sales assistance services.

## *Property management services*

The Group provides a series of property management services to property owners, property developers, and residents, including cleaning, order maintenance, greening, repair and maintenance services, etc. The Group is committed to providing property owners and residents with services and experience of better quality by leveraging on its rich service experience and attentive services, so as to gain a good market reputation, and expand a large number of third-party residential properties. Relying on its advanced technical capabilities in property services, the Group has extended community life services to urban comprehensive services, and formed a multi-format full-service system covering mid-to-high-end commercial and office buildings, industrial parks, schools, hospitals, public construction, and urban services.

# MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2021, the Group has completed a national layout in 26 provinces and 166 cities in the PRC. The Group managed a total of 496 residential projects and 292 non-residential projects. The total contracted GFA was approximately 315 million sq.m., of which approximately 58% was attributable to Independent Third Parties. In the first half of 2021, the newly added contracted GFA was approximately 38 million sq.m., of which 73% was attributable to Independent Third Parties; the total GFA under management was approximately 187 million sq.m., of which approximately 52% was attributable to Independent Third Parties. In the first half of 2021, the newly added GFA under management was approximately 31 million sq.m.. The number of the Group's third-party contracts and the total GFA under management steadily increased, and its strong market expansion capability has been further verified. The GFA under management in the core area of the Southwestern China Region reached 98.9 million sq.m., accounting for 53% of the total GFA under management, which further showed the urban density effect. During the Period, the Group's revenue from property management services was approximately RMB1,309.6 million, representing an increase of approximately 41.5% over the same period of last year. The unit price of property management fees continued to rise to RMB2.22 per month, the gross profit margin increased by 0.6 percentage point to 28.4%, and the collection rate remained at a high level of 90%.

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

	As at or for the six months ended 30 June			
	2021		2020	
	GFA under management (sq.m.'000)	Revenue (RMB'000)	GFA under management (sq.m.'000)	Revenue (RMB'000)
Property developed by Jinke Property Group <sup>(1)</sup>	78,936	723,343	60,481	559,021
Properties developed by Jinke Property Group's joint ventures and associates <sup>(2)</sup>	11,025	63,983	6,396	33,122
Properties developed by Independent Third Parties <sup>(3)</sup>	96,832	522,253	62,867	333,238
<b>Total</b>	<b>186,793</b>	<b>1,309,579</b>	<b>129,744</b>	<b>925,381</b>

*Notes:*

- (1) Refer to properties developed by Jinke Property Group through its wholly-owned subsidiaries or properties jointly developed by Jinke Property Group and other property developers (excluding properties developed by Jinke Property Group's joint ventures and associates) in which Jinke Property Group held a controlling interest.
- (2) Refer to properties developed by Jinke Property Group's joint venture and associates, in which Jinke Property Group did not hold a controlling interest.
- (3) Refer to properties solely developed by third-party property developers independent from Jinke Property Group. Properties developed by Independent Third Parties include government-owned buildings and other public properties.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the average property management fee of projects developed by Jinke Property Group was RMB2.57 per sq.m. per month (30 June 2020: RMB2.39) and the average property management fee of projects developed by Independent Third Parties was RMB1.87 per sq.m. per month (30 June 2020: RMB1.66). As at 30 June 2021, the Group achieved 90% collection rate of property management fee as a result of the Group's high service satisfaction rate.

As at 30 June 2021, on the basis of the rapid growth in the scale of its property management services, the Group accelerated the development and diversification of its business. During the Period, the Group's revenue from property management services derived from non-residential properties was approximately RMB243.3 million, representing an increase of approximately 59.4% as compared with the same period in 2020. GFA under management of non-residential properties increased to 34.0 million sq.m., accounting for approximately 18.2% of the total GFA under management of the Group and representing an increase of 2% as compared with the same period in 2020. The Group had 292 property projects under management, among which 138 projects were commercial and office buildings, 57 projects were industrial parks and 97 projects were public and other properties.

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

	As at or for the six months ended 30 June			
	2021		2020	
	GFA under management (sq.m.'000)	Revenue (RMB'000)	GFA under management (sq.m.'000)	Revenue (RMB'000)
Residential properties	152,770	1,066,287	108,700	772,723
Non-residential properties				
– Commercial properties and office buildings	6,926	112,230	5,749	60,128
– Public and other properties	18,909	90,988	8,990	58,674
– Industrial parks	8,188	40,074	6,305	33,856
Subtotal	34,023	243,292	21,044	152,658
Total	186,793	1,309,579	129,744	925,381

# MANAGEMENT DISCUSSION AND ANALYSIS

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

	As at or for the six months ended 30 June			
	2021		2020	
	GFA under management (sq.m.'000)	Revenue (RMB'000)	GFA under management (sq.m.'000)	Revenue (RMB'000)
Southwestern China Region <sup>(1)</sup>	98,917	766,756	69,913	549,461
Eastern and Southern China Region <sup>(2)</sup>	41,223	280,804	28,441	216,266
Central China Region <sup>(3)</sup>	34,534	165,112	24,198	112,763
Other Regions <sup>(4)</sup>	12,119	96,907	7,192	46,891
<b>Total</b>	<b>186,793</b>	<b>1,309,579</b>	<b>129,744</b>	<b>925,381</b>

*Notes:*

- (1) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Southwestern China Region include Sichuan province, Guizhou province, Yunnan province, Tibet Autonomous Region and Chongqing municipality.
- (2) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Eastern and Southern China Region include Jiangsu province, Zhejiang province, Fujian province, Jiangxi province, Shandong province, Anhui province, Guangdong province, Hainan province, Guangxi Zhuang Autonomous Region and Shanghai municipality.
- (3) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Central China Region include Henan province, Hubei province and Hunan province.
- (4) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in other regions include Hebei province, Shanxi province, Shaanxi province, Gansu province, Qinghai province, Liaoning province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region, Beijing and Tianjin municipalities.

*Value-added services to non-property owners*

The Group provides a series of value-added services to non-property owners (mainly including property developers and other property management companies), including: (i) sales assistance services, (ii) pre-delivery services such as cleaning, inspection and acceptance, maintenance and other services at the pre-delivery stage, (iii) consultancy and other services such as providing property developers and property management companies with project planning and management consulting services, as well as house underwriting and selling on commission services of remaining buildings. During the Period, revenue from value-added services to non-property owners was approximately RMB567.4 million, representing an increase of 94.2% as compared with the same period in 2020.



# MANAGEMENT DISCUSSION AND ANALYSIS

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

	For the six months ended 30 June			
	2021		2020	
	(RMB'000)	(%)	(RMB'000)	(%)
Sales assistance services	369,802	65.2	246,890	84.5
Pre-delivery services	85,346	15.0	42,388	14.5
Consultancy and other services	112,239	19.8	2,949	1.0
<b>Total</b>	<b>567,387</b>	<b>100</b>	<b>292,227</b>	<b>100</b>

## Community value-added services

The Group is committed to providing a full life-cycle community value-added services to property owners and residents, and building a community ecosystem with focuses on “food, accommodation, transportation, travel, shopping and education”, to meet people’s growing needs for a better life. The Group has vigorously developed community value-added services, improved service quality and extended the service chains by introducing professional talents, and increased the penetration rate of its business into communities through the online + offline full-staff marketing model. The Group’s community value-added services are divided into four major sections: (i) home-living services, (ii) community management services, (iii) comprehensive living and traveling services, and (iv) home-decoration services.

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

	For the six months ended 30 June			
	2021		2020	
	(RMB'000)	(%)	(RMB'000)	(%)
Home-living services	132,110	20.3	62,798	50.0
Community management services	205,255	31.5	32,767	26.1
Home-decoration services	48,759	7.5	14,587	11.6
Comprehensive living and traveling services	265,620	40.7	15,416	12.3
<b>Total</b>	<b>651,744</b>	<b>100</b>	<b>125,568</b>	<b>100</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the Group's revenue from community value-added services was approximately RMB651.7 million, representing an increase of approximately 419.0% over the same period of last year, accounting for approximately 25.2% of the Group's total revenue and recorded a significant increase of 16.0 percentage points over the same period of last year. Relying on the huge flow of online + offline property owners, the high-density GFA under management, rich community life scenarios and the advantages of having a full local supply chain, the Group has further improved the coverage and penetration of its community value-added services, and continued to promote the good relationships with property owners. The Group's core community value-added business includes the home-living services segment, which is operated under the Group's sub-brand "Blessed Neighborhood (金科金選)", provides high-quality and low-cost community group buying services. During the Period, revenue from the home-living services segment was approximately RMB132.1 million, representing an increase of approximately 110.4% over the same period of last year. The home-decoration services segment, which is operated under the Group's sub-brand "Jinke Yuejia (金科悦家)", provides one-stop complete furnishing and decoration services such as hard furnishing, soft furnishing, and home furnishing product sales. The Group took advantage of the industrial chain of its parent company, Jinke Property, and conducted in-depth business cooperation, through specialization, branding, and establishment of teams, bringing forward property owners' house-buying process and holding activities such as "millions of owners visiting factories". The home-decoration services segment realized revenue of approximately RMB48.8 million during the Period, representing a year-on-year increase of 234.4%. Operated under the Group's sub-brand "Kangcheng Guolv (康程國旅)", the comprehensive living and travelling services segment provides full-chain travel services, including tourism products, and services for travels, hotels, scenic spots, and visa centers. Affected by the repeated outbreaks of the COVID-19 epidemic, tourism business has fluctuated greatly, but the Group seized the opportunity to continue to enhance the resource advantage of the full-chain travel services. During the Period, the Group cooperated with well-known national scenic spots such as Qianhu Miao Village (千戶苗寨) and Baili Dajuan (百里杜鵑) to jointly create a new community-based and social-oriented tourism development model. Through the community media services, the Group provided merchants with value communication services based on huge flow, built a bonding medium between communities, customer groups, and products, and managed nearly 10,000 advertising spots nationwide by attracting top talents in the industry and using online systems. This year, the Group launched an innovative full-chain media customization service. In terms of the real estate brokerage services, the Group utilized the horizontal synergistic effect of real estate to realize the appreciation and preservation of the property owner's assets through its own professional capabilities and taking advantage of its timely updated housing resources.

## *Smart living technology solutions*

The Group mainly provides smart living technology solutions to property developers, property management companies and property owners to achieve the purpose of technology empowerment, quality and efficiency improvement. The Group's smart living technology solutions business mainly includes: (i) providing smart design services to property developers with full-cycle smart solutions for their project construction; (ii) providing smart on-site services to property developers with smart and digital on-site technical services during the housing sales stage, such as implementing the Home-Lift system (生命家系統); and (iii) smart integrated operation platform services by participating in the construction of smart cities, smart government and enterprises, and smart communities through development, customization, installation, and operation and maintenance of IBMS (intelligent building management system).

# MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2021, the Group promoted the reform of mechanization of manpower and the intellectualization of machinery. Through a series of smart technology upgrades such as cloud monitoring, cloud parking, and smart energy consumption management and control, the Group empowered property management to reduce costs and increase efficiency, and continued to improve management refinement level and helped increase its gross profit and gross profit margin. The Group leveraged its leading technological strength to empower business development. The Group further strengthened cooperation with top companies in the industry, enhanced its smart design technological capabilities in Building Information Modeling and digital urban governance, and built three core competencies including Internet of Things (“IoT”), space operating system, and urban space-time engines, in order to obtain third-party digital services. The revenue from smart living technology solutions during the Period was approximately RMB57.0 million, representing a significant year-on-year increase of approximately 115.8%, and the gross profit margin remained high at 49.4%.

## OUTLOOK AND FUTURE PLAN

**In the field of space management services, the Group will reinforce the urban density strategy, actively respond to mergers and acquisitions opportunities, and improve the quality of diversified services.** The Group will seize the opportunity of the market-oriented development of the industry, continue to increase the management scale, reinforce the urban density strategy, consolidate the core niche advantages of the Southwestern China Region, promote development with regional density, reduced costs and improved quality and efficiency, integrate high-quality resources, fully tap the core regional advantages, adhere to internal extension + external growth, and rely on industry-leading external expansion capabilities to continue to strengthen low-cost external expansion. The Group will vigorously develop the non-residential sector, continue to improve the service capabilities of diversified business formats, strengthen the role of large logistics integrated service providers, actively extend urban service projects, and boost the growth potential of multi-channel and multi-business scale. The Group will actively respond to mergers and acquisitions opportunities, focus on the core areas to accelerate the integration of small and medium-sized properties, and continue to increase the market share in the core areas. The Group will actively seek for profitability, business scale, growth potential and other targets that are highly compatible with the Group, and rapidly increase the management scale.

**In the field of life services, the Group will do a thorough job in community ecological construction, extend business market development, and build into a better life service provider.** The Group will focus on the three sectors of “space, assets and customers”, do a thorough community value-added business, quickly improve the service capacity of its value-added business and extend the service chains by attracting professional talents and acquiring professional companies, so as to further improve the proportion of revenue generated from the value-added business. The Group will focus on the field of major consumption, work around the three core functions of community life service, owner asset operation and community space operation, vigorously develop community group purchase, home renovation and decoration and housing brokerage, consolidate its internal strength to improve the competitiveness of products and services, and transform its business from focusing on the community to focusing on the society; rapidly develop group meal, travel and life supply chain services to improve regional concentration construction, as well as make use of the advantages of online + offline traffic and integrate local upstream and downstream resources to improve customer loyalty, so as to build into a service provider for local better life and strive to meet people’s needs for a better life.

