

建發物業管理集團有限公司

C&D Property Management Group Co., Ltd

(Incorporated in the British Virgin Islands with limited liability)

Stock Code: 2156

# 2022

## INTERIM REPORT



國內一流的城市空間運營服務商  
a first class urban service operator in the PRC

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Ms. Qiao Haixia (*Chief Executive Officer*)

Mr. Huang Danghui

### Non-executive Directors

Mr. Lin Weiguo (*Chairman*)

(appointed as chairman on 25 August 2022)

Mr. Xu Yixuan

(appointed on 25 August 2022)

Mr. Zhuang Yuekai (resigned on 25 August 2022)

### Independent Non-executive Directors

Mr. Lee Cheuk Yin Dannis

Mr. Li Kwok Tai James

Mr. Wu Yat Wai

Mr. Cheung Kwok Kwan, *J.P.*

(resigned on 24 June 2022)

## AUDIT COMMITTEE

Mr. Lee Cheuk Yin Dannis (*Committee Chairman*)

Mr. Li Kwok Tai James

Mr. Wu Yat Wai

Mr. Cheung Kwok Kwan, *J.P.* (Note)

## REMUNERATION COMMITTEE

Mr. Wu Yat Wai (*Committee Chairman*)

Mr. Lin Weiguo

(appointed on 25 August 2022)

Mr. Lee Cheuk Yin Dannis

Mr. Li Kwok Tai James

Mr. Zhuang Yuekai (Note)

Mr. Cheung Kwok Kwan, *J.P.* (Note)

## NOMINATION COMMITTEE

Mr. Lin Weiguo (*Committee Chairman*)

(appointed on 25 August 2022)

Mr. Lee Cheuk Yin Dannis

Mr. Li Kwok Tai James

Mr. Wu Yat Wai

Mr. Zhuang Yuekai (Note)

Mr. Cheung Kwok Kwan, *J.P.* (Note)

## COMPANY SECRETARY

Ms. Leung Ching Ching (*FCG, HKFCG*)

## AUTHORISED REPRESENTATIVES

Ms. Qiao Haixia

Ms. Leung Ching Ching (*FCG, HKFCG*)

## REGISTERED OFFICE

2/F, Palm Grove House

P.O. Box 3340

Road Town, Tortola

British Virgin Islands ("BVI")

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3517, 35/F

Wu Chung House

213 Queen's Road East

Wan Chai

Hong Kong

## HEADQUARTERS AND REGISTERED OFFICE IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

Unit 703, 7th Floor

C&D International Building

No.1699 Huandao East Road

Xiamen, PRC

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE BVI

Tricor Services (BVI) Limited

2/F, Palm Grove House

P.O. Box 3340

Road Town, Tortola

BVI

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

(change of address on 15 August 2022)

Note: Mr. Zhuang Yuekai has resigned as the chairman of the nomination committee of the Board and a member of the remuneration committee of the Board on 25 August 2022. Mr. Cheung Kwok Kwan, *J.P.* has resigned as a member of each of the audit committee, the remuneration committee and the nomination committee of the Board with effect from 24 June 2022.

# CORPORATE INFORMATION

## **AUDITOR**

Grant Thornton Hong Kong Limited

## **LEGAL ADVISER AS TO HONG KONG LAWS**

King & Wood Mallesons

## **PRINCIPAL BANKER**

Bank of China

## **COMPANY'S WEBSITE**

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

(the contents of which do not form part of this report)

## **STOCK CODE**

2156

\* The English translation of the name of the companies established in the PRC is for reference only. The official names of the companies are in Chinese.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board (the “Board”) of directors (the “Directors”) of C&D Property Management Group Co., Ltd (the “Company”) is pleased to announce the following unaudited interim consolidated results of the Company and its subsidiaries (collectively, the “Group” or “We”) for the six months ended 30 June 2022 (the “Period”).

	Notes	For the six months ended 30 June 2022 RMB'000 (Unaudited)	For the six months ended 30 June 2021 RMB'000 (Unaudited)
<b>Revenue</b>	3	<b>997,018</b>	665,188
Cost of sales		<b>(741,369)</b>	(489,443)
<b>Gross profit</b>		<b>255,649</b>	175,745
Other income		<b>5,973</b>	2,988
Selling and marketing expenses		<b>(306)</b>	(759)
Administrative and other operating expenses		<b>(112,795)</b>	(69,092)
Provision for expected credit losses allowance on trade and other receivables, net		<b>(3,638)</b>	(3,470)
Finance income, net		<b>34,300</b>	9,990
Share of results of associates		<b>(3)</b>	90
<b>Profit before income tax</b>		<b>179,180</b>	115,492
Income tax expense	4	<b>(45,845)</b>	(28,906)
<b>Profit for the period</b>		<b>133,335</b>	86,586
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<b>20,941</b>	(58)
<b>Total comprehensive income for the period</b>		<b>154,276</b>	86,528
<b>Profit for the period attributable to:</b>			
— Equity holders of the Company		<b>130,420</b>	86,533
— Non-controlling interests		<b>2,915</b>	53
		<b>133,335</b>	86,586
<b>Profit and total comprehensive income attributable to:</b>			
— Equity holders of the Company		<b>151,361</b>	86,475
— Non-controlling interests		<b>2,915</b>	53
		<b>154,276</b>	86,528
<b>Earnings per share attributable to the equity holders of the Company (expressed in RMB per share)</b>			
Basic and diluted	6	<b>0.10</b>	0.07

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		32,797	30,659
Right-of-use assets		18,383	21,035
Interests in associates		1,867	1,870
Goodwill		57,647	30,705
Intangible assets		17,270	10,069
Deferred tax assets		8,372	7,113
		<b>136,336</b>	101,451
<b>Current assets</b>			
Inventories		13,826	12,260
Trade and other receivables	7	392,154	201,467
Amounts due from related parties	10(a)	530,246	–
Income tax recoverable		–	178
Restricted bank deposits	8	36,128	35,887
Cash and cash equivalents	8	1,956,998	2,261,445
		<b>2,929,352</b>	2,511,237
<b>Current liabilities</b>			
Trade and other payables	9	785,721	732,752
Contract liabilities	3(a)	1,071,689	787,299
Amounts due to related parties	10(b)	6,520	1,775
Income tax payables		52,197	38,093
Lease liabilities		4,376	6,284
		<b>1,920,503</b>	1,566,203
<b>Net current assets</b>		<b>1,008,849</b>	945,034
<b>Total assets less current liabilities</b>		<b>1,145,185</b>	1,046,485