# MANAGEMENT DISCUSSION AND ANALYSIS

In terms of technology services, the Group will raise the barriers of technological strength and promote the empowerment of digital intelligence and technology to build digital cities. The Group will continue to improve its technological strength, increase investment in product research and development, update its digital intelligence platform based on the front-end business needs, integrate IoT platform, AI platform, data platform and business platform, upgrade and optimize the “TIQI Cloud City” intelligent system, focus on three major fields of image engine, IoT and big data, and cooperate with leading enterprises in the industry to form complementary advantages and raise technological barriers. The Group will make use of its technological advantages to empower business expansion, strengthen the marketability of technological products, provide full-cycle services for marketing account managers, solution experts and delivery and operation and maintenance experts, and expand the business of intelligent cities, intelligent government and enterprises and intelligent communities. The Group will seize the opportunity of the digital transformation of China and actively participate in the construction of digital cities.

## FINANCIAL REVIEW

### Revenue

As disclosed above, during the Period, the revenue derived from the Group’s four business lines, namely (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) smart living technology solutions, was RMB1,310 million, RMB567 million, RMB652 million and RMB57 million, respectively.

### COST OF SALES

The Group’s cost of sales primarily consists of (i) employee benefit expenses; (ii) greening and cleaning expenses; (iii) tourism service costs; (iv) security charges; (v) cost of goods sold in relation to the Group’s shopping services; (vi) sub-contract expenses in relation to the Group’s property agency services; (vii) maintenance costs; (viii) utilities; (ix) cost of raw materials; (x) construction costs; (xi) office expenses; (xii) travelling and entertainment expenses; (xiii) taxes and other levies; (xiv) advertising expenses; (xv) depreciation and amortization charges; (xvi) operating lease payments; (xvii) audit services fees; and (xviii) other costs.

The cost of sales of the Group increased by 86.4% from approximately RMB936.6 million for the six months ended 30 June 2020 to approximately RMB1,745.5 million for the six months ended 30 June 2021, which is mainly due to the continuous increase in the GFA under management and the increase in various costs associated with the diversification of the Group’s business.

# MANAGEMENT DISCUSSION AND ANALYSIS

## GROSS PROFIT AND GROSS PROFIT MARGIN

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

	For the six months ended 30 June			
	2021		2020	
	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)
Property management services	372,541	28.4	257,656	27.8
Value-added services to non-property owners	210,036	37.0	116,512	39.9
Community value-added services	229,502	35.2	45,995	36.6
Smart living technology solutions	28,162	49.4	12,871	48.7
<b>Total</b>	<b>840,241</b>	<b>32.5</b>	<b>433,034</b>	<b>31.6</b>

Gross profit of the Group increased by 94.0% from approximately RMB433.0 million for the six months ended 30 June 2020 to approximately RMB840.2 million for the six months ended 30 June 2021.

Gross profit margin of the Group increased from 31.6% for the six months ended 30 June 2020 to 32.5% for the six months ended 30 June 2021, which is broadly the same with the gross profit margin for the six months ended 30 June 2020.

Gross profit margin of each business line for the six months ended 30 June 2021 is broadly the same as those for the six months ended 30 June 2020.

## OTHER INCOME

The Group's other income primarily consists of (i) government grants, and (ii) value-added tax deductible for service providers.

Other income of the Group decreased by 55.5% from approximately RMB22.7 million for the six months ended 30 June 2020 to approximately RMB10.1 million for the six months ended 30 June 2021, which was primarily due to the interest income received from loans to Jinke Property Group being reduced to zero upon full settlement of all outstanding amounts under the ABS agreements and ABN agreements entered into by Jinke Property with independent third party asset management companies in 2015 and 2018, respectively. Previously, under the ABS agreements and ABN agreements, the ABS and ABN were secured by the pledge of the rights to receive the property management fees from certain properties under the Group's management and an undertaking from Jinke Property that it would pay any difference between the amounts paid by the Group and the outstanding amount due under the ABS agreements and ABN agreements.



# MANAGEMENT DISCUSSION AND ANALYSIS

## OTHER (LOSSES)/GAINS – NET

The Group's other (losses)/gains – net primarily consist of (i) net foreign exchange losses, and (ii) net fair value gains on financial assets at fair value through profit or loss.

For the six months ended 30 June 2021, the Group recorded other net losses of RMB14.6 million, which was primarily attributable to a foreign exchange loss of RMB47.4 million offset by a foreign exchange gain of RMB33.6 million from the foreign exchange rate future contracts to lock-in exchange rates, which demonstrated the effectiveness of the exchange risk management measures adopted by the Group.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses primarily consist of (i) employee benefit expenses for administrative staff; (ii) traveling and entertainment expenses; (iii) office expenses; (iv) bank charge, which mainly include transaction fees charged by banks; (v) depreciation and amortization; (vi) research expenses in developing the Group's smart living technology solutions; and (vii) others, which mainly include consultancy service fees, recruiting costs and advertising expenses.

Administrative expenses of the Group increased by approximately 107.2% from RMB89.9 million for the six months ended 30 June 2020 to approximately RMB186.3 million for the six months ended 30 June 2021, which were primarily attributable to (i) the increase in the employee benefit expenses as a result of the increase in the number of senior management personnel and corresponding salaries, (ii) the Group experienced lesser benefit from the social security relief policies implemented by local authorities in 2020 to mitigate the impact of the COVID-19, and (iii) the increase in traveling and entertainment expenses as the situation of the COVID-19 pandemic improved.

## INCOME TAX EXPENSES

The Group's income tax expenses comprise PRC corporate income tax. Income tax expenses of the Group increased by 91.8% from approximately RMB61.9 million for the six months ended 30 June 2020 to approximately RMB118.7 million for the six months ended 30 June 2021, which was primarily due to the increase in PRC corporate income tax of the Group resulted from the increase in profits before tax of the Group, which was in line with the business expansion of the Group.

The effective income tax rate of the Group remained relatively stable at 18.0% for the six months ended 30 June 2021. Such rate was lower than the PRC general corporate income tax rate of 25%, primarily because the Company and some of the Group's subsidiaries enjoyed a 15% preferential income tax treatment for western regions in China, while one of the Group's subsidiaries enjoyed the preferential income tax treatment for new and high technology enterprise.

# MANAGEMENT DISCUSSION AND ANALYSIS

## INTANGIBLE ASSETS

The Group's intangible assets primarily consist of the customer relationship and goodwill attributable to acquired companies and software. The intangible assets of the Group increased by approximately 1,789.0% from RMB10 million as at 31 December 2020 to RMB188.9 million as at 30 June 2021, mainly due to the increase in customer relationship and goodwill arising from the acquisitions completed by the Group during the Period and the increase in the self-developed software of the Group as a result of the Group's continuous efforts to research and develop software aimed at providing technological solutions.

## TRADE AND BILL RECEIVABLES

The Group's trade receivables mainly arise from property management services income under lump sum basis and value-added services as provided to non-property owners.

Trade and bill receivables of the Group increased by approximately 22.1% from RMB1,056.8 million as at 31 December 2020 to RMB1,290.8 million as at 30 June 2021, mainly due to the increase in trade receivables from third parties as a result of the increase in the Group's property management service, and its value-added services to non-property owners, which was in line with the business expansion of the Group.

## OTHER ASSETS

The Group held a small number of parking lots of certain properties only for sales purpose but the sales of these parking lots is not part of the Group's core business.

Other assets of the Group decreased by approximately 11.9% from RMB60.6 million as at 31 December 2020 to RMB53.4 million as at 30 June 2021, which was primarily due to the decrease in the number of assets held for the sale in the ordinary course of business.

## PREPAYMENTS AND OTHER RECEIVABLES

The Group's prepayments and other receivables mainly represent (i) prepayments to suppliers; (ii) prepaid tax; and (iii) deposit from third parties and utilities from property owners and residents.

Prepayments and other receivables of the Group increased by approximately 70.8% from RMB517.7 million as at 31 December 2020 to RMB884.3 million as at 30 June 2021, mainly due to the increase in prepayments for the Group's diversified business.

# MANAGEMENT DISCUSSION AND ANALYSIS

## TRADE AND BILL PAYABLES

Trade and bill payables primarily represent the Group's obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers, including subcontracting expenses and cost of materials.

Trade and bill payables of the Group increased by approximately 80.4% from RMB279.2 million as at 31 December 2020 to RMB503.8 million as at 30 June 2021, mainly due to the increase in expenses payable to suppliers as a result of increased GFA under management.

## OTHER PAYABLES AND ACCRUALS

The Group's other payables and accruals consist of (i) advances due to third parties, which are trade in nature; (ii) accrued payroll; and (iii) other tax payables, which mainly include VAT.

Other payables and accruals of the Group increased by approximately 77.0% from RMB555.2 million as at 31 December 2020 to RMB982.4 million as at 30 June 2021, mainly due to the increase in the security deposit advanced for bidding and relevant business operations as a result of the increase in the GFA under management and the rapid development of the Group's business diversification.

## CONTRACT LIABILITIES

Contract liabilities primarily consist of advances of property management fees and other service fees. The Group's contract liabilities increased by approximately 27.3% from RMB386.8 million as at 31 December 2020 to RMB492.5 million as at 30 June 2021, mainly due to (i) the increase in the number of properties the Group managed during the Period; and (ii) the increase in the Group's ability to receive prepayment of property management fees and other service fees as a result of the owners' relatively high satisfaction rate with the Group's services and the commencement of a gifting initiative to reward owners for the prepayment of property management fees.

## LIQUIDITY AND CAPITAL RESOURCES

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

### Cash Position

As at 30 June 2021, the Group had cash and cash equivalents of approximately RMB6,265.2 million (31 December 2020: approximately RMB6,840.0 million).

# MANAGEMENT DISCUSSION AND ANALYSIS

## Cash Flows

During the six months ended 30 June 2021, net cash inflow from operating activities of the Group amounted to approximately RMB673.3 million, compared with net cash inflow from operating activities of the Group amounting to approximately RMB10.7 million for the same period in 2020. The change was mainly due to (i) the increase in the operating profits of the Group for the Period and (ii) the strengthening of the Group's collection management.

During the six months ended 30 June 2021, net cash outflow from investing activities of the Group amounted to approximately RMB861.3 million, compared with net cash inflow from investing activities of the Group amounting to approximately RMB424.4 million for the same period in 2020. The change was mainly due to the increase in term deposits during the Period.

During the six months ended 30 June 2021, net cash outflow from financing activities of the Group amounted to approximately RMB327.8 million, compared with net cash inflow from financing activities of the Group amounting to approximately RMB75.0 million for the same period in 2020. The change was mainly due to the payment to the Shareholders on 25 June 2021 of the final dividend for the year ended 31 December 2020.

## Borrowings

As at 30 June 2021, the Group had nil borrowings (31 December 2020: nil).

## GEARING RATIO

As the Group had nil borrowings as at 30 June 2021, the net gearing ratio (as calculated by total interest-bearing bank borrowings as at the end of respective periods divided by total equity as at the same date) was nil as at 30 June 2021 (31 December 2020: nil).

## PLEDGE OF ASSETS

As at 30 June 2021, the Group did not have any pledged assets.

## FOREIGN EXCHANGE RISKS

The Group's businesses are principally conducted in RMB, which is the functional currency of the Group. Foreign currency transaction included mainly receipts of proceeds from the Listing on the Main Board of the Stock Exchange and payment of professional fees which are dominated in HK\$. As at 30 June 2021, non-RMB assets are cash and cash equivalents of RMB3,212,216,000 denominated in HK\$ and term deposits of RMB709,061,000 denominated in HK\$. Fluctuation of the exchange rates of RMB against foreign currency could affect the Group's results of operations. The Group currently manages the exchange rate risk by adopting a combined mechanism of exchange rates lock-in and settlement of foreign exchange at selective timing, which has shown to be effective as the mechanism helped lower the foreign exchange loss during the Period from RMB47.4 million to a net foreign exchange loss of RMB13.8 million. The management of the Group will continue to keep track of exchange rate risk and adjust the management measures to mitigate exchange rate risk where necessary.

# MANAGEMENT DISCUSSION AND ANALYSIS

## CONTINGENT LIABILITIES

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

## COMMITMENTS

As at 30 June 2021, the Group had an outstanding capital commitment of RMB20 million in respect of the acquisitions of companies the completion of which are pending the satisfaction of conditions precedent and consideration payment.

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

### Acquisition of 100% equity interest in Meilishan Property

The Company has won the public tender at the China Beijing Equity Exchange (北京產權交易所) for the 100% equity interest in Chongqing Meilishan Property Service Co., Ltd.\* (重慶美利山物業服務有限公司) (“Meilishan Property”) and on 27 May 2021, the Company entered into an equity transfer agreement with Chongqing Shoujin Property Development Co., Ltd.\* (重慶首金房地產開發有限公司) to acquire 100% equity interest in Meilishan Property and debt owed by Meilishan Property of RMB26,584,401.18 at a consideration of RMB75,915,598.82. The four residential properties to which Meilishan Property provided services were all located in Chongqing, with a total GFA under management of approximately 1,467,600 sq.m. and contracted GFA of approximately 1,680,600 sq.m.. The properties were mainly high-end residential properties. The acquisition was in line with the Company’s long-term adherence to the urban density strategy, and would increase the number of high-end residential properties under the Group’s management so that the Group could continue to increase its market share in Chongqing. The Company was confident that through the effect of economies of scale, development of community value-added services, intelligent upgrades and effective cost-control measures, the quality and efficiency of the operations of Meilishan Property would improve rapidly.

As all applicable percentage ratios (as defined in the Listing Rules) in respect of the acquisition of 100% equity interest in Meilishan Property are below 5%, such acquisition is exempt from the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

### Acquisition of 100% equity interest in Baotou Property

On 7 February 2021, the Company entered into an equity transfer agreement with three individuals, each of whom was an Independent Third Party, to acquire 100% equity interest in Baotou Smart Property Service Co., Ltd.\* (包頭智慧物業服務有限公司) (“Baotou Property”) at a consideration of RMB57,000,000. Baotou Property provided services to 10 properties, all of which were located in Baotou City, with a total GFA under management of approximately 1,773,600 sq.m. and contracted GFA of approximately 2,173,600 sq.m.. Baotou Property had a good market reputation in Baotou City. The Company’s successful entry into the market of Baotou City through the acquisition will help its expansion of the Inner Mongolia market and continue to improve its national strategic layout. With Baotou City as the core, the Group will further radiate its presence across the Inner Mongolia Autonomous Region through the output of leading property service technology capabilities and high-quality service capabilities in order to achieve deep development in the region.