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
<b>Non-current liabilities</b>			
Lease liabilities		7,352	7,886
Deferred tax liabilities		9,799	7,341
		<b>17,151</b>	15,227
<b>Net assets</b>			
		<b>1,128,034</b>	1,031,258
<b>CAPITAL AND RESERVES</b>			
Share capital	11	11,286	11,286
Reserves		1,091,504	1,000,123
<b>Equity attributable to the equity holders of the Company</b>			
Non-controlling interests		25,244	19,849
<b>Total equity</b>			
		<b>1,128,034</b>	1,031,258

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					Sub-total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Other reserve* RMB'000	Statutory reserve* RMB'000	Exchange reserve* RMB'000	Retained profits* RMB'000			
<b>Balance at 1 January 2021</b>	9,982	85,775	27,646	207	280,193	403,803	10,850	414,653
<b>Total comprehensive income</b>								
Profit for the period	–	–	–	–	86,533	86,533	53	86,586
<b>Other comprehensive income</b>								
— Exchange differences on translation of financial statements of foreign operations	–	–	–	(58)	–	(58)	–	(58)
<b>Profit and total comprehensive income for the period</b>	–	–	–	(58)	86,533	86,475	53	86,528
<b>Transactions with owners</b>								
— Appropriation to statutory reserve	–	–	3,190	–	(3,190)	–	–	–
	–	–	3,190	–	(3,190)	–	–	–
<b>Balance at 30 June 2021 (unaudited)</b>	9,982	85,775	30,836	149	363,536	490,278	10,903	501,181

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Items disclosed	Attributable to equity holders of the Company										
	Share capital RMB'000	Shares held for restricted shares incentive scheme* RMB'000	Share premium* RMB'000	Share-based payment reserve* RMB'000	Other reserve* RMB'000	Statutory reserve* RMB'000	Exchange reserve* RMB'000	Retained profits* RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2022	11,286	(56,086)	500,084	2,607	85,775	62,235	530	404,978	1,011,409	19,849	1,031,258
<b>Total comprehensive income</b>											
Profit for the period	-	-	-	-	-	-	-	130,420	130,420	2,915	133,335
<b>Other comprehensive income</b>											
— Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	20,941	20,941	-	20,941
<b>Profit and total comprehensive income for the period</b>	-	-	-	-	-	-	-	151,361	151,361	2,915	154,276
<b>Transactions with owners</b>											
— 2021 final dividend approved	-	-	(68,565)	-	-	-	-	-	(68,565)	-	(68,565)
— Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	2,480	2,480
— Recognition of share-based payment, net of taxation	-	-	-	7,600	-	-	-	-	7,600	-	7,600
— Repurchase of shares	-	985	-	-	-	-	-	-	985	-	985
	-	985	(68,565)	7,600	-	-	-	-	(59,980)	2,480	(57,500)
<b>Balance at 30 June 2022 (unaudited)</b>	<b>11,286</b>	<b>(55,101)</b>	<b>431,519</b>	<b>10,207</b>	<b>85,775</b>	<b>62,235</b>	<b>530</b>	<b>556,339</b>	<b>1,102,790</b>	<b>25,244</b>	<b>1,128,034</b>

\* The total of these amounts as at each reporting date represent “Reserves” in the consolidated statement of financial position.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	<b>For the six months ended 30 June 2022 RMB'000 (Unaudited)</b>	For the six months ended 30 June 2021 RMB'000 (Unaudited)
Net cash used in operating activities		<b>(312,486)</b>	(12,814)
Net cash from investing activities		<b>9,427</b>	6,345
Net cash used in financing activities		<b>(1,388)</b>	(7,103)
Net decrease in cash and cash equivalents		<b>(304,447)</b>	(13,572)
Cash and cash equivalents as at 1 January		<b>2,261,445</b>	886,159
Cash and cash equivalents as at 30 June	8	<b>1,956,998</b>	872,587

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 1. GENERAL INFORMATION

C&D Property Management Group Co., Ltd (the “Company”) was incorporated as a company with limited liability in the British Virgin Islands (“BVI”) on 4 May 2016. The address of the registered office of the Company is 2/F, Palm Grove House, P.O. Box 3340, Road Town, Tortola, BVI and its principal place of business in Hong Kong is located at Room 3517, 35/F, Wu Chung House, 213 Queen’s Road East, Wan Chai, Hong Kong.

The Company is an investment holding company and has not carried out any business since its incorporation. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the provision of property management services, community value-added and synergy services and the value-added services to non-property owners in the People’s Republic of China (the “PRC”).

On 31 December 2020, the Company had its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (“the Listing”).

The Company’s immediate holding company is C&D International Investment Group Limited (“C&D International”), a company incorporated in the Cayman Islands with limited liability; Well Land International Limited (“Well Land”), a company incorporated in BVI with limited liability, and C&D Real Estate Corporation Limited\* (建發房地產集團有限公司) (“C&D Real Estate”) which was incorporated in the PRC with limited liability are the Company’s intermediate holding companies, whereas the directors of the Company regard Xiamen C&D Corporation Limited\* (廈門建發集團有限公司) (“Xiamen C&D”), a state-owned enterprise incorporated in the PRC with limited liability, as the Company’s ultimate holding company and controlling party (the “Controlling Party”).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 2. BASIS OF PREPARATION

The Interim Financial Information is prepared in accordance with Hong Kong Accounting Standards (“HKASs”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

### (i) Adoption of new and amended HKFRSs (“HKFRSs”)

New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2022

The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the annual financial statements for the year ended 31 December 2021, except for the adoption of the following new and amended HKFRSs effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 2. BASIS OF PREPARATION *(Continued)*

### (ii) Issued but not yet effective HKFRSs

The Group has not early applied the following new and amended HKFRSs which have been issued but are not yet effective.

HKFRS 17	Insurance contracts and related amendment <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or Joint Venture <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective date not yet determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the Period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

## 3. REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by 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 Group.