# MANAGEMENT DISCUSSION AND ANALYSIS

As all applicable percentage ratios (as defined in the Listing Rules) in respect of the acquisition of 100% equity interest in Baotou Property are below 5%, such acquisition is exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Save as disclosed in this report, the Company had no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

## USE OF NET PROCEEDS FROM THE LISTING

The Company allotted and issued 132,911,400 H Shares and 19,936,700 H Shares at HK\$44.7 per Share on 17 November 2020 and 15 December 2020 respectively in connection with the Listing.

The Company received net proceeds of approximately HK\$6,614.9 million from the Listing (taking into account of the net proceeds of approximately HK\$876.8 million from the full exercise of the Over-allotment Option on 10 December 2020), after deducting the underwriting commissions and other estimated expenses payable by the Company in connection with the Listing.

As at 30 June 2021, approximately HK\$1,118.34 million of the net proceeds raised from the Listing were applied by the Company. The proceeds would be allocated and used according to the purposes set out in the Prospectus.

The following table sets forth details of the net proceeds as at 30 June 2021:

	Planned use of net proceeds as stated in the Prospectus and taking into account the net proceeds received from the full exercise of the Over-allotment Option	Unutilised net proceeds as at 1 January 2021	Actual use of net proceeds during the six months ended 30 June 2021	Unutilised net proceeds as at 30 June 2021	Expected timeline of the intended use of proceeds
	<i>HK\$'million approximately</i>	<i>HK\$'million approximately</i>	<i>HK\$'million approximately</i>	<i>HK\$'million approximately</i>	
(a) approximately 60.0% would be used to pursue selective strategic investment and acquisition opportunities and further develop strategic partnerships to expand the Group's business scale and the depth and breadth of the Group's geographic coverage, among which:	3,968.94	3,968.94	434.27	3,534.67	

# MANAGEMENT DISCUSSION AND ANALYSIS

	Planned use of net proceeds as stated in the Prospectus and taking into account the net proceeds received from the full exercise of the Over-allotment Option <i>HK\$'million approximately</i>	Unutilised net proceeds as at 1 January 2021 <i>HK\$'million approximately</i>	Actual use of net proceeds during the six months ended 30 June 2021 <i>HK\$'million approximately</i>	Unutilised net proceeds as at 30 June 2021 <i>HK\$'million approximately</i>	Expected timeline of the intended use of proceeds
(i) approximately 20.0% would be used to invest in or acquire property management companies with a total revenue for the latest financial year exceeding approximately RMB30.0 million, which manage quality residential properties that meet the Group's selection criteria, with a total GFA under management of no less than approximately 3,000,000 sq.m., potential to increase its net profit margin (or improve operational efficiency), at least a geographic coverage that is focused on properties located in Southwestern China, Central China and/or Eastern China and independent of any property developers in the PRC	1,322.98	1,322.98	39.58	1,283.4	On or before 30 September 2023

# MANAGEMENT DISCUSSION AND ANALYSIS

	Planned use of net proceeds as stated in the Prospectus and taking into account the net proceeds received from the full exercise of the Over-allotment Option <i>HK\$'million approximately</i>	Unutilised net proceeds as at 1 January 2021 <i>HK\$'million approximately</i>	Actual use of net proceeds during the six months ended 30 June 2021 <i>HK\$'million approximately</i>	Unutilised net proceeds as at 30 June 2021 <i>HK\$'million approximately</i>	Expected timeline of the intended use of proceeds
(ii) approximately 30.0% would be used to invest in or acquire companies with a total revenue for the most recent financial year not less than approximately RMB20.0 million, the necessary experiences, qualifications and/or existing projects involving the provision of property management services to non-residential properties which meet the Group's selection criteria, such as public facilities, educational institutions and/or hospitals, with a geographical coverage that is focused on properties located in Southwestern China, Central China and/or Eastern China and independent of any property developers in the PRC	1,984.47	1,984.47	–	1,984.47	On or before 30 September 2023
(iii) approximately 10.0% would be used to invest in or acquire suitable targets with business that are complementary to the Group's existing services and can help the Group further integrate its upstream and downstream resources, such as catering services, with an annual total net profit of not less than approximately RMB5.0 million and a reputable brand name	661.49	661.49	394.69	266.8	On or before 30 September 2023

# MANAGEMENT DISCUSSION AND ANALYSIS

	Planned use of net proceeds as stated in the Prospectus and taking into account the net proceeds received from the full exercise of the Over-allotment Option <i>HK\$'million approximately</i>	Unutilised net proceeds as at 1 January 2021 <i>HK\$'million approximately</i>	Actual use of net proceeds during the six months ended 30 June 2021 <i>HK\$'million approximately</i>	Unutilised net proceeds as at 30 June 2021 <i>HK\$'million approximately</i>	Expected timeline of the intended use of proceeds
(b) approximately 10.0% would be used to upgrade the Group's systems for digitization and smart management, among which:	661.49	661.49	0.49	661.00	
(i) approximately 7% would be used to develop and upgrade hardware and software	463.04	463.04	–	463.04	On or before 30 September 2023
(ii) approximately 3% would be used for the development and improvement of the Group's intelligent management systems	198.45	198.45	0.49	197.96	On or before 30 September 2023
(c) approximately 20.0% would be used to further develop the Group's value-added services, among which:	1,322.98	1,322.98	178.12	1,144.86	
(i) approximately 15% would be used to strategically develop the Group's upstream and downstream services	992.24	992.24	178.02	814.22	On or before 30 September 2023
(ii) approximately 5% would be used to upgrade hardware and develop smart community	330.75	330.75	0.1	330.65	On or before 30 September 2023
(d) approximately 10% will be used for general business operations and working capital	661.49	661.49	505.46	156.03	On or before 30 September 2023
<b>Total</b>	<b>6,614.9</b>	<b>6,614.9</b>	<b>1,118.34</b>	<b>5,496.56</b>	

# MANAGEMENT DISCUSSION AND ANALYSIS

Further details of the breakdown and description of the use of proceeds are set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The Directors were not aware of any material change to the planned use of proceeds as at 30 June 2021. The unutilised net proceeds and its following intended timeframe for utilisation will be applied in the manner consistent with that mentioned in the Prospectus.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group intends to utilise the net proceeds raised from the Listing according to the plans set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. Save as disclosed in the Prospectus, the Group had no other future plans for material investments or capital assets as at 30 June 2021.

## EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2021, the Group had approximately 9,029 employees (31 December 2020: 8,758 employees). For the Period, the staff cost recognised as expenses of the Group amounted to RMB691.5 million (30 June 2020: approximately RMB499.3 million).

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

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As at the date of this report, the Group did not have any other significant event subsequent to 30 June 2021.



# CORPORATE GOVERNANCE

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and applied the Corporate Governance Code as its own code on corporate governance.

The roles of the chairman and the chief executive officer of the Company have not been separated as required by Code Provision A.2.1 of the Corporate Governance Code. The roles of the chairman and president of the Company are both performed by Mr. Xia Shaofei, an executive Director. The Board believes that vesting the roles of both chairman and president in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Xia Shaofei's extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Mr. Xia Shaofei continues to act as the chairman and president of the Group following the Listing Date, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive directors and independent non-executive Directors.

The Company aims to achieve high standards of corporate governance which are crucial to its development and would safeguard the interests of its Shareholders. To accomplish this, save as the deviation from code provision A.2.1 of the Corporate Governance Code as disclosed above, and, to the best knowledge of the Directors, the Company had complied with all other applicable code provisions under the Corporate Governance Code during the Period.

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

The Company has adopted the Model Code as the guidelines for the Directors' and Supervisors' dealings in the securities of the Company since the Listing. Following specific enquiries to each of the Directors and Supervisors, all the Directors and Supervisors have confirmed their compliance with the required standards set out in the Model Code during the Period.

## AUDIT COMMITTEE

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

The primary duties of the Audit Committee are to (i) review and supervise the financial reporting process and internal control system of the Group, risk management and internal audit; and (ii) provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board. The Audit Committee consists of three members, namely Mr. Chan Chi Fung Leo (陳志峰), Mr. Liang Zhongtai (梁忠太) and Mr. Cao Guohua (曹國華). The chairman of the audit committee is Mr. Chan Chi Fung Leo, who is an independent non-executive Director and has been a member of Hong Kong Institute of Certified Public Accountants since October 2005.

# CORPORATE GOVERNANCE

## REVIEW OF INTERIM REPORT

The Audit Committee has discussed with the management and the external auditor of the Company and has reviewed the unaudited condensed consolidated interim results of the Group and the interim report of the Company for the six months ended 30 June 2021. The interim results of the Group for the six months ended 30 June 2021 have not been audited but have been reviewed by PricewaterhouseCoopers, the external auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

# OTHER INFORMATION

## DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 June 2021, the interests and short positions of the Directors, Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were 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 are set out below:

### (I) INTERESTS AND SHORT POSITION OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

#### *Interest in the Company*

As at 30 June 2021, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company, which were 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.

#### *Interest in associated corporations of the Company*

Name	Name of associated corporation	Nature of Interest	Interest in shares <sup>(1)</sup>	Percentage holding (approx.)
Xu Guofu (徐國富)	Jinke Property	Beneficial owner	1,126,993 (L)	0.02%
Luo Licheng (羅利成)	Jinke Property	Beneficial owner	9,737,909 (L)	0.18%
Yu Yong (余勇)	Jinke Property	Beneficial owner	100 (L)	0.0000019%

*Note:*

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

Save as disclosed above, as at 30 June 2021, none of the Directors, Supervisors and chief executive of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were 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.

## OTHER INFORMATION

### INTERESTS OF PERSONS OTHER THAN THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As at 30 June 2021, the following persons, other than a Director, Supervisor or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares		Percentage of the total issued share capital of the Company (approx.)
			Number	Percentage (approx.)	
Jinke Property	Beneficial owner	Domestic Shares	341,604,375 (L)	68.32%	52.33%
Tianjin Hengye Meihao Management Consulting Partnership (Limited Partnership)* (天津恒業美好管理諮詢合夥企業(有限合夥)) ("Hengye Meihao")	Beneficial owner	Domestic Shares	50,516,464 (L)	10.10%	7.74%
Chongqing Jinhetong Trading Co., Ltd.* (重慶金合通商貿有限公司) ("Chongqing Jinhetong") <sup>(2)</sup>	Interest in controlled corporation	Domestic Shares	50,516,464 (L)	10.10%	7.74%
Zhang Yuan (張原) <sup>(2)</sup>	Interest in controlled corporation	Domestic Shares	50,516,464 (L)	10.10%	7.74%
Riverhead Capital Investment Management Co., Ltd. (陽光融匯資本投資管理有限公司) ("Riverhead Capital") <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	40,321,955 (L)	8.06%	6.18%
Beijing Huiyuda Equity Investment Management Center (Limited Partnership)* (北京惠譽達股權投資管理中心(有限合夥)) ("Beijing Huiyuda") <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	40,321,955 (L)	8.06%	6.18%
Tibet Longbo Enterprise Management Co., Ltd.* (西藏隆博企業管理有限公司) ("Tibet Longbo") <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	40,321,955 (L)	8.06%	6.18%
Zhang Wenwen (張文雯) <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	40,321,955 (L)	8.06%	6.18%

## OTHER INFORMATION

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares		Percentage of the total issued share capital of the Company (approx.)
			Number	Percentage (approx.)	
Sunshine Asset Management Co., Ltd. (陽光資產管理股份有限公司) ("Sunshine Asset Management") <sup>(3)</sup>	Interest in controlled corporation	Domestic Shares	40,321,955 (L)	8.06%	6.18%
China International Capital Corporation Limited <sup>(4)</sup>	Interest in controlled corporation	H Shares	9,093,800 (L)	5.95%	1.39%
CICC Capital Management Co., Ltd.	Beneficial owner	H Shares	8,668,600 (L)	5.67%	1.33%
Morgan Stanley <sup>(5)</sup>	Interest in controlled corporation	H Shares	12,436,882 (L)	8.14%	1.91%
			1,032,725 (S)	0.68%	0.16%
UBS Group AG <sup>(6)</sup>	Interest in controlled corporation	H Shares	18,779,626 (L)	12.29%	2.88%
			3,150,400 (S)	2.06%	0.48%
Taikang Insurance Group, Inc. <sup>(7)</sup>	Interest in controlled corporation	H Shares	13,003,000 (L)	8.51%	1.99%
Taikang Asset Management Company Limited <sup>(7)</sup>	Interest in controlled corporation	H Shares	13,003,000 (L)	8.51%	1.99%
Taikang Life Insurance Co., LTD <sup>(7)</sup>	Beneficial owner	H Shares	13,003,000 (L)	8.51%	1.99%
Taikang Asset Management (Hong Kong) Company Limited <sup>(7)</sup>	Investment manager	H Shares	13,003,000 (L)	8.51%	1.99%
Ma Sean (馬自銘) <sup>(8)</sup>	Interest in controlled corporation	H Shares	10,563,500 (L)	6.91%	1.62%
Snow Lake Capital (HK) Limited <sup>(9)</sup>				Investment manager	H Shares
Snow Lake China Master Fund, Ltd. <sup>(10)</sup>	Beneficial owner	H Shares	8,750,000 (L)	5.72%	1.34%