During the six months ended 30 June 2022 and 2021, the Group is principally engaged in the provision of property management services and value-added services in the PRC. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is monitored to make strategic decision.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Revenue mainly comprises proceeds from property management services and value-added services. An analysis of the Group's revenue by category for the six months ended 30 June 2022 and 2021 is as follows:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Revenue from customers and recognised over time</b>		
Property management services	<b>475,113</b>	351,813
Value-added services		
— Community value-added and synergy services	<b>84,482</b>	40,063
— Value-added services to non-property owners	<b>338,641</b>	223,547
	<b>898,236</b>	615,423
<b>Revenue from customers and recognised at point in time</b>		
Value-added services		
— Community value-added and synergy services	<b>98,782</b>	49,765
	<b>997,018</b>	665,188

### Information about major customers

For the six months ended 30 June 2022, revenue from entities controlled by Xiamen C&D and its associates contributed to 33.2% (For the corresponding period of the previous year: 35%) of the Group's revenue. Other than entities controlled by Xiamen C&D and associates of Xiamen C&D, the Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 3. REVENUE AND SEGMENT INFORMATION *(Continued)*

### Geographical information

The principal operating entities of the Group are domiciled in the PRC. Accordingly, all of the Group's revenue were derived in the PRC during the six months ended 30 June 2022 and 2021. As at 30 June 2022 and 2021, substantially all of the specified non-current assets (other than deferred tax assets and financial assets at FVTPL) of the Group were located in the PRC.

#### (a) Contract liabilities

The Group recognises the following revenue-related contract liabilities:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Property management services	272,710	184,140
Community value-added and synergy services	792,916	603,159
Value-added services to non-property owners	6,063	–
	<b>1,071,689</b>	787,299

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

#### (b) Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised during the six months ended 30 June 2022 brought-forward from contract liabilities:

	For the six months ended 30 June 2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Revenue recognised that was included in contract liabilities at the beginning of the period</b>		
Property management services	165,920	110,763
Community value-added and synergy services	11,295	35,893
	<b>177,215</b>	146,656

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 3. REVENUE AND SEGMENT INFORMATION *(Continued)*

### Geographical information *(Continued)*

#### (c) *Unsatisfied performance obligations*

For property management services, the Group recognises revenue in the amount that equals to the right to invoice which correspond directly with the value to the customer of the Group's performance to date on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligation for these types of contracts. For value-added services to non-property owners, the Group expects that the majority of the contract amounts allocated to unsatisfied performance obligations will be recognised as revenue from providing services during the next reporting period.

For community value-added and synergy services, the transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations as at 30 June 2022 is as follows:

	<b>As at 30 June 2022 RMB'000 (Unaudited)</b>	As at 30 June 2021 RMB'000 (Unaudited)
Within one year	<b>159,858</b>	18,067
More than one year	<b>700,220</b>	2,721
	<b>860,078</b>	20,788

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 4. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Current income tax</b>		
PRC Enterprise Income Tax ("EIT")	<b>47,403</b>	32,074
<b>Deferred tax</b>	<b>(1,558)</b>	(3,168)
<b>Total income tax expense</b>	<b>45,845</b>	28,906

Notes:

(a) BVI Income tax

Pursuant to the relevant rules and regulations of the BVI, the Group is not subject to any income tax in the BVI during the six months ended 30 June 2022 and 2021.

(b) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not derive any assessable profit arising in Hong Kong during the six months ended 30 June 2022 and 2021.

(c) PRC EIT

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the six months ended 30 June 2022 and 2021, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 25% for the six months ended 30 June 2022 and 2021.

Pursuant to the relevant laws and regulation in the PRC, certain of the Group's PRC entities which are qualified as small low-profit enterprises enjoyed a preferential tax rate of 20% from 1 January 2022 to 31 December 2022. The portion of annual taxable income amount, which does not exceed RMB1,000,000, shall be computed at a reduced rate of 12.5%, and be subject to EIT at 20%. And the portion of annual taxable income, which exceeds RMB1,000,000 but does not exceed RMB3,000,000, shall be computed at a reduced rate of 25%, and be subject to EIT at 20%.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 5. DIVIDENDS

The Board has resolved not to declare interim dividend for the Period (corresponding period of the previous year: Nil).

## 6. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2022 and 2021. The earnings per share is calculated by using the weighted average number of ordinary shares of 1,336,261,106 shares issued during the Period as follows:

	For the six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Profit for the period attributable to equity holders of the Company (RMB'000)	130,420	86,533
Basic earnings per share (RMB)	0.10	0.07

### (b) Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as the Group has no dilutive potential ordinary shares for the six months ended 30 June 2022 and 2021.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 7. TRADE AND OTHER RECEIVABLES

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
<b>Trade receivables</b>			
— Third parties		161,911	86,443
— Related parties		110,161	53,631
		<b>272,072</b>	140,074
Less: Provision for expected credit losses (ECL) allowance of trade receivables		<b>(9,544)</b>	(6,922)
	(a)	<b>262,528</b>	133,152
<b>Other receivables</b>			
Deposits		13,305	13,369
Prepayments		29,153	11,804
Other receivables		31,819	7,310
Payment on behalf of property owners		52,063	34,191
Value-added tax receivables		6,798	3,994
Other tax recoverable		—	143
		<b>133,138</b>	70,811
Less: Provision for ECL allowance of other receivables		<b>(3,512)</b>	(2,496)
	(b)	<b>129,626</b>	68,315
		<b>392,154</b>	201,467

### (a) Trade receivables

Trade receivables mainly arise from property management services managed under lump-sum basis and value-added services.

Property management services income under lump-sum basis are received in accordance with the term of the relevant property service agreements. Service income from property management services is due for payment by property owners upon rendering of services.

Income from value-added services other than smart community services are received in accordance with the terms of the relevant services agreements, and due for payment upon the issuance of invoice. Smart community services income are received in accordance with the terms of the relevant service agreements, and the Group normally allows credit period ranged from 5 days to 60 days to its customers.

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables, whether determined on an individual or collective basis.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 7. TRADE AND OTHER RECEIVABLES (Continued)

### (a) Trade receivables (Continued)

The ageing analysis of trade receivables, net of ECL allowance, based on invoice date, is as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
0–180 days	221,854	97,933
181–365 days	17,729	21,056
1–2 years	15,240	11,723
2–3 years	6,225	1,780
3–4 years	1,003	533
4–5 years	477	127
	<b>262,528</b>	133,152

### (b) Other receivables

The balances mainly represent the payments on behalf of property owners in respect of utilities and maintenance costs of the properties.