## OTHER INFORMATION

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares		Percentage of the total issued share capital of the Company (approx.)
			Number	Percentage (approx.)	
Snow Lake China Offshore Fund, Ltd. <sup>(10)</sup>	Interest in controlled corporation	H Shares	8,750,000 (L)	5.72%	1.34%
Huang Jiangzhen (黃江圳) <sup>(11)</sup>	Interest in controlled corporation	H Shares	8,668,600 (L)	5.67%	1.33%
Zhong Zhen (仲貞) <sup>(11)</sup>	Interest in controlled corporation	H Shares	8,668,600 (L)	5.67%	1.33%
Yatou Yinxin (Xiamen) Investment Management Co., Ltd.* (亞投銀欣(廈門)投資管理有限公司) (“Yatou Yinxin”) <sup>(11)</sup>	Interest in controlled corporation	H Shares	8,668,600 (L)	5.67%	1.33%
CICC Grandeur (Xiamen) Equity Investment Fund Partnership (L.P.) (“CICC Grandeur Fund”) <sup>(11)(12)</sup>	Beneficial owner	H Shares	8,668,600 (L)	5.67%	1.33%

### Notes:

- (1) The letter “L” denotes the person’s long position in the Shares or underlying Shares, “S” denotes the person’s short position in the Shares or underlying Shares.
- (2) The general partner of Hengye Meihao is Chongqing Jinhetong, which is wholly owned by Zhang Yuan (張原). By virtue of the SFO, Zhang Yuan (張原) and Chongqing Jinhetong are deemed to be interested in the Shares held by Hengye Meihao.
- (3) The Company is owned as to 2.63% by Beijing Ronghui Ruiguang Investment Management Center (Limited Partnership)\* (北京融匯瑞光投資管理中心(有限合夥)) (“Ronghui Ruiguang”), 2.15% by Beijing Ronghui Yangguang Yongsheng Investment Management Center (Limited Partnership)\* (北京融匯陽光永晟投資管理中心(有限合夥)) (“Yangguang Yongsheng”) and 1.40% by Beijing Ronghui Yangguang Xinxing Industries Investment Management Center (Limited Partnership)\* (北京融匯陽光新興產業投資管理中心(有限合夥)) (“Yangguang Xinxing”), respectively. The general partner of Ronghui Ruiguang and Yangguang Yongsheng is Beijing Ronghui Yangguang Ruihai Investment Co., Ltd. (北京融匯陽光瑞海投資有限公司), which is owned as to 40% by Riverhead Capital. The general partner of Yangguang Xinxing is Riverhead Capital. Riverhead Capital is held as to 45%, 35% and 20% by Beijing Huiyuda, Sunshine Asset Management and Tibet Shengbo Enterprise Management Co., Ltd.\* (西藏晟博企業管理有限公司) (“Tibet Shengbo”), respectively. The general partner of Beijing Huiyuda is Tibet Longbo which is held as to 99.9% by Zhang Wenwen (張文雯). Tibet Shengbo is held as to 50% by Zhang Wenwen (張文雯) and 50% by Fu Ting (付婷), an Independent Third Party. By virtue of the SFO, each of Riverhead Capital, Beijing Huiyuda, Tibet Longbo, Zhang Wenwen (張文雯) and Sunshine Asset Management is deemed to be interested in the Shares held by Ronghui Ruiguang, Yangguang Yongsheng and Yangguang Xinxing.

## OTHER INFORMATION

- (4) China International Capital Corporation Limited wholly owns China International Capital Corporation (Hong Kong) Limited, which wholly owns CICC Financial Holdings Limited, which wholly owns CICC Financial Trading Limited. China International Capital Corporation Limited also wholly owns CICC Capital Management Co., Ltd and CICC Pucheng Investment Co., Ltd. Hence, by virtue of the SFO, China International Capital Corporation Limited is deemed to be interested in 356,400 H Shares held by CICC Financial Trading Limited, 8,668,600 H Shares held by CICC Capital Management Co., Ltd. and 68,800 H Shares held by CICC Pucheng Investment Co., Ltd.

- (5) Morgan Stanley wholly owns Morgan Stanley International Holdings Inc., which wholly owns Morgan Stanley International Limited, which wholly owns Morgan Stanley Investments (UK), which wholly owns Morgan Stanley & Co. International plc. Hence, by virtue of the SFO, Morgan Stanley, Morgan Stanley International Holdings Inc., Morgan Stanley International Limited, Morgan Stanley Investment (UK) are deemed to be interested in 6,836,385 H Shares of long position and 890,134 H Shares of short position held by Morgan Stanley & Co. International plc.

Morgan Stanley wholly owns Morgan Stanley Capital Management, LLC, which wholly owns Morgan Stanley Domestic Holdings, Inc., which wholly owns Morgan Stanley & Co. LLC and Morgan Stanley Capital Services LLC. Hence, by virtue of the SFO, Morgan Stanley, Morgan Stanley Capital Management, LLC, Morgan Stanley Domestic Holdings Inc. are deemed to be interested in 5,466,797 H Shares of long position and 142,591 H Shares of short position held by Morgan Stanley & Co. LLC, and 133,700 H Shares of long position held by Morgan Stanley Capital Services LLC.

The interests in long position includes 324,400 underlying Shares that are cash settled unlisted derivatives, and the interests in short position includes 25,900 underlying Shares that are cash settled unlisted derivatives.

- (6) UBS Group AG wholly owns UBS AG, UBS Asset Management (Hong Kong) Ltd, UBS Fund Management (Luxembourg) S.A., UBS Asset Management (Deutschland) GmbH, UBS Asset Management (Americas) Inc., UBS O'Connor LLC, UBS Switzerland AG and UBS Asset Management (UK) Limited. Hence, by virtue of the SFO, UBS Group AG is deemed to be interested in 3,639,827 H Shares of long position and 3,150,400 H Shares of short position held by UBS AG, 1,466,800 H Shares of long position held by UBS Asset Management (Hong Kong) Ltd., 7,628,400 H Shares of long position held by UBS Fund Management (Luxembourg) S.A., 360,500 H Shares of long position held by UBS Asset Management (Deutschland) GmbH, 2,000 H Shares of long position held by UBS Asset Management (Americas) Inc., 5,294,600 H Shares of long position held by UBS O'Connor LLC, 79,999 H Shares of long position held by UBS Switzerland AG and 307,500 H Shares of long position held by UBS Asset Management (UK) Limited.

The interests in short position includes 888,600 underlying Shares that are cash settled unlisted derivatives.

- (7) Taikang Insurance Group, Inc. wholly owns Taikang Life Insurance Co., LTD. By virtue of the SFO, Taikang Insurance Group, Inc. is deemed to be interested in 13,003,000 H Shares held by Taikang Life Insurance Co., LTD.

Taikang Insurance Group, Inc. wholly owns Taikang Asset Management Company Limited, which wholly owns Taikang Asset Management (Hong Kong) Company Limited. Taikang Asset Management (Hong Kong) Company Limited holds 13,003,000 H Shares as investment manager. By virtue of the SFO, Taikang Insurance Group, Inc. and Taikang Asset Management Company Limited are deemed to be interested in 13,003,000 H Shares held by Taikang Asset Management (Hong Kong) Company Limited.

- (8) Ma Sean (馬自銘) wholly owns Snow Lake Capital (HK) Limited. By virtue of the SFO, Ma Shen (馬自銘), Snow Lake Capital (HK) Limited are deemed to be interested in 10,563,500 H Shares held by Snow Lake Capital (HK) Limited as investment manager.

The interests in long position includes 647,500 underlying Shares that are cash settled unlisted derivatives.

- (9) Snow Lake China Master Fund, Ltd. and Snow Lake China Master Long Fund, Ltd. are 100% controlled by Snow Lake Capital (HK) Limited as investment manager. By virtue of the SFO, Snow Lake Capital (HK) Limited is deemed to be interested in 8,175,000 H Shares held by Snow Lake China Master Fund, Ltd. and 2,388,500 H Shares held by Snow Lake China Master Long Fund, Ltd.

The interests in long position includes 647,500 underlying Shares that are cash settled unlisted derivatives.

## OTHER INFORMATION

- (10) Snow Lake China Master Fund, Ltd. is owned as to 90.48% by Snow Lake China Offshore Fund, Ltd. By virtue of the SFO, Snow Lake China Offshore Fund, Ltd. is deemed to be interested in 8,750,000 H Shares held by Snow Lake China Master Fund, Ltd.

The interests in long position includes 500,000 underlying Shares that are cash settled unlisted derivatives.

- (11) Huang Jiangzhen (黃江圳) and Zhong Zhen (仲貞) each owns 50% in Yatou Yinxin, which owns 99.96% interest in CICC Grandeur Fund. Hence, by virtue of the SFO, Huang Jiangzhen (黃江圳), Zhong Zhen (仲貞) and Yatou Yinxin are deemed to be interested in 8,668,600 H Shares held by CICC Grandeur Fund.
- (12) CICC Grandeur Fund holds 8,668,600 H Shares through China International Capital Corporation Limited as agent and discretionary investment manager of CICC Qirong No. 1 QDII Specific Asset Management Plan, a qualified domestic institutional investor manager. CICC Grandeur Fund is managed by CICC Capital Management Co., Ltd., which is a wholly-owned subsidiary of China International Capital Corporation Limited.

Save as disclosed above, the Directors are not aware of any person (other than the Director, Supervisor or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY

As at the date of this report, there were no changes in information of the Directors, Supervisors or chief executive of the Company that were required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

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

There was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the Period.

# OTHER INFORMATION

## INTERIM DIVIDEND

On 24 March 2021, the Board recommended the payment of a final dividend of RMB0.5 (before tax) per share in the form of cash for the year ended 31 December 2020, totaling approximately RMB326.4 million, to the Shareholders whose names appear on the register of members of the Company as at the close of business on Tuesday, 15 June 2021. The proposed final dividend was approved by the Company's shareholders at the annual general meeting held on 25 May 2021. The final dividend was paid to the Shareholders on 25 June 2021.

The Board resolved not to declare any interim dividend for the Period (for the six months ended 30 June 2020: nil).

Xia Shaofei

*Chairman and Executive Director*

Chongqing, the PRC, 19 August 2021

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Jinke Smart Services Group Co., Ltd.  
(incorporated in the People's Republic of China with limited liability)

## INTRODUCTION

We have reviewed the interim financial information set out on pages 38 to 81, which comprises the interim condensed consolidated statement of financial position of Jinke Smart Services Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2021 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

**PricewaterhouseCoopers**  
*Certified Public Accountants*  
Hong Kong, 19 August 2021



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
	Note	2021 RMB'000 (Unaudited)	2020 RMB'000 (Audited)
Revenue	6	2,585,740	1,369,604
Cost of sales	7	<u>(1,745,499)</u>	<u>(936,570)</u>
<b>Gross profit</b>		<b>840,241</b>	<b>433,034</b>
Selling and marketing expenses	7	(3,252)	(689)
Administrative expenses	7	(186,263)	(89,940)
Net impairment losses on financial assets		(3,383)	(2,327)
Other income	9	10,112	22,661
Other (losses)/gains – net	10	<u>(14,626)</u>	<u>682</u>
<b>Operating profit</b>		<b>642,829</b>	<b>363,421</b>
Finance income		17,601	63,373
Finance costs		<u>(217)</u>	<u>(62,283)</u>
Finance income – net	11	<u>17,384</u>	<u>1,090</u>
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method		259	(71)
<b>Profit before income tax</b>		<b>660,472</b>	<b>364,440</b>
Income tax expenses	12	<u>(118,711)</u>	<u>(61,945)</u>
<b>Profit and total comprehensive income for the period</b>		<b><u>541,761</u></b>	<b><u>302,495</u></b>
<b>Profit and total comprehensive income attributable to:</b>			
– Owners of the Company		529,813	293,756
– Non-controlling interests		<u>11,948</u>	<u>8,739</u>
		<b><u>541,761</u></b>	<b><u>302,495</u></b>
<b>Earnings per share (expressed in RMB per share)</b>			
– Basic and diluted earnings per share	13	<u>0.81</u>	<u>0.64</u>

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	53,046	34,345
Goodwill	16	133,149	–
Other intangible assets	16	55,714	9,988
Investments in associates and joint ventures		13,326	4,850
Prepayments	20	–	6,049
Deferred income tax assets		4,248	4,946
		<u>259,483</u>	<u>60,178</u>
<b>Current assets</b>			
Derivative financial instruments	17	33,566	–
Inventories	18	15,314	16,255
Other assets	19	53,380	60,602
Trade and bill and other receivables and prepayments	20	2,175,128	1,574,505
Restricted cash	21	74,791	364
Term deposits	22	709,061	–
Cash and cash equivalents	23	6,265,188	6,840,339
		<u>9,326,428</u>	<u>8,492,065</u>
<b>Total assets</b>		<u><b>9,585,911</b></u>	<u><b>8,552,243</b></u>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	25	652,848	652,848
Other reserves	26	5,993,290	5,993,270
Retained earnings	26	771,423	568,034
		<u>7,417,561</u>	<u>7,214,152</u>
<b>Non-controlling interests</b>		<u>57,545</u>	<u>38,311</u>
<b>Total equity</b>		<u><b>7,475,106</b></u>	<u><b>7,252,463</b></u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	15	7,828	3,685
Deferred income tax liabilities		<u>14,774</u>	<u>676</u>
		<u>22,602</u>	<u>4,361</u>
<b>Current liabilities</b>			
Trade and bill and other payables	27	1,486,230	834,419
Lease liabilities	15	2,895	1,748
Contract liabilities	28	492,458	386,775
Current income tax liabilities		<u>106,620</u>	<u>72,477</u>
		<u>2,088,203</u>	<u>1,295,419</u>
<b>Total liabilities</b>		<u>2,110,805</u>	<u>1,299,780</u>
<b>Total equity and liabilities</b>		<u>9,585,911</u>	<u>8,552,243</u>

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

The condensed consolidated interim financial information on pages 38 to 81 were approved by the Board of Directors on 19 August 2021 and were signed on its behalf.

**Mr. Xia Shaofei**  
*Chairman & Executive Director*

**Mr. Xu Guofu**  
*Chief Financial Officer*

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
	Note RMB'000 (Note 25)	RMB'000 (Note 26)	RMB'000	RMB'000		
Balance at 1 January 2020 (Audited)	50,000	25,000	407,700	482,700	22,295	504,995
<b>Comprehensive income</b>						
Profit for the period	–	–	293,756	293,756	8,739	302,495
<b>Transactions with owners of the Company</b>						
Transfer from reserves to share capital	405,473	(5,195)	(400,278)	–	–	–
Capital contribution from owners	44,527	433,525	–	478,052	–	478,052
Capital contribution from non-controlling interests	–	–	–	–	2,050	2,050
Disposal of subsidiaries	–	–	–	–	(100)	(100)
Acquisition of additional interests in a subsidiary	–	1,250	–	1,250	(1,250)	–
Change in ownership interests in a subsidiary without change of control	–	(827)	–	(827)	3,143	2,316
Balance at 30 June 2020 (Audited)	<u>500,000</u>	<u>453,753</u>	<u>301,178</u>	<u>1,254,931</u>	<u>34,877</u>	<u>1,289,808</u>
Balance at 1 January 2021 (Audited)	<u>652,848</u>	<u>5,993,270</u>	<u>568,034</u>	<u>7,214,152</u>	<u>38,311</u>	<u>7,252,463</u>
<b>Comprehensive income</b>						
Profit for the period	–	–	529,813	529,813	11,948	541,761
<b>Transactions with owners of the Company</b>						
Contribution from non-controlling shareholders of subsidiaries	–	–	–	–	2,313	2,313
Acquisition of subsidiaries	31	–	–	–	7,127	7,127
Acquisition of additional interests in a subsidiary	–	20	–	20	(1,970)	(1,950)
Dividends declared to shareholders of the Company	29	–	(326,424)	(326,424)	–	(326,424)
Dividends declared to non-controlling interests	–	–	–	–	(184)	(184)
Balance at 30 June 2021 (Unaudited)	<u>652,848</u>	<u>5,993,290</u>	<u>771,423</u>	<u>7,417,561</u>	<u>57,545</u>	<u>7,475,106</u>

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended 30 June	
	Note	2021 RMB'000 (Unaudited)	2020 RMB'000 (Audited)
<b>Cash flows from operating activities</b>			
Cash generated from operations		733,101	85,709
Interest received	11	17,601	1,190
Income tax paid		(77,446)	(76,229)
<b>Net cash generated from operating activities</b>		<u>673,256</u>	<u>10,670</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(15,018)	(2,575)
Purchase of other intangible assets	16	(5,548)	(2,139)
Proceeds from disposal of property, plant and equipment		241	171
Proceeds from disposal of other assets		6,780	11,036
Proceeds from disposal of financial assets at fair value through profit or loss		14,348	–
Capital injection to associates and joint ventures		(8,217)	(3,809)
Increase in restricted cash relating to investing activities		(74,427)	–
Increase in term deposits		(709,061)	–
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	31	(70,432)	–
Advances to related parties		–	(398,000)
Repayments from related parties		–	811,685
Disposal of subsidiaries (net of cash and cash equivalents disposed)		–	8,029
<b>Net cash (used in)/generated from investing activities</b>		<u>(861,334)</u>	<u>424,398</u>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders		(326,716)	–
Dividends paid to non-controlling interests		(184)	–
Principal elements and interest elements of lease payments		(1,296)	(837)
Transaction with non-controlling interests		(1,950)	–
Capital contribution from non-controlling interests		2,313	2,050
Capital contribution from owners		–	478,052
Repayments of borrowings		–	(335,000)
Interest paid		–	(66,214)
Listing expenses paid		–	(3,024)
<b>Net cash (used in)/generated from financing activities</b>		<u>(327,833)</u>	<u>75,027</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(515,911)</b>	<b>510,095</b>
Cash and cash equivalents at beginning of period		6,840,339	333,149
Exchange gains on cash and cash equivalents		(59,240)	–
<b>Cash and cash equivalents at end of period</b>		<u><u>6,265,188</u></u>	<u><u>843,244</u></u>

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



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

Jinke Smart Services Group Co., Ltd. (the “Company” or “Jinke Services”, formerly known as “Jinke Property Service Group Co., Ltd.”) was established in the People’s Republic of China (the “PRC”) as a limited liability company on 18 July 2000. The address of the Company’s registered office is Jinke Garden, Wuhuang Road, Wulidian Street, Jiangbei District, Chongqing, PRC.

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

The Company and its subsidiaries (the “Group”) are primarily engaged in the provision of property management services, value-added services to non-property owners, community value-added services and smart living technology solutions in the PRC.

The Company’s parent company is Jinke Property Group Co., Ltd. (“Jinke Property”), a real estate company established in the PRC and listed on the Shenzhen Stock Exchange Co., Ltd., stock code SZ 000656.

The outbreak of the 2019 Novel Coronavirus (the “COVID-19”) had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the property management industry. Since the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group. As at the date that the condensed consolidated interim financial information is authorised for issue, COVID-19 does not have any material adverse impact on the financial position and operating result of the Group.

These condensed consolidated financial information are presented in Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the board of directors (the “Board”) on 19 August 2021.

The interim condensed consolidated financial statements have been reviewed, not audited.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2021 has been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting”.

The condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial statements. Accordingly, this information is to be read in conjunction with the annual report for the year ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), and any public announcement made by the Company during the interim reporting period.

## 3 ACCOUNTING POLICIES

The accounting policies applied 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 estimation of income tax using the tax rate that would be applicable to expected total annual earnings, the adoption of new and amended HKFRSs effective for the financial period beginning on 1 January 2021, Note 3(c) and Note 3(d) below.

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

The following amendments to standards have been adopted by the Group for the financial period beginning on 1 January 2021:

HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2
HKFRS 16 (Amendments)	COVID-19-Related Rent Concessions beyond 30 June 2021

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 3 ACCOUNTING POLICIES (Continued)

### (b) New standards and amendments not yet effective for the financial period beginning on 1 January 2021 and not early adopted by the Group

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

		Effective for annual periods beginning on or after
HKAS 16 (Amendment)	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
HKAS 37 (Amendment)	Onerous Contracts – Cost to Fulfilling a Contract	1 January 2022
HKFRS 3 (Amendment)	Reference to the Conceptual Framework	1 January 2022
Annual improvements to HKFRS standards 2018 – 2020	Annual improvements to HKFRS standards 2018 – 2020	1 January 2022
AG 5 (Revised)	Revised Accounting Guideline 5 Merger Accounting for Common Control Combinations	1 January 2022
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance Contract	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
HK Int 5 (2020)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 3 ACCOUNTING POLICIES *(Continued)*

### (c) Intangible assets

#### *Goodwill*

Goodwill is recognized through business combinations during the six months ended 30 June 2021 (Note 31). Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

#### *Customer relationship*

Customer relationship is recognized through business combinations during the six months ended 30 June 2021 (Note 31). Customer relationship acquired in a business combination is recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortization is calculated using the straight-line method over the expected life of 10 years for the customer relationship.

### (d) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in other (losses)/gains-net.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 condensed consolidated 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 consolidated financial statements for the year ended 31 December 2020.

## 5 SEGMENT INFORMATION

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

During the six months ended 30 June 2021 and 2020, the Group is principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services and smart living technology solutions in the PRC.

The Group acquired seven entities during the period (Note 31). The newly acquired subsidiaries were principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services. Since then, management reviews the operating results of the business of the new acquired subsidiaries together with the original business to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there are several operating segments, which are used to make strategic decisions.

During the six months ended 30 June 2021 and 2020, all the segments are domiciled in the PRC and all the revenue are derived in the PRC, and the segments are principally engaged in the provision of similar services to similar customers. All operating segments of the Group were aggregated into a single operating segment.

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

As at 30 June 2021, cash and cash equivalents of HK\$1,917,522,000 (equivalent to RMB1,595,531,000) were temporarily deposited in the Group's bank accounts in Hong Kong. Except for this, all of the Group's assets are situated in the Mainland of PRC.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 6 REVENUE

Revenue mainly comprises proceeds from property management services, value-added services to non-property owners, community value-added services and smart living technology solutions. An analysis of the Group's revenue by category for the six months ended 30 June 2021 and 2020 was as follows:

	Six months ended 30 June	
	2021 <i>RMB'000</i> <i>(Unaudited)</i>	2020 <i>RMB'000</i> <i>(Audited)</i>
Recognized over time		
– Property management services	1,309,579	925,381
– Value-added services to non-property owners	452,989	292,227
– Community value-added services	517,607	54,865
– Smart living technology solutions	57,030	26,428
	<b>2,337,205</b>	<b>1,298,901</b>
Recognized at a point in time		
– Value-added services to non-property owners	114,398	–
– Community value-added services	134,137	70,703
	<b>248,535</b>	<b>70,703</b>
	<b>2,585,740</b>	<b>1,369,604</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 7 EXPENSES BY NATURE

	Six months ended 30 June	
	2021 <i>RMB'000</i> <i>(Unaudited)</i>	2020 <i>RMB'000</i> <i>(Audited)</i>
Employee benefit expenses (Note 8)	691,532	499,269
Greening and cleaning expenses	280,407	176,241
Tourism services costs	226,212	370
Security charges	176,945	105,335
Cost of goods sold	131,136	63,669
Sub-contract expenses for property agency services	100,482	–
Maintenance costs	79,414	50,171
Utilities	62,119	42,618
Raw materials	34,224	17,196
Construction costs	17,552	1,942
Office expenses	16,878	13,358
Travelling and entertainment expenses	14,039	7,098
Taxes and other levies	12,690	6,188
Advertising expenses	12,151	2,481
Depreciation and amortization charges	8,277	6,321
Operating lease payments	4,024	3,298
Audit services		
– Audit services	1,485	35
– Non-audit services	170	–
Others	65,277	31,609
	<u>65,277</u>	<u>31,609</u>
Total cost of sales, selling and marketing expenses and administrative expenses	<u>1,935,014</u>	<u>1,027,199</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 8 EMPLOYEE BENEFIT EXPENSES

	Six months ended 30 June	
	2021 <i>RMB'000</i> <i>(Unaudited)</i>	2020 <i>RMB'000</i> <i>(Audited)</i>
Wages, salaries and bonuses	559,788	433,322
Social insurance expenses (Note (a))	91,047	31,790
Housing benefits	16,239	13,004
Other employee benefits (Note (b))	24,458	21,153
	<u>691,532</u>	<u>499,269</u>

(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, housing allowances and holiday benefits.

## 9 OTHER INCOME

	Six months ended 30 June	
	2021 <i>RMB'000</i> <i>(Unaudited)</i>	2020 <i>RMB'000</i> <i>(Audited)</i>
Government grants (Note(a))	4,537	3,609
Value-added tax deductible	5,575	3,771
Interest income from loans to related parties	–	15,281
	<u>10,112</u>	<u>22,661</u>

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 10 OTHER (LOSSES)/GAINS – NET

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Audited)
Net foreign exchange losses	(47,367)	–
Net fair value gains on financial assets at fair value through profit or loss (Note 17)	33,566	–
Gains from bargain purchase (Note 31)	2,011	–
Losses on disposal of subsidiaries	–	(1,242)
Losses on disposal of property, plant and equipment	(387)	(44)
(Losses)/gains on disposal of other assets	(442)	1,538
Others	(2,007)	430
	<u>(14,626)</u>	<u>682</u>

## 11 FINANCE INCOME – NET

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Audited)
Finance income		
Interest income from bank deposits	17,601	1,190
Interest income from loans to related parties	–	62,183
	<u>17,601</u>	<u>63,373</u>
Finance costs		
Interest expense of borrowings	–	(62,183)
Interest expense of lease liabilities	(217)	(100)
	<u>(217)</u>	<u>(62,283)</u>
Finance income – net	<u>17,384</u>	<u>1,090</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 12 INCOME TAX EXPENSES

	Six months ended 30 June	
	2021 <i>RMB'000</i> <i>(Unaudited)</i>	2020 <i>RMB'000</i> <i>(Audited)</i>
Current income tax		
– PRC corporate income tax	<u>111,589</u>	<u>60,864</u>
Deferred income tax		
– PRC corporate income tax	<u>7,122</u>	<u>1,081</u>
	<u><u>118,711</u></u>	<u><u>61,945</u></u>

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

	Six months ended 30 June	
	2021 <i>RMB'000</i> <i>(Unaudited)</i>	2020 <i>RMB'000</i> <i>(Audited)</i>
Profit before income tax	<u>660,472</u>	<u>364,440</u>
Tax charge at effective rate applicable to profits in the respective group entities	118,274	61,931
Tax effects of:		
– Expenses not deductible for tax purposes	282	317
– Tax effect of super deduction	(143)	(480)
– The impact of change in tax rate applicable to subsidiaries	<u>298</u>	<u>177</u>
Total income tax expenses	<u><u>118,711</u></u>	<u><u>61,945</u></u>

The effective income tax rate was 18.0% for the six months ended 30 June 2021 (six months ended 30 June 2020: 17.0%).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 12 INCOME TAX EXPENSES *(Continued)*

### PRC corporate income tax

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

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

## 13 EARNINGS PER SHARE

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

The Company did not have any potential ordinary shares outstanding during the six months ended 30 June 2021 and 2020. Diluted earnings per share is equal to basic earnings per share.