## 8. CASH AND CASH EQUIVALENTS

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Cash at banks and on hand	1,993,126	2,297,332
Less: Restricted bank deposits (note)	<b>(36,128)</b>	(35,887)
	<b>1,956,998</b>	2,261,445

Note: As at 30 June 2022, restricted bank deposits mainly represent the deposits in banks as the maintenance fund held on behalf of the residents according to the requirements of local government authorities and designated bank account for the operation of elderly-care centre.

As at 30 June 2022, included in cash and cash equivalents of the Group of RMB1,664,702,000 (31 December 2021: RMB1,747,053,000) is denominated in RMB and placed with banks in the PRC.

RMB is not a freely convertible currency in the international market and its exchange rate is determined by the People's Bank of China. The conversion of RMB into foreign currencies and remittance of RMB out of the PRC is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 9. TRADE AND OTHER PAYABLES

	Note	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
<b>Trade payables</b>			
— Third parties		110,115	90,970
— Related parties		2,954	340
	(a)	<b>113,069</b>	91,310
<b>Other payables</b>			
Accrued charges and other payables		86,846	86,686
Dividend payables		68,565	—
Amounts collected on behalf of property owners		165,069	112,971
Deposit received		133,319	124,785
Value-added tax payable		16,061	75,784
Other tax payables		844	3,464
Staff costs and welfare accruals		146,847	181,666
Payable in relation to the restricted shares incentive scheme		55,101	56,086
		<b>672,652</b>	641,442
		<b>785,721</b>	732,752

### (a) Trade payables

The credit terms of trade payables vary according to the terms agreed with different suppliers. The ageing analysis of the trade payables based on invoice date, is as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
0 to 30 days	66,769	43,996
31 to 60 days	13,128	8,839
61 to 90 days	7,671	1,951
Over 90 days	25,501	36,524
	<b>113,069</b>	91,310

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 10. AMOUNTS DUE FROM/(TO) RELATED PARTIES

### (a) Amounts due from related parties

	<b>As at 30 June 2022 RMB'000 (Unaudited)</b>	<b>As at 31 December 2021 RMB'000 (Audited)</b>
Companies controlled by Xiamen C&D	<b>530,162</b>	–
Associates of Xiamen C&D	<b>84</b>	–
	<b>530,246</b>	–

As at 30 June 2022, amounts due from related parties mainly represented prepayments for the inventory property underwriting agreement entered into between the Company and the C&D International and the cost of funds at an annual interest rate of not less than 5%.

### (b) Amounts due to related parties

	<b>As at 30 June 2022 RMB'000 (Unaudited)</b>	<b>As at 31 December 2021 RMB'000 (Audited)</b>
Ultimate holding company	–	3
Companies controlled by Xiamen C&D	<b>6,520</b>	1,769
Associates of Xiamen C&D	–	3
	<b>6,520</b>	1,775

As at 30 June 2022 and 31 December 2021, the amounts due from/(to) related parties (except amount for underwritten inventory property) are non-trade nature, unsecured, interest-free and repayable on demand.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 11. SHARE CAPITAL

	Number of shares	Nominal value of shares HK\$0.01	
<b>Authorised</b>			
As at 31 December 2021 (audited) and 30 June 2022 (unaudited)	3,000,000,000	30,000,000	
<hr/>			
	Number of shares	Nominal value of shares HK\$0.01	Equivalent nominal value of shares RMB'000
<b>Issued and fully paid</b>			
As at 31 December 2021 (audited) and 30 June 2022 (unaudited)	1,336,261,106	13,362,611	11,286

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 12. MATERIAL RELATED PARTY TRANSACTIONS

The Group had the following material related party transactions.

- (a) During the six months ended 30 June 2022 and 2021, the transactions with related parties of the Group carried in the ordinary course of business are as follows:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
<b>Revenue from provision of property management services</b>		
Ultimate holding company	1,650	1,672
Companies controlled by Xiamen C&D	28,885	23,598
Associates of Xiamen C&D	1,363	575
<b>Revenue from provision of community value-added and synergy services</b>		
Ultimate holding company	3,459	1,056
Companies controlled by Xiamen C&D	40,205	4,409
Associates of Xiamen C&D	3,358	40
<b>Revenue from provision of value-added services to non-property owners</b>		
Companies controlled by Xiamen C&D	227,268	173,539
Associates of Xiamen C&D	24,337	30,948
<b>Interest income received from related parties</b>		
Companies controlled by Xiamen C&D	22,502	–
<b>Rentals paid for short-term lease</b>		
Ultimate holding company	898	898
<b>Rentals paid for lease liabilities</b>		
Ultimate holding company	1,071	1,071

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

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 12. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

- (b) Other than the balances with related parties set out in note 10, The Group also had the following related party balance as at 30 June 2022 and 31 December 2021:

	<b>As at 30 June 2022 RMB'000 (Unaudited)</b>	<b>As at 31 December 2021 RMB'000 (Audited)</b>
<b>Lease liabilities</b>		
Ultimate holding company	<b>1,969</b>	3,938

(c) **Key management personnel remuneration**

Key management of the Group are members of the board of directors and senior management. Included in employee benefit expenses are key management personnel remuneration which includes the following expenses:

	<b>For the six months ended 30 June</b>	
	<b>2022 RMB'000 (Unaudited)</b>	<b>2021 RMB'000 (Unaudited)</b>
Salaries and allowances	<b>895</b>	780
Retirement benefit scheme contributions	<b>52</b>	70
	<b>947</b>	850

## 13. EVENTS AFTER THE REPORTING DATE

Save as disclosed elsewhere in this report, no significant events took place subsequent to 30 June 2022.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. MARKET REVIEW

In the first half of 2022, the macro economy continued to change, and a number of policies were introduced intensively for promoting the diversified development in the property management industry, covering various aspects such as community elderly care, housekeeping and retail. In January 2022, the General Office of the State Council issued the Notice on the “14th Five-Year Plan” for the Construction of Urban and Rural Community Service Systems (《「十四五」城鄉社區服務體系建設規劃的通知》), encouraging the development of community property management service, maintenance, housekeeping, catering, retail and other livelihood service business. In February 2022, the State Council issued the Notice on the “14th Five-Year Plan” for the Development of the National Ageing Career and Senior Care Service System (《「十四五」國家老齡事業發展和養老服務體系規劃的通知》), supporting property management enterprises to take advantage of proximity and cooperate with community elderly care institutions to provide home care services. Under the positive encouragement the policy, the property management industry is expected to achieve orderly, high-quality and diversified development, and the industry has gradually entered a period of rapid development.

In the first half of 2022, the Company carried out its business activities based on the development strategy of “quality leadership, diversified cultivation, resource integration and intelligent empowerment”. On the basis of continuously consolidating the quality of the property management services, the Company actively developed community value-added and synergy services. In respect of home living, the online shopping platform “C&D Property Zhenxuan\* (建發物業臻選)” is enriched and the Group attempted to explore to operate its home living services on its own to improve customer satisfaction and enhance penetration rate. In addition, the Company achieved significant growth in revenue from smart community services, mainly due to an increase in the customer base and application scenarios for its products and services, which significantly increased the number of order and sources of revenue. Meanwhile, the Company actively promoted the implementation of intelligent tools and carried out digital intelligence upgrades in various aspects, such as human resources system, business travel platform and cost system, to continue to improve efficiency and reduce costs for its operation.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. BUSINESS REVIEW

### (1) Overview

In April 2022, we were awarded “Top 100 Property Management Companies in China\* (中國物業服務百強企業)” by China Index Academy and ranked 30th in terms of overall industry strength, with two places improved as compared with 2021. In July 2022, we were awarded “2021 Top 100 of Most Valuable Brand of China Property Management Service (2021中國物業服務企業品牌價值100強)” by Shanghai Yiju Real Estate Research Institute\* (上海易居房地產研究院) and China Real Estate Appraisal Centre\* (中國房地產測評中心). Through upholding our service philosophy of “exploring new service values to make a better living experience (開拓服務新價值，讓生活更美好)”, we envisage to become an outstanding property management services provider in the PRC and are committed to becoming “a first class urban service operator in the PRC (國內一流的城市空間運營服務商)”.

As at 30 June 2022, (i) our property management portfolio covered 57 cities across 16 province(s), municipality(ies) and autonomous region(s) in the PRC, representing an increase of 8 cities from 49 cities covered as at 31 December 2021; (ii) our contracted GFA was approximately 80.6 million sq.m., among which, the GFA under management reached approximately 37.3 million sq.m.; and (iii) we provided services to over 230,000 property units.

Our three main business lines, namely, (i) property management services; (ii) community value-added and synergy services; and (iii) value-added services to non-property owners, have formed an integrated service offering to our customers and have covered the entire value chain of property management.

### (2) Property Management Services

During the Period, we provided a range of property management services to property owners and residents of our managed properties as well as property developers, including greening, gardening and order maintenance for public areas, cleaning, parking management, repair and maintenance services for public facilities, etc.. Our property management portfolio covered residential properties and non-residential properties, including commercial and office buildings, industrial parks, government buildings and public facilities, hospitals and schools, etc.. We charged property management fees primarily on a lump-sum basis, with a comparatively fewer amount of total revenue charged on a commission basis.

During the Period, our Group’s revenue from property management services was approximately RMB475.1 million, representing an increase of approximately 35.0% from approximately RMB351.8 million for the corresponding period of the previous year. The increase in revenue from property management services was primarily driven by the fast growth of our total GFA under management.

#### *GFA and the number of projects*

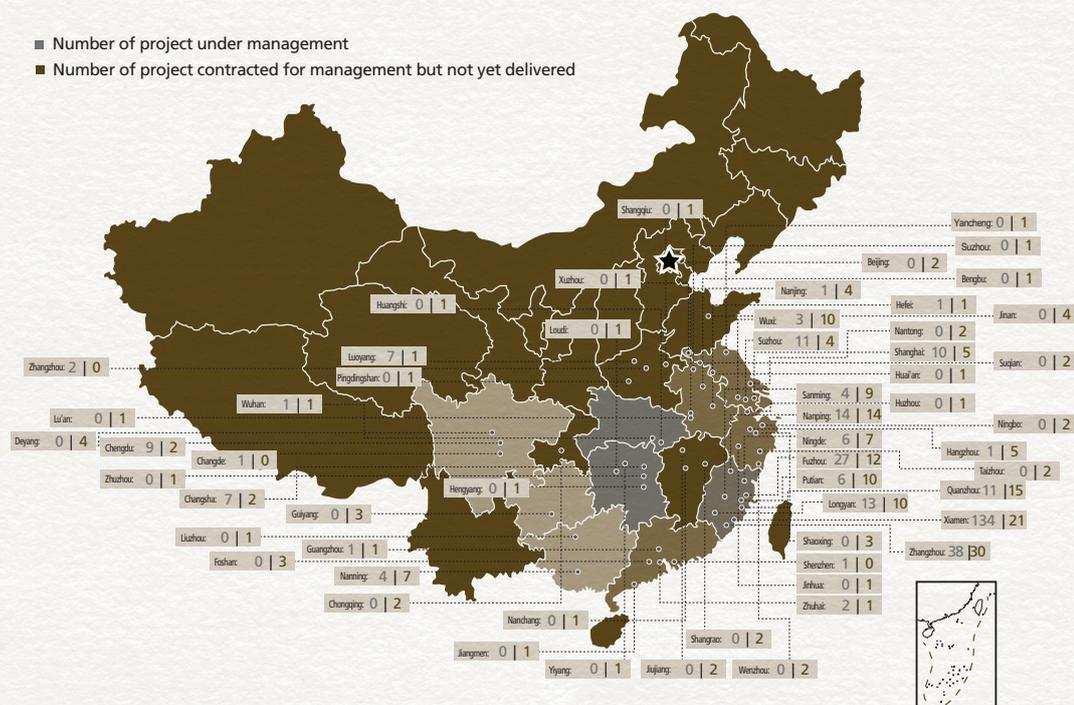
As at 30 June 2022, we had contracted GFA of approximately 80.6 million sq.m., and our number of contracted projects was 540, representing an increase of approximately 9.1% and 10.4% respectively as compared with those as at 31 December 2021 (as at 31 December 2021: approximately 73.9 million sq.m., and 489). As at 30 June 2022, the GFA under management reached approximately 37.3 million sq.m., and number of projects under management was 315, representing an increase of approximately 12.8% and 12.5% respectively as compared with those as at 31 December 2021 (as at 31 December 2021: approximately 33 million sq.m., and 280).

# MANAGEMENT DISCUSSION AND ANALYSIS

## Geographic Coverage

As at 30 June 2022, we had 540 contracted projects covering 57 cities across 16 province(s), municipality(ies) and autonomous region(s) in the PRC, with 315 projects under management, covering 25 cities, serving over 230,000 property units.

The map below illustrates the geographic coverage of the properties under our management as at 30 June 2022 in terms of (i) contracted GFA; and (ii) GFA under management, respectively:



The table below sets out breakdown of the Group's contracted GFA and GFA under management by geographic region as at 30 June 2022 and 31 December 2021:

	As at 30 June 2022		As at 31 December 2021	
	Contracted GFA '000 sq.m.	GFA under management '000 sq.m.	Contracted GFA '000 sq.m.	GFA under management '000 sq.m.
Haixi Cluster (Note 1)	46,951	23,547	42,580	21,180
East China Cluster (Note 2)	16,943	6,198	15,275	5,162
Southeast China Cluster (Note 3)	16,733	7,514	16,016	6,697
<b>Total</b>	<b>80,627</b>	<b>37,259</b>	<b>73,871</b>	<b>33,039</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) As at 30 June 2022, cities in the Haixi Cluster included Longyan, Putian, Quanzhou, Xiamen, Zhangzhou, Foshan, Guangzhou, Jiangmen, Shenzhen, Zhuhai, Liuzhou, Nanning, Guiyang, Changde, Hengyang, Loudi, Yiyang, Changsha, Zhuzhou, Jiujiang, Nanchang, Shangrao, Chengdu, Deyang and Chongqing; as at 31 December 2021, cities in the Haixi Cluster included Longyan, Putian, Quanzhou, Xiamen, Zhangzhou, Foshan, Guangzhou, Shenzhen, Zhuhai, Liuzhou, Nanning, Guiyang, Changde, Hengyang, Yiyang, Changsha, Zhuzhou, Jiujiang, Nanchang, Shangrao, Chengdu, Deyang and Chongqing.
- (2) As at 30 June 2022, cities in the East China Cluster comprised Bengbu, Hefei, Liu'an, Suzhou, Beijing, Luoyang, Pingdingshan, Shangqiu, Zhengzhou, Huangshi, Wuhan, Huai'an, Nanjing, Nantong, Suzhou, Suqian, Wuxi, Xuzhou, Yancheng, Jinan and Shanghai; as at 31 December 2021, cities in the East China Cluster comprised Bengbu, Hefei, Liu'an, Suzhou, Beijing, Luoyang, Zhengzhou, Wuhan, Huai'an, Nanjing, Nantong, Suzhou, Suqian, Wuxi, Jinan and Shanghai.
- (3) As at 30 June 2022, cities in the Southeast China Cluster comprised Fuzhou, Ningde, Nanping, Sanming, Hangzhou, Huzhou, Jinhua, Ningbo, Shaoxing, Taizhou and Wenzhou; as at 31 December 2021, cities in the Southeast China Cluster comprised Fuzhou, Ningde, Nanping, Sanming, Hangzhou, Huzhou, Jinhua, Ningbo, Shaoxing and Wenzhou.

## Source of Projects

As at 30 June 2022, the contracted GFA for property management services with Xiamen C&D and its subsidiaries, associates and joint ventures (excluding our Group) ("Xiamen C&D Group") was approximately 48.8 million sq.m., representing an increase of approximately 10.9% from approximately 44.0 million sq.m. as at 31 December 2021.

While maintaining close business relationship with Xiamen C&D Group, we also further expanded the scale of our property management service business and market share through mergers and acquisitions, the establishment of joint ventures and other modes. As at 30 June 2022, our contracted GFA for property management services to independent third parties was approximately 31.8 million sq.m., representing an increase of approximately 6.6% from approximately 29.9 million sq.m. as at 31 December 2021.

The table below sets out the Group's GFA under management as at 30 June 2022 and 30 June 2021 and the breakdown of our revenue from our property management services derived from property projects by property developers which were Xiamen C&D Group and independent third parties for each of the six months ended 30 June 2022 and 2021:

	GFA under management '000 sq.m.	As at 30 June or for the six months ended 30 June 2022		2021		% of revenue
		Revenue RMB'000	% of revenue	GFA under management '000 sq.m.	Revenue RMB'000	
Xiamen C&D Group	<b>21,802</b>	<b>267,945</b>	<b>56.4</b>	16,315	209,531	59.6
Independent third parties	<b>15,457</b>	<b>207,168</b>	<b>43.6</b>	11,365	142,282	40.4
<b>Total</b>	<b>37,259</b>	<b>475,113</b>	<b>100.0</b>	27,680	351,813	100.0

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Types of the Managed Properties*

We focused on providing property management services to residential communities in the PRC, but we also endeavoured to diversify our property management portfolio by actively developing high quality non-residential properties, including commercial and office buildings, industrial parks, government buildings and public facilities, hospitals and schools. As at 30 June 2022, our contracted GFA for non-residential properties was approximately 5.1 million sq.m., representing an increase of approximately 5.8% from approximately 4.8 million sq.m. as at 31 December 2021.

The table below sets out the GFA under management as at 30 June 2022 and 30 June 2021 and the breakdown of our revenue from our property management services by type of property for each of the six months ended 30 June 2022 and 2021:

	As at 30 June or for the six months ended 30 June					
	2022			2021		
	GFA under management '000 sq.m.	Revenue RMB'000	% of revenue	GFA under management '000 sq.m.	Revenue RMB'000	% of revenue
Residential	33,807	352,609	74.2	24,992	269,661	76.6
Non-residential	3,452	122,504	25.8	2,688	82,152	23.4
Total	37,259	475,113	100.0	27,680	351,813	100.0

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Revenue Model*

We generally determined the revenue model of property management services based on the following factors, including but not limited to: (i) the type(s), scale(s) and location(s) of properties to be managed; (ii) the nature and scope of the services to be provided; (iii) expected personnel and material inputs; and (iv) arm's length negotiation with our customers. During the Period, we mainly charged property management fees on a lump-sum basis, while a few property management service projects were charged on commission basis.