	Six months ended 30 June	
	2021 <i>(Unaudited)</i>	2020 <i>(Audited)</i>
Profit attributable to owners of the Company (RMB '000)	529,813	293,756
Weighted average number of ordinary shares (in thousands)	<u>652,848</u>	<u>459,925</u>
Basic and diluted earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share)	<u>0.81</u>	<u>0.64</u>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 14 PROPERTY, PLANT AND EQUIPMENT

	Property <i>RMB'000</i>	Equipment and machinery <i>RMB'000</i>	Vehicles <i>RMB'000</i>	Furniture <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Right-of-use assets (Note 15) <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As at 31 December 2019 (Audited)</b>								
Cost	–	45,549	2,563	2,195	8,288	2,181	7,325	68,101
Accumulated depreciation	–	(24,349)	(1,376)	(1,446)	(4,252)	–	(3,589)	(35,012)
<b>Net book amount</b>	<b>–</b>	<b>21,200</b>	<b>1,187</b>	<b>749</b>	<b>4,036</b>	<b>2,181</b>	<b>3,736</b>	<b>33,089</b>
<b>Six months ended 30 June 2020 (Audited)</b>								
Opening net book amount	–	21,200	1,187	749	4,036	2,181	3,736	33,089
Additions	–	1,631	587	13	344	–	–	2,575
Disposal of subsidiaries	–	(10)	–	–	–	–	–	(10)
Transfer to leasehold improvements	–	–	–	–	2,181	(2,181)	–	–
Disposals	–	(214)	–	(1)	–	–	–	(215)
Depreciation charge	–	(3,298)	(222)	(142)	(1,171)	–	(798)	(5,631)
<b>Closing net book amount</b>	<b>–</b>	<b>19,309</b>	<b>1,552</b>	<b>619</b>	<b>5,390</b>	<b>–</b>	<b>2,938</b>	<b>29,808</b>
<b>As at 30 June 2020 (Audited)</b>								
Cost	–	45,944	3,150	2,182	10,813	–	7,325	69,414
Accumulated depreciation	–	(26,635)	(1,598)	(1,563)	(5,423)	–	(4,387)	(39,606)
<b>Net book amount</b>	<b>–</b>	<b>19,309</b>	<b>1,552</b>	<b>619</b>	<b>5,390</b>	<b>–</b>	<b>2,938</b>	<b>29,808</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 14 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Property <i>RMB'000</i>	Equipment and machinery <i>RMB'000</i>	Vehicles <i>RMB'000</i>	Furniture <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Right-of-use assets (Note 15) <i>RMB'000</i>	Total <i>RMB'000</i>
As at 31 December 2020 (Audited)								
Cost	-	50,278	3,227	2,215	12,220	-	10,529	78,469
Accumulated depreciation	-	(28,222)	(1,715)	(1,643)	(6,883)	-	(5,661)	(44,124)
Net book amount	-	22,056	1,512	572	5,337	-	4,868	34,345
Six months ended 30 June 2021 (Unaudited)								
Opening net book amount	-	22,056	1,512	572	5,337	-	4,868	34,345
Additions	8,705	2,955	464	36	2,858	-	6,369	21,387
Acquisition of subsidiaries (Note 31)	566	3,088	313	23	157	-	-	4,147
Disposals	-	(245)	(221)	(5)	(157)	-	-	(628)
Depreciation charge	(48)	(3,651)	(247)	(116)	(1,347)	-	(796)	(6,205)
Closing net book amount	9,223	24,203	1,821	510	6,848	-	10,441	53,046
As at 30 June 2021 (Unaudited)								
Cost	9,425	56,205	4,065	2,183	15,078	-	16,898	103,854
Accumulated depreciation	(202)	(32,002)	(2,244)	(1,673)	(8,230)	-	(6,457)	(50,808)
Net book amount	9,223	24,203	1,821	510	6,848	-	10,441	53,046

No property, plant and equipment is restricted or pledged as security for liabilities as at 30 June 2021 (31 December 2020: nil).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 15 LEASES

Amounts recognized in the statement of financial position

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
<b>Right-of-use assets</b>		
Properties (Note 14)	<u>10,441</u>	<u>4,868</u>
<b>Lease liabilities</b>		
Current	2,895	1,748
Non-current	<u>7,828</u>	<u>3,685</u>
	<u>10,723</u>	<u>5,433</u>

As at 30 June 2021 and 31 December 2020, right-of-use assets have been included in property, plant and equipment in the consolidated statement of financial position.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 16 INTANGIBLE ASSETS

	Goodwill (Note 31) RMB'000	Customer relationship RMB'000	Software and others RMB'000	Total RMB'000
<b>As at 31 December 2019 (Audited)</b>				
Cost	–	–	9,356	9,356
Accumulated depreciation	–	–	(4,339)	(4,339)
<b>Net book amount</b>	<b>–</b>	<b>–</b>	<b>5,017</b>	<b>5,017</b>
<b>Six months ended 30 June 2020 (Audited)</b>				
Opening net book amount	–	–	5,017	5,017
Additions	–	–	2,139	2,139
Amortization	–	–	(690)	(690)
<b>Closing net book amount</b>	<b>–</b>	<b>–</b>	<b>6,466</b>	<b>6,466</b>
<b>As at 30 June 2020 (Audited)</b>				
Cost	–	–	11,495	11,495
Accumulated amortization charge	–	–	(5,029)	(5,029)
<b>Net book amount</b>	<b>–</b>	<b>–</b>	<b>6,466</b>	<b>6,466</b>
<b>As at 31 December 2020 (Audited)</b>				
Cost	–	–	16,758	16,758
Accumulated depreciation	–	–	(6,770)	(6,770)
<b>Net book amount</b>	<b>–</b>	<b>–</b>	<b>9,988</b>	<b>9,988</b>
<b>Six months ended 30 June 2021 (Unaudited)</b>				
Opening net book amount	–	–	9,988	9,988
Additions	–	–	5,548	5,548
Acquisition of subsidiaries (Note 31)	133,149	42,250	–	175,399
Amortization	–	(562)	(1,510)	(2,072)
<b>Closing net book amount</b>	<b>133,149</b>	<b>41,688</b>	<b>14,026</b>	<b>188,863</b>
<b>As at 30 June 2021 (Unaudited)</b>				
Cost	133,149	42,250	22,353	197,752
Accumulated amortization charge	–	(562)	(8,327)	(8,889)
<b>Net book amount</b>	<b>133,149</b>	<b>41,688</b>	<b>14,026</b>	<b>188,863</b>

No intangible asset is restricted or pledged as security for liabilities as at 30 June 2021 (31 December 2020: nil).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 17 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are only used for hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as “held for trading” for accounting purposes and are accounted for at fair value through profit or loss. The Group has the following derivative financial instruments:

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Current assets		
Foreign currency forwards – held for trading	33,566	–

For information about the methods and assumptions used in determining the fair value of derivatives please refer to Note 24.

## 18 INVENTORIES

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Merchandise goods	8,246	10,007
Consumables	6,236	4,312
Raw materials	832	1,936
	<u>15,314</u>	<u>16,255</u>

No inventory is restricted or pledged as security for liabilities as at 30 June 2021 (31 December 2020: nil).

## 19 OTHER ASSETS

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Parking lots	53,380	60,602

The Group held a small number of parking lots of certain properties it managed for ultimate sales purpose, but the sales of these parking lots is not the part of the Group’s core business and the Group does not intend to engage in such business in the future.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 20 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Trade receivables (Note (a))		
– Related parties (Note 32(d))	118,496	294,683
– Third parties	<u>1,181,602</u>	<u>772,736</u>
	1,300,098	1,067,419
Less: allowance for impairment of trade receivables	<u>(14,950)</u>	<u>(11,675)</u>
	<u>1,285,148</u>	<u>1,055,744</u>
Bill receivables		
– Related parties (Note 32(d))	2,886	–
– Third parties	<u>2,750</u>	<u>1,084</u>
	<u>5,636</u>	<u>1,084</u>
Other receivables		
– Related parties (Note 32(d))	1,116	9,009
– Third parties	<u>293,698</u>	<u>427,836</u>
	294,814	436,845
Less: allowance for impairment of other receivables	<u>(1,923)</u>	<u>(1,780)</u>
	<u>292,891</u>	<u>435,065</u>
Prepayments to suppliers		
– Third parties	<u>589,529</u>	<u>85,569</u>
Prepaid tax	<u>1,924</u>	<u>3,092</u>
	2,175,128	1,580,554
Less: non-current portion of prepayments	<u>–</u>	<u>(6,049)</u>
	<u><u>2,175,128</u></u>	<u><u>1,574,505</u></u>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 20 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

- (a) Trade receivables mainly arise from property management services income and value-added services as provided to non-property owners.

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

The receivables from the provision of value-added services to property developers are usually due for payment upon the issuance of document of settlement.

- (b) As at 30 June 2021 and 31 December 2020, the ageing analysis of the trade receivables based on invoice date were as follows:

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Up to 1 year	1,279,530	1,017,458
1 to 2 years	13,255	43,470
2 to 3 years	4,949	4,015
3 to 4 years	1,625	2,395
4 to 5 years	708	52
Over 5 years	31	29
	<u>1,300,098</u>	<u>1,067,419</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2021, a provision of RMB14,950,000 was made against the gross amounts of trade receivables (31 December 2020: RMB11,675,000).

## 21 RESTRICTED CASH

As at 30 June 2021, restricted cash represents the Company's performance security for foreign currency forwards agreement and a subsidiary's performance security for tourism services according to the requirements of local government authority.

## 22 TERM DEPOSITS

As at 30 June 2021, the initial terms of the Group's term deposits were twelve months. The annual interest rates of the Group's term deposits held in banks throughout the period ended 30 June 2021 ranged from 1.16% to 1.20% per annum. (31 December 2020: nil)

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 23 CASH AND CASH EQUIVALENTS

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Cash at bank and on hand (Note(a))		
– Denominated in HK\$	3,212,216	5,638,409
– Denominated in RMB	<u>3,052,972</u>	<u>1,201,930</u>
	<u><u>6,265,188</u></u>	<u><u>6,840,339</u></u>

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

## 24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The different levels have been defined as follows:

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

### (a) Fair value hierarchy *(Continued)*

The following table presents the Group's financial assets measured and recognized at fair value at 30 June 2021 and 31 December 2020 on a recurring basis:

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i> Level 2	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i> Level 2
Foreign currency forwards	<u>33,566</u>	<u>—</u>

As at 30 June 2021, the Group's financial instruments measured at fair value through profit or loss were derivative financial instruments arising from forward exchange contracts which were classified as level 2. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the period.

The Group did not measured any financial assets at fair value on a non-recurring basis as at 30 June 2021.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

### (a) Fair value hierarchy *(Continued)*

The following table presents the changes in level 3 instruments for the period ended 30 June 2021.

	Financial assets at fair value through profit or loss Wealth management product RMB'000
Opening balance	–
Acquisition of a subsidiary (Note 31)	14,000
Gains for the period recognized in profit or loss	348
Disposal	(14,348)
	<hr/>
Closing balance	<u>–</u>

### (b) Valuation techniques used to determine fair values

Level 2 financial instruments comprise foreign currency forwards. The fair value of these foreign currency forwards is determined using forward exchange rates at the balance sheet day.

Level 3 financial instruments comprise wealth management product. The fair value of the investment is determined using discounted cash flow analysis.

There were no other changes in valuation techniques during the period.

## 25 SHARE CAPITAL

	Number of ordinary shares	Share capital RMB'000
Issued and fully paid		
As at 30 June 2021 and 31 December 2020	<u>652,848,100</u>	<u>652,848</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 26 RESERVES

	Capital reserves <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Total other reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total reserves <i>RMB'000</i>
Balance at 1 January 2020 (Audited)	–	25,000	25,000	407,700	432,700
Profit for the period	–	–	–	293,756	293,756
Transfer from reserves to share capital	19,805	(25,000)	(5,195)	(400,278)	(405,473)
Capital contribution from owners	433,525	–	433,525	–	433,525
Acquisition of additional interests in a subsidiary	1,250	–	1,250	–	1,250
Change in ownership interests in a subsidiary without change of control	(827)	–	(827)	–	(827)
<b>Balance at 30 June 2020 (Audited)</b>	<b>453,753</b>	<b>–</b>	<b>453,753</b>	<b>301,178</b>	<b>754,931</b>
Balance at 1 January 2021 (Audited)	5,936,288	56,982	5,993,270	568,034	6,561,304
Profit for the period	–	–	–	529,813	529,813
Acquisition of additional interests in a subsidiary	20	–	20	–	20
Dividends declared to owners of the Company (Note 29)	–	–	–	(326,424)	(326,424)
<b>Balance at 30 June 2021 (Unaudited)</b>	<b>5,936,308</b>	<b>56,982</b>	<b>5,993,290</b>	<b>771,423</b>	<b>6,764,713</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 27 TRADE AND BILL AND OTHER PAYABLES

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Trade payables (Note (b))		
– Related parties (Note 32(d))	2,093	493
– Third parties	<u>480,597</u>	<u>270,810</u>
	<u>482,690</u>	<u>271,303</u>
Bill payables		
– Third parties	<u>21,129</u>	<u>7,936</u>
Other payables		
– Related parties (Note 32(d))	5,975	13,621
– Third parties	<u>855,253</u>	<u>421,539</u>
	<u>861,228</u>	<u>435,160</u>
Accrued payroll	38,657	69,849
Other taxes payables	82,156	49,801
Dividends payables	<u>370</u>	<u>370</u>
	<u>121,183</u>	<u>120,020</u>
	<u><u>1,486,230</u></u>	<u><u>834,419</u></u>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 27 TRADE AND BILL AND OTHER PAYABLES *(Continued)*

- (a) As at 30 June 2021 and 31 December 2020, the carrying amounts of trade and bill and other payables approximated their fair values.
- (b) As at 30 June 2021 and 31 December 2020, the ageing analysis of the trade payables based on invoice date were as follows:

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Up to 1 year	481,091	268,270
1 to 2 years	655	2,280
2 to 3 years	288	165
Over 3 years	656	588
	<u>482,690</u>	<u>271,303</u>

## 28 CONTRACT LIABILITIES

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

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Property management services	456,770	383,379
Community value-added services	35,688	3,396
	<u>492,458</u>	<u>386,775</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 29 DIVIDENDS

	Six months ended 30 June	
	2021 <i>RMB'000</i> <i>(Unaudited)</i>	2020 <i>RMB'000</i> <i>(Audited)</i>
Dividends declared	<u>326,424</u>	<u>–</u>

Pursuant to the approval at the annual general meeting of shareholders of the Company on 25 May 2021, a dividend of RMB0.50 per ordinary share, amounting to RMB326,424,050 was declared out of the Company's retained earnings.