The table below sets out the GFA under management as at 30 June 2022 and 30 June 2021 and the breakdown of our revenue from our property management services by revenue model for each of the six months ended 30 June 2022 and 2021:

	As at 30 June or for the six months ended 30 June					
	2022			2021		
	GFA under management '000 sq.m.	Revenue RMB'000	% of revenue	GFA under management '000 sq.m.	Revenue RMB'000	% of revenue
Lump-sum basis	36,627	461,814	97.2	27,048	340,005	96.6
Commission basis	632	13,299	2.8	632	11,808	3.4
<b>Total</b>	<b>37,259</b>	<b>475,113</b>	<b>100.0</b>	<b>27,680</b>	<b>351,813</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

### (3) Community Value-added and Synergy Services

During the Period, we provided a variety of community value-added and synergy services mainly by ourselves or third-party sub-contractors or service companies. The services mainly included: (i) home living services, such as housekeeping and cleaning services, repair and maintenance services and community group-purchasing services; (ii) home beauty services, providing turn-key move-in services (拎包入住服務) with one-stop home beauty solutions for overall design, interior home furnishing and appliances installation and home furniture services, etc.; (iii) real estate brokerage and asset management services, including services for secondary sales or rental transactions of properties and/or car parking spaces, and sales agency services for unsold inventory property units of the property developers; (iv) value-added services for public areas, including leasing out public areas and advertising spots; (v) elderly-care & health value-added services, mainly including the operation of C&D Yibai Elderly Care Centre\* (建發溢佰養老中心) providing community elderly-care services, institutional elderly-care services and home respite services; and (vi) smart community services, mainly design and construction services of smart property management services and operation of our mobile application “Huishenghuo\* (慧生活)”.

During the Period, the Group’s revenue from community value-added and synergy services was approximately RMB183.3 million, representing an increase of approximately 104.0% from approximately RMB89.8 million for the corresponding period of the previous year. The increase was mainly due to the expansion of our customer base as a result of the increase in the area under management, as well as the diversification of our service offerings. For instance, in respect of home living services, we have consolidated our resources and enriched our online shopping platform “C&D Property Zhenxuan\* (建發物業臻選)”, to provide customers with higher quality products in the food, wine and daily necessity segments. At the same time, the Group operated its home living services on its own to improve its service offerings and enhance customer satisfaction. For the smart community services, the expansion of service applications has significantly broadened the number of orders and sources of revenue.

The table below sets out the breakdown of our revenue derived from the provision of different types of community value-added and synergy services for each of the six months ended 30 June 2022 and 2021:

	For the six months ended 30 June			
	2022		2021	
	Revenue RMB'000	%	Revenue RMB'000	%
Home living services	62,413	34.0	30,680	34.2
Smart community services	37,778	20.6	3,169	3.5
Real estate brokerage and asset management services	31,503	17.2	19,524	21.7
Value-added services for public areas	23,944	13.1	19,139	21.3
Elderly-care & health value-added services	16,793	9.2	8,791	9.8
Home beauty services	10,833	5.9	8,525	9.5
<b>Total</b>	<b>183,264</b>	<b>100.0</b>	<b>89,828</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

## (4) Value-added Services to Non-property Owners

During the Period, we mainly provided (i) consultancy services to property developers and other non-property owners during the property development and construction stages on aspects such as project design and construction materials from the perspective of property management and operation and requirement of the property owners; and (ii) reception, order maintenance and cleaning services to property developers and other non-property owners at the pre-sales centres.

During the Period, the Group's revenue from value-added services to non-property owners was approximately RMB338.6 million, representing an increase of approximately 51.5% from approximately RMB223.5 million for the corresponding period of the previous year. The increase was mainly due to an increase in number of projects developed by cooperative property developers which in turn resulted in an increased demand for value-added services to non-property owners.

The table below sets out the breakdown of our revenue from our value-added services to non-property owners for each of the six months ended 30 June 2022 and 2021:

	For the six months ended 30 June			
	2022		2021	
	Revenue RMB'000	%	Revenue RMB'000	%
Consultancy services	2,412	0.7	2,087	0.9
Reception, order maintenance and cleaning services	336,229	99.3	221,460	99.1
Total	338,641	100.0	223,547	100.0

# MANAGEMENT DISCUSSION AND ANALYSIS

## 3. FINANCIAL REVIEW

### Revenue

During the Period, due to our continuous business development, the Group's revenue was approximately RMB997.0 million, representing an increase of approximately 49.9% from approximately RMB665.2 million for the corresponding period of the previous year.

The table below sets out the revenue of the Group by business line for each of the six months ended 30 June 2022 and 2021:

	For the six months ended 30 June			
	2022		2021	
	RMB'000	%	RMB'000	%
Property management services	475,113	47.6	351,813	52.9
Community value-added and synergy services	183,264	18.4	89,828	13.5
Value-added services to non-property owners	338,641	34.0	223,547	33.6
Total	997,018	100.0	665,188	100.0

The property management services were our largest source of revenue. During the Period, the revenue from property management services was approximately RMB475.1 million, accounting for approximately 47.6% of the Group's total revenue. The revenue from property management services for the Period increased by approximately 35.0% from approximately RMB351.8 million for the corresponding period of the previous year, which was primarily driven by the fast growth of our total GFA under management. During the Period, our total GFA under management increased from approximately 33.0 million sq.m. as at 31 December 2021 to approximately 37.3 million sq.m. as at 30 June 2022, which was resulted from both our steady cooperation with cooperative property developers and our efforts to expand the third-party customer base.

The revenue from community value-added and synergy services increased by approximately 104.0% from approximately RMB89.8 million for the corresponding period of the previous year to approximately RMB183.3 million for the Period, which was mainly due to the increase of our management area which led to the expansion of our customer base, as well as the diversification of service offerings.

The revenue from value-added services to non-property owners increased by approximately 51.5% from approximately RMB223.5 million for the corresponding period of the previous year to approximately RMB338.6 million for the Period, which was mainly due to an increase in number of projects developed by cooperative property developers which in turn resulted in an increased demand for value-added services to non-property owners.

### Cost of sales

Cost of sales increased by approximately 51.5% from approximately RMB489.4 million for the corresponding period of the previous year to approximately RMB741.4 million for the Period, which was primarily due to the increase of our business scale.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Gross profit**

As a result of the above principal factors, the Group's gross profit increased by approximately 45.5% from approximately RMB175.7 million for the corresponding period of the previous year to approximately RMB255.6 million for the Period, with gross profit margin of approximately 26.4% and 25.6%, respectively. The slight decrease in gross profit margin was mainly due to the increase of labour cost.

## **Other income**

Other income was approximately RMB6.0 million for the Period, representing an increase of approximately 99.9% from approximately RMB3.0 million for the corresponding period of the previous year, which was mainly due to granting of government subsidy.