The Board resolved not to declare any interim dividend for the Period (for the six months ended 30 June 2020: nil).

## 30 COMMITMENTS

### (a) Capital commitments

Capital expenditures contracted for at the end of the period/year but not yet incurred for the period were as follows:

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
	Contracted for	
– Acquisition of equity interests	<u>20,000</u>	<u>–</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 31 BUSINESS COMBINATIONS

Business combinations during the six months ended 30 June 2021, included the acquisitions of Chongqing Weizhen Security Service Co., Ltd. (“Weizhen Security”), Chongqing Jinke Tianjiang Property Service Co., Ltd. (“Jinke Tianjiang”), Chongqing Shangjing Property Service Co., Ltd. (“Chongqing Shangjing”), Lhasa Jiakang Property Management Co., Ltd. (“Lhasa Jiakang”), Baotou Smart Property Service Co., Ltd. (“Baotou Smart”), Hunan Baike Property Management Co., Ltd. (“Hunan Baike”) and Chongqing Meilishan Property Service Co., Ltd. (“Chongqing Meilishan”) at an aggregate purchase consideration of RMB139,465,000. Goodwill of RMB133,149,000 and identifiable net assets of RMB8,327,000 were recognized. The directors of the Company consider that none of these subsidiaries acquired during the period was significant to the Group and thus the individual financial information of these subsidiaries on the acquisition date was not disclosed.

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

	Total RMB'000
<b>Purchase Consideration</b>	
– Cash paid	109,490
– Acquisition prepayments	6,049
– Consideration payable	<u>23,926</u>
<b>Total purchase consideration</b>	<u>139,465</u>
<b>Recognized amounts of identifiable assets acquired and liabilities assumed</b>	
Cash and cash equivalents	39,058
Property, plant and equipment (Note 14)	4,147
Customer relationship (Note 16)	42,250
Deferred income tax assets	14
Financial assets at fair value through profit or loss	14,000
Trade and other receivables and prepayments	21,459
Trade and other payables	(72,841)
Contract liabilities	(24,945)
Deferred income tax liabilities	<u>(7,688)</u>
<b>Total identifiable net assets</b>	<u>15,454</u>
Less: non-controlling interests	<u>(7,127)</u>
<b>Identifiable net assets attributable to the Company</b>	<u>8,327</u>
Goodwill (Note 16)	133,149
Gains from bargain purchase (Note 10)	<u>(2,011)</u>
	<u><u>131,138</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 31 BUSINESS COMBINATIONS *(Continued)*

- (i) Net cash outflow arising from the acquisitions during the period ended 30 June 2021:

	<i>RMB'000</i>
Cash consideration paid	(109,490)
Cash and cash equivalents acquired on the acquisition date	<u>39,058</u>
Net cash outflow on acquisitions	<u><u>(70,432)</u></u>

- (ii) Revenue and profit contribution

The acquired businesses of Weizhen Security, Jinke Tianjiang, Chongqing Shangjing, Lhasa Jiakang, Baotou Smart, Hunan Baike and Chongqing Meilishan contributed total revenue of RMB35,865,000 and net profit of RMB4,337,000 to the Group for the period from their respective acquisition dates to 30 June 2021.

Had Weizhen Security, Jinke Tianjiang, Chongqing Shangjing, Lhasa Jiakang, Baotou Smart, Hunan Baike and Chongqing Meilishan been consolidated from 1 January 2021, the consolidated statements of comprehensive income for the period ended 30 June 2021 would show pro-forma revenue of RMB2,607,586,000 and net profit of RMB544,618,000.

No contingent liability has been recognized for the business combination.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS

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

Name	Relationship
Jinke Property Group 金科集團	Ultimate holding company and its subsidiaries
Hunan Jinke Property Development Co., Ltd* 湖南金科房地產開發有限公司	Joint ventures/associates of Jinke Property
Wujiaqu Jinke Property Development Co., Ltd* 五家渠金科房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinjiahe Property Development Co., Ltd* 重慶金佳禾房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Kunxiang Yutang Property Development Co., Ltd*	Joint ventures/associates of Jinke Property
重慶昆翔譽棠房地產開發有限公司	
Xinjiang Jinke Yutai Property Development Co., Ltd* 新疆金科宇泰房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Pinjinyue Property Development Co., Ltd* 重慶品錦悅房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Xidao Property Development Co., Ltd* 重慶西道房地產開發有限公司	Joint ventures/associates of Jinke Property
Henan Jinshangbaishi Enterprises Co., Ltd* 河南金上百世置業有限公司	Joint ventures/associates of Jinke Property
Henan Zhongjian Jinlun Enterprises Co., Ltd* 河南中建錦倫置業有限公司	Joint ventures/associates of Jinke Property
Henan Zhongshu Enterprises Co., Ltd* 河南中書置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Xilianjin Property Development Co., Ltd* 重慶西聯錦房地產開發有限公司	Joint ventures/associates of Jinke Property
Yunnan Jiaxun Property Development Co., Ltd* 雲南嘉遜房地產開發有限公司	Joint ventures/associates of Jinke Property
Gongyi Bixin Enterprises Co., Ltd* 鞏義市碧欣置業有限公司	Joint ventures/associates of Jinke Property
Zhumadian Bisheng Enterprises Co., Ltd* 駐馬店市碧盛置業有限公司	Joint ventures/associates of Jinke Property
Anqing Jinshixiang Property Development Co., Ltd* 安慶金世祥房地產開發有限公司	Joint ventures/associates of Jinke Property
Linquan County Jiarun Property Development Co., Ltd* 臨泉縣嘉潤房地產開發有限公司	Joint ventures/associates of Jinke Property
Lanxi Zhonglianglong Enterprises Co., Ltd* 蘭溪中梁龍置業有限公司	Joint ventures/associates of Jinke Property
Lanxi Hongke Enterprises Co., Ltd* 蘭溪鴻科置業有限公司	Joint ventures/associates of Jinke Property

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS (Continued)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Changzhou Liangyue Enterprises Co., Ltd* 常州梁悅置業有限公司	Joint ventures/associates of Jinke Property
Changzhou Meike Property Development Co., Ltd* 常州市美科房地產發展有限公司	Joint ventures/associates of Jinke Property
Yueyang County Dingyue Property Development Co., Ltd* 岳陽縣鼎岳房地產開發有限公司	Joint ventures/associates of Jinke Property
Jian Jincheng Property Development Co., Ltd* 吉安金晨房地產開發有限公司	Joint ventures/associates of Jinke Property
Xuchang Jinyao Property Co., Ltd* 許昌金耀房地產有限公司	Joint ventures/associates of Jinke Property
Suzhou Xincheng Jinyue Property Development Co., Ltd* 宿州新城金悅房地產開發有限公司	Joint ventures/associates of Jinke Property
Shijiazhuang Jinke Property Development Co., Ltd* 石家莊金科房地產開發有限公司	Joint ventures/associates of Jinke Property
Hebei Guokong Lancheng Property Development Co., Ltd* 河北國控藍城房地產開發有限公司	Joint ventures/associates of Jinke Property
Suzhou Tianchen Property Development Co., Ltd* 蘇州天宸房地產開發有限公司	Joint ventures/associates of Jinke Property
Changzhou Jinke Property Development Co., Ltd* 常州金科房地產開發有限公司	Joint ventures/associates of Jinke Property
Fujian Hilton Holiday Hotel Co., Ltd* 福建希爾頓假日大酒店有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinke Junzhi Property Development Co., Ltd* 重慶市金科駿志房地產開發有限公司	Joint ventures/associates of Jinke Property
Dalian Hongkun Enterprises Co., Ltd* 大連弘坤實業有限公司	Joint ventures/associates of Jinke Property
Shijiazhuang Jinke Tianyao Property Development Co., Ltd* 石家莊金科天耀房地產開發有限公司	Joint ventures/associates of Jinke Property
Yunnan Jinhongya Property Development Co., Ltd* 雲南金宏雅房地產開發有限公司	Joint ventures/associates of Jinke Property
Zunyi Meijun Property Development Co., Ltd* 遵義市美駿房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Meike Property Development Co., Ltd* 重慶美科房地產開發有限公司	Joint ventures/associates of Jinke Property



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS (Continued)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Chongqing Bijiyai Property Development Co., Ltd* 重慶市碧嘉逸房地產開發有限公司	Joint ventures/associates of Jinke Property
Yunnan Jinke Xinhaihui Enterprises Co., Ltd* 雲南金科鑫海匯置業有限公司	Joint ventures/associates of Jinke Property
Changzhou Baijun Property Development Co., Ltd* 常州百俊房地產開發有限公司	Joint ventures/associates of Jinke Property
Nanjing Yuhong Property Development Co., Ltd* 南京裕鴻房地產開發有限公司	Joint ventures/associates of Jinke Property
Changde Dingye Property Development Co., Ltd* 常德市鼎業房地產開發有限公司	Joint ventures/associates of Jinke Property
Chengdu Leading Property Development Co., Ltd* 成都領跑房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Bijinhui Property Development Co., Ltd* 重慶市碧金輝房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinjianglian Property Development Co., Ltd* 重慶金江聯房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Shengmu Property Development Co., Ltd* 重慶盛牧房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Meichengjin Property Development Co., Ltd* 重慶美城金房地產開發有限公司	Joint ventures/associates of Jinke Property
Hengyang Dingheng Property Development Co., Ltd* 衡陽市鼎衡房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Supin Real Estate Development Co., Ltd* 重慶肅品房地產開發有限公司	Joint ventures/associates of Jinke Property
Changzhou Jincheng Real Estate Development Co., Ltd* 常州金宸房地產開發有限公司	Joint ventures/associates of Jinke Property
Shangrao Yuesheng Property Development Co., Ltd* 上饒市悅盛房地產開發有限公司	Joint ventures/associates of Jinke Property
Yidu Jiaotou Jinwei Property Development Co., Ltd* 宜都交投金緯房地產開發有限公司	Joint ventures/associates of Jinke Property
Yiwu Lianxiang Enterprises Co., Ltd* 義烏市聯祥置業有限公司	Joint ventures/associates of Jinke Property
Shenyang Junyu Property Development Co., Ltd* 瀋陽駿宇房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinxi Health Management Co., Ltd* 重慶金熙健康管理有限公司	Joint ventures/associates of Jinke Property

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS (Continued)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Shanghai Longjun Property Development Co., Ltd* 上海瓏竣房地產開發有限公司	Joint ventures/associates of Jinke Property
Guangxi Tangpeng Investment Co., Ltd.* 廣西唐鵬投資有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinnan Shengtang Property Development Co., Ltd* 重慶金南盛唐房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinyonghe Property Development Co., Ltd* 重慶金永禾房地產開發有限公司	Joint ventures/associates of Jinke Property
Nanyang Zhongliang Chengtong Enterprises Co., Ltd* 南陽中梁城通置業有限公司	Joint ventures/associates of Jinke Property
Dalian Runyu Property Development Co., Ltd* 大連潤譽房地產開發有限公司	Joint ventures/associates of Jinke Property
Zhengzhou Xinyinke Enterprises Co., Ltd* 鄭州新銀科置業有限公司	Joint ventures/associates of Jinke Property
Wenzhou Kaiyi Enterprises Co., Ltd* 溫州市凱壹置業有限公司	Joint ventures/associates of Jinke Property
Dalian Fengmao Enterprises Co., Ltd* 大連豐茂置業有限公司	Joint ventures/associates of Jinke Property
Yueqing Liangpin Enterprises Co., Ltd* 樂清市梁品置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Taijun Property Development Co., Ltd* 重慶泰駿房地產開發有限公司	Joint ventures/associates of Jinke Property
Hubei Jiaotou Hailujing Suizhou Enterprises Co., Ltd* 湖北交投海陸景隨州置業開發有限公司	Joint ventures/associates of Jinke Property
Qingdao Hengmei Enterprises Co., Ltd* 青島恒美置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Wisler Construction Co., Ltd.* 重慶威斯勒建設有限公司	Joint ventures/associates of Jinke Property
Chongqing Meichen Property Development Co., Ltd* 重慶美宸房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinjamei Property Development Co., Ltd* 重慶金嘉美房地產開發有限公司	Joint ventures/associates of Jinke Property
Zhengzhou Qianshang Enterprises Co., Ltd* 鄭州千上置業有限公司	Joint ventures/associates of Jinke Property