## **Selling and marketing expenses**

During the Period, the Group's selling and marketing expenses were approximately RMB0.3 million, representing a decrease of approximately RMB0.5 million from approximately RMB0.8 million for the corresponding period of the previous year, which was mainly due to the decrease of the promotion expenses.

## **Administrative and other operating expenses**

The Group's administrative and other operating expenses mainly included staff cost (including costs of the 2021 restricted share incentive scheme), travelling and entertainment expenses, consultancy fee, telecommunication and utilities, depreciation, office expenses and other expenses (mainly including bank handling fees, gains and losses on disposal of assets and insurance fees).

During the Period, the Group's total administrative and other operating expenses amounted to approximately RMB112.8 million, representing an increase of approximately 63.3% from approximately RMB69.1 million for the corresponding period of the previous year, which was mainly due to the growth of our business volume, increase in headcount and average wages of administration staff as well as increase in office expenses, travelling and entertainment expenses, consultancy fee due to expansion of our business scale.

## **Net provision for expected credit losses ("ECL") allowance on trade and other receivables**

The Group's net provision for ECL allowance on trade and other receivables increased from approximately RMB3.5 million for the corresponding period of the previous year to approximately RMB3.6 million for the Period, representing an increase of approximately RMB0.1 million, which was mainly due to an increase in the trade receivables.

## **Net finance income**

The Group's net finance income mainly included interest income on bank deposit, interest income on amounts due from related parties, and lease liability interest relating to lease liabilities arising from leased properties used for office. During the Period, the Group's net finance income was approximately RMB34.3 million, representing an increase of approximately 243.3% as compared with approximately RMB10.0 million for the corresponding period of the previous year, which was mainly due to the capital cost received in relation to the determined price prepaid by the Company under the inventory property underwriting agreement entered into between the Company and C&D International dated 4 October 2021 (the "Inventory Property Underwriting Agreement").

## **Profit before income tax**

Due to the combined effect of the abovementioned factors, the profit before income tax for the Period was approximately RMB179.2 million, representing an increase of approximately 55.1% as compared with approximately RMB115.5 million for the corresponding period of the previous year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Income tax expense**

Income tax expense increased from approximately RMB28.9 million for the corresponding period of the previous year to approximately RMB45.8 million for the Period, representing an increase of approximately 58.6%. The increase was mainly attributable to an increase in the Group's profit before income tax due to growth of business.

## **Profit attributable to equity holders of the Company**

The profit attributable to equity holders of the Company for the Period was approximately RMB130.4 million, representing an increase of approximately 50.7% as compared with approximately RMB86.5 million for the corresponding period of the previous year.

## **Property, plant and equipment**

Property, plant and equipment of the Group mainly consisted of leasehold improvement, office equipment and other fixed assets. As at 30 June 2022, the Group's property, plant and equipment amounted to approximately RMB32.8 million, representing an increase of approximately 7% from approximately RMB30.7 million as at 31 December 2021, which was mainly due to the increased demand for office equipment as a result of the scale-up of our business.

## **Trade and other receivables**

The Group's trade and other receivables were mainly from property management services income from properties managed on a lump-sum basis and trade receivables of value-added services as well as other receivables from payments on behalf of property owners and residents in respect of utilities and maintenance costs. As at 30 June 2022, the Group's trade and other receivables were approximately RMB392.2 million, representing an increase of approximately 94.6% as compared with approximately RMB201.5 million as at 31 December 2021, which was mainly due to the expansion of our management scale and part of income from the value-added services to non-property owners had not reached the agreed settlement period.

## **Cash and cash equivalents**

As at 30 June 2022, the Group's cash and cash equivalents were approximately RMB1,957.0 million, representing a decrease of approximately RMB304.4 million (approximately 13.5%) from approximately RMB2,261.4 million as at 31 December 2021, which was mainly due to the prepayment of the determined price paid by the Company pursuant to the Inventory Property Underwriting Agreement.

## **Trade and other payables**

The Group's trade and other payables mainly included trade payables, amounts collected on behalf of property owners, received deposits (保證金) and accrued staff costs and welfares. As at 30 June 2022, our trade and other payables were approximately RMB785.7 million, representing an increase of approximately 7.2% from approximately RMB732.8 million as at 31 December 2021, which was mainly due to the declaration of the final dividend for the year ended 31 December 2021 on 25 March 2022.

## **Contract liabilities**

Contract liabilities of the Group were service prepayment paid by customers for the services which had not been provided and not been recognised as revenue. As at 30 June 2022, our contract liabilities amounted to approximately RMB1,071.7 million, representing an increase of approximately 36.1% from approximately RMB787.3 million as at 31 December 2021, which was primarily due to the increase in projects under management and payments received in advance for home furniture services during the Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Liquidity and financial resources**

The Group continued to satisfy its requirement for working capital, capital expenditure and other capital requirement through cash generated from its operation. During the Period, the Group's net cash from operating activities was approximately RMB(312.5) million, representing a decrease of approximately RMB299.7 million from approximately RMB(12.8) million for the corresponding period of the previous year, which was mainly due to the prepayment of the determined price paid by the Company pursuant to the Inventory Property Underwriting Agreement.

As at 30 June 2022, the net current assets of the Group was approximately RMB1,008.8 million, representing an increase of approximately RMB63.8 million from net current assets of approximately RMB945.0 million as at 31 December 2021, which was mainly due to the increase of accounts receivables as a result of the increase of business scale. As at 30 June 2022, the Group's current ratio was approximately 1.5x (total current assets divided by total current liabilities) (as at 31 December 2021: approximately 1.6x).

As at 30 June 2022, the Group's gearing ratio (sum of current liabilities and non-current liabilities divided by sum of current assets and non-current assets) was approximately 63.2% (as at 31 December 2021: approximately 60.5%).

As at 30 June 2022, the Group did not have any outstanding loan capital, bank overdrafts and liabilities, or other similar indebtedness, debentures, mortgages, charges or loans (as at 31 December 2021: Nil).

## **Principal Risks and Uncertainties**

### *Government Policy Risk*

The Company's business growth is, and will likely continue to be affected by the PRC government regulations or policies of our industry. The PRC government may introduce regulations or policies to restrict or reduce property development activities and affect the delivery schedule and occupancy rates of the properties the Group provide services. Any such governmental regulations and measures may affect the PRC real estate industry