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS (Continued)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Shangrao Kesong Enterprises Co., Ltd* 上饒市科頌置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinyuhui Real Estate Development Co., Ltd.* 重慶金煜輝房地產開發有限公司	Joint ventures/associates of Jinke Property
Qingdao Shimao Boxi Real Estate Co., Ltd.* 青島世茂博璽置業有限公司	Joint ventures/associates of Jinke Property
Chengdu Shengbu Real Estate Development Co., Ltd.* 成都市盛部房地產開發有限公司	Joint ventures/associates of Jinke Property
Liuzhou Luzhai Jinrun Real Estate Development Co., Ltd.* 柳州鹿寨金潤房地產開發有限公司	Joint ventures/associates of Jinke Property
Guilin Yingsheng Real Estate Development Co., Ltd.* 桂林盈盛房地產開發有限公司	Joint ventures/associates of Jinke Property
Guigang Yuegui Real Estate Development Co., Ltd.* 貴港悅桂房地產開發有限公司	Joint ventures/associates of Jinke Property
Ji'an Jinsong Real Estate Development Co., Ltd.* 吉安金頌房地產開發有限公司	Joint ventures/associates of Jinke Property
Jiujiang Huadi Jinda Real Estate Co., Ltd.* 九江華地金達房地產有限公司	Joint ventures/associates of Jinke Property
Chongqing Western Consumer Poverty Alleviation Industry Development Co., Ltd.* 重慶西部消費扶貧產業發展有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinjiahai Real Estate Development Co., Ltd.* 重慶金嘉海房地產開發有限公司	Joint ventures/associates of Jinke Property
Jiashan Tianchen Real Estate Development Co., Ltd.* 嘉善天宸房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Keshijin Real Estate Co., Ltd.* 重慶科世金置業有限公司	Joint ventures/associates of Jinke Property
Taicang Zhuorun Real Estate Development Co., Ltd.* 太倉卓潤房地產開發有限公司	Joint ventures/associates of Jinke Property
Beijing Jinke Jinbi Real Estate Co., Ltd.* 北京金科金碧置業有限公司	Joint ventures/associates of Jinke Property
Changsha Jingke Real Estate Co., Ltd.* 長沙景科置業有限公司	Joint ventures/associates of Jinke Property

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS (Continued)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Chengdu Chenpan Real Estate Co., Ltd.* 成都辰攀置業有限公司	Joint ventures/associates of Jinke Property
Suzhou Zhengnuo Real Estate Development Co., Ltd.* 蘇州正諾房地產開發有限公司	Joint ventures/associates of Jinke Property
Suzhou Pingtai Real Estate Co., Ltd.* 蘇州平泰置業有限公司	Joint ventures/associates of Jinke Property
Suzhou Xiaojun Real Estate Development Co., Ltd.* 蘇州驍竣房地產開發有限公司	Joint ventures/associates of Jinke Property
Suzhou Zhuojun Real Estate Development Co., Ltd.* 蘇州卓竣房地產開發有限公司	Joint ventures/associates of Jinke Property
Hai'an Baijun Real Estate Development Co., Ltd.* 海安市百俊房地產開發有限公司	Joint ventures/associates of Jinke Property
Shandong Elysee Real Estate Co., Ltd.* 山東愛麗舍置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinmeiyuan Real Estate Development Co., Ltd.* 重慶金美園房地產開發有限公司	Joint ventures/associates of Jinke Property
Yuxi Jinke Junhui Real Estate Development Co., Ltd.* 玉溪金科駿輝房地產開發有限公司	Joint ventures/associates of Jinke Property
Yunnan Jinjia Real Estate Development Co., Ltd.* 雲南金嘉房地產開發有限公司	Joint ventures/associates of Jinke Property
Yuxi Zhangtai Real Estate Development Co., Ltd.* 玉溪彰泰房地產開發有限公司	Joint ventures/associates of Jinke Property
Xinmi Shouli Real Estate Co., Ltd.* 新密首利置業有限公司	Joint ventures/associates of Jinke Property
Xinyang Jinshao Real Estate Co., Ltd.* 信陽金紹置業有限公司	Joint ventures/associates of Jinke Property
Xinzheng Hongze Real Estate Development Co., Ltd.* 新鄭市鴻澤房地產開發有限公司	Joint ventures/associates of Jinke Property
Nanyang Jinyao Hengdu Real Estate Co., Ltd.* 南陽金耀恒都置業有限公司	Joint ventures/associates of Jinke Property
Huainan Jinjun Real Estate Development Co., Ltd.* 淮南金駿房地產開發有限公司	Joint ventures/associates of Jinke Property
Hefei Jinjun Meihe Real Estate Development Co., Ltd.* 合肥金駿美合房地產開發有限公司	Joint ventures/associates of Jinke Property

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS (Continued)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Hangzhou Dexin Chaoyang Real Estate Co., Ltd.* 杭州德信朝陽置業有限公司	Joint ventures/associates of Jinke Property
Tianjin Sunshine City Jinke Real Estate Development Co., Ltd.* 天津陽光城金科房地產開發有限公司	Joint ventures/associates of Jinke Property
Handan Liangrui Real Estate Development Co., Ltd.* 邯鄲梁瑞房地產開發有限公司	Joint ventures/associates of Jinke Property
Wuhan Fanxiu Real Estate Development Co., Ltd.* 武漢市藩秀房地產開發有限公司	Joint ventures/associates of Jinke Property
Xiaogan Chenhui Real Estate Development Co., Ltd.* 孝感宸輝房地產開發有限公司	Joint ventures/associates of Jinke Property
Xiangyang Jinjue Real Estate Development Co., Ltd.* 襄陽金珏房地產開發有限公司	Joint ventures/associates of Jinke Property
Changzhou Jinjun Real Estate Development Co., Ltd.* 常州金俊房地產開發有限公司	Joint ventures/associates of Jinke Property
Nanjing Jinjun Real Estate Development Co., Ltd.* 南京金俊房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinyuyang Real Estate Development Co., Ltd.* 重慶金宇洋房地產開發有限公司	Joint ventures/associates of Jinke Property
Guizhou Changsa Real Estate Development Co., Ltd.* 貴州昌薩房地產開發有限公司	Joint ventures/associates of Jinke Property
Taicang Xingyu Real Estate Co., Ltd.* 太倉興裕置業有限公司	Joint ventures/associates of Jinke Property
Shenyang Junhan Real Estate Development Co., Ltd.* 瀋陽駿瀚房地產開發有限公司	Joint ventures/associates of Jinke Property
Shenyang Liangming Real Estate Development Co., Ltd.* 瀋陽梁銘房地產開發有限公司	Joint ventures/associates of Jinke Property
Dalian Jinke Jiuli Real Estate Development Co., Ltd.* 大連金科九裡房地產開發有限公司	Joint ventures/associates of Jinke Property
Zhuzhou Jingke Real Estate Co., Ltd.* 株洲景科置業有限公司	Joint ventures/associates of Jinke Property
Guangzhou Jingyu Real Estate Development Co., Ltd.* 廣州景譽房地產開發有限公司	Joint ventures/associates of Jinke Property



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS (Continued)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Suqian Tongjinhong Real Estate Co., Ltd.* 宿遷市通金弘置業有限公司	Joint ventures/associates of Jinke Property
Suqian Liangyue Real Estate Co., Ltd.* 宿遷梁悅置業有限公司	Joint ventures/associates of Jinke Property
Wenzhou Jingrong Real Estate Co., Ltd.* 溫州景容置業有限公司	Joint ventures/associates of Jinke Property
Yixing Baijun Real Estate Development Co., Ltd.* 宜興百俊房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Weicheng Real Estate Co., Ltd.* 重慶韋成置業有限公司	Joint ventures/associates of Jinke Property
Pizhou Yihua Real Estate Development Co., Ltd.* 邳州益華房地產開發有限公司	Joint ventures/associates of Jinke Property
Sishui Jinmengquan Real Estate Development Co., Ltd.* 泗水金孟泉房地產開發有限公司	Joint ventures/associates of Jinke Property
Guangxi Yuanshan Investment Co., Ltd.* 廣西元善投資有限公司	Joint ventures/associates of Jinke Property
Taizhou Shimao New Milestone Real Estate Co., Ltd.* 台州世茂新里程置業有限公司	Joint ventures/associates of Jinke Property
Guizhou Longli Tianchen Real Estate Development Co., Ltd.* 貴州龍裡天宸房地產開發有限公司	Joint ventures/associates of Jinke Property
Hunan Jinke Jingchao Industry Development Co., Ltd.* 湖南金科景朝產業發展有限公司	Joint ventures/associates of Jinke Property
Wuxi Fuyang Real Estate Development Co., Ltd.* 無錫福陽房地產開發有限公司	Joint ventures/associates of Jinke Property
Zhangjiagang Dongjun Real Estate Development Co., Ltd.* 張家港東峻房地產開發有限公司	Joint ventures/associates of Jinke Property
Foshan Jinji Real Estate Development Co., Ltd.* 佛山市金集房地產開發有限公司	Joint ventures/associates of Jinke Property
Jinxiao Real Estate Development Co., Ltd., Maonan District, Maoming City* 茂名市茂南區金驍房地產開發有限公司	Joint ventures/associates of Jinke Property



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS (Continued)

### (a) Name and relationship with related parties (Continued)

Name	Relationship
Chongqing Zhongliang Yongsheng Real Estate Development Co., Ltd.* 重慶中梁永昇房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinchen Jinyu Real Estate Development Co., Ltd.* 重慶金宸錦宇房地產開發有限公司	Joint ventures/associates of Jinke Property
Wuhan Yejin Real Estate Development Co., Ltd.* 武漢業錦房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Shuchen Real Estate Development Co., Ltd.* 重慶蜀宸房地產開發有限公司	Joint ventures/associates of Jinke Property
Shenyang Fuyu Tianxia Real Estate Development Co., Ltd.* 瀋陽富禹天下房地產開發有限公司	Joint ventures/associates of Jinke Property
Hubei Jiaotou Jinke Property Service Co., Ltd.* 湖北交投金科物業服務有限公司	Joint ventures/associates of Jinke Services
Anhui Kejian Property Service Co., Ltd.* 安徽科建物業服務有限公司	Joint ventures/associates of Jinke Services
Chongqing Jinyuejia Education and Technology Co., Ltd.* 重慶金悅佳教育科技有限公司	Joint ventures/associates of Jinke Services
Neijiang Jinchen Wisdom Property Service Co., Ltd.* 內江市金宸智慧物業服務有限公司	Joint ventures/associates of Jinke Services
Urumqi Tianjierenhe Labor Dispatching Co., Ltd.* 烏魯木齊天潔仁和勞務派遣有限公司	Joint ventures/associates of Jinke Services
Renhuai Chengke Property Service Co., Ltd.* 仁懷市城科物業服務有限公司	Joint ventures/associates of Jinke Services

\* The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS (Continued)

### (b) Transactions with related parties

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Audited)
Provision of services		
– Jinke Property Group	550,651	281,658
– Joint ventures and associates of Jinke Property	76,380	47,585
– Joint ventures and associates of Jinke Services	629	323
	<u>627,660</u>	<u>329,566</u>
Purchase of goods and services		
– Jinke Property Group	39	1,161
– Joint ventures and associates of Jinke Property	–	61
– Joint ventures and associates of Jinke Services	3,689	–
	<u>3,728</u>	<u>1,222</u>
Rental expenses		
– Jinke Property Group	<u>86</u>	<u>81</u>
Advances to related parties		
– Jinke Property Group	<u>–</u>	<u>398,000</u>
Repayments from related parties		
– Jinke Property Group	<u>–</u>	<u>811,685</u>
Interest income on loans to related parties		
– Jinke Property Group	<u>–</u>	<u>77,464</u>

All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

### (c) Key management compensation

The key management of the Group are all directors. There is no compensation for key management other than directors (six months ended 30 June 2020: nil).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS (Continued)

### (d) Balances with related parties

	As at 30 June 2021 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2020 <i>RMB'000</i> <i>(Audited)</i>
Trade receivables		
– Jinke Property Group	51,232	250,833
– Joint ventures and associates of Jinke Property	67,155	43,847
– Joint ventures and associates of Jinke Services	109	3
	<u>118,496</u>	<u>294,683</u>
Bill receivables		
– Jinke Property Group	<u>2,886</u>	–
Other receivables		
– Jinke Property Group	895	8,312
– Joint ventures and associates of Jinke Property	202	20
– Joint ventures and associates of Jinke Services	19	677
	<u>1,116</u>	<u>9,009</u>
Trade payables		
– Jinke Property Group	229	493
– Joint ventures and associates of Jinke Services	1,864	–
	<u>2,093</u>	<u>493</u>
Other payables		
– Jinke Property Group	5,786	13,505
– Joint ventures and associates of Jinke Property	189	116
	<u>5,975</u>	<u>13,621</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 32 RELATED PARTY TRANSACTIONS *(Continued)*

### (d) Balances with related parties *(Continued)*

Above trade receivables and trade payables due from/to related parties are trade in nature, while the other receivables and other payables due from/to related parties, except performance guarantee deposits, are non-trade in nature.

Other payables due to related parties are unsecured, interest-free and repayable on demand.

## 33 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Save as disclosed in this report, there are no material subsequent event undertaken by the Company or by the Group.

# GLOSSARY AND DEFINITION

*In this interim report, unless the context otherwise requires, the following words and expressions have the following meanings.*

“ABN”	asset-backed notes
“ABS”	asset-backed securities
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China
“CIA”	China Index Academy
“Company” or “Jinke Services”	Jinke Smart Services Group Co., Ltd.* (金科智慧服務集團股份有限公司), a limited liability company established in the PRC on 18 July 2000 and converted into a joint stock company with limited liability on 28 May 2020, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9666)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and unless the context requires otherwise, refers to Jinke Property
“Corporate Governance Code”	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Shares”	the ordinary shares in the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong

## GLOSSARY AND DEFINITION

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates (within the meaning of the Listing Rules)
“Jinke Property”	Jinke Property Group Co., Ltd.* (金科地產集團股份有限公司), a joint stock company with limited liability established in the PRC on 29 March 1994, listed on the Shenzhen Stock Exchange (stock code: 000656.SZ) and the Controlling Shareholder
“Jinke Property Group”	Jinke Property and its subsidiaries, which exclude the Group
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	17 November 2020, the date on which dealings in the H Shares on the Main Board first commence
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Over-allotment Option”	the option granted by the Company to allot and issue up to 19,936,700 additional H Shares in connection with the global offering of the Company as disclosed in the Prospectus
“Period”	the six months ended 30 June 2021
“Prospectus”	the prospectus of the Company dated 5 November 2020
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time



## GLOSSARY AND DEFINITION

“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Domestic Shares and the H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent

\* For identification purpose only

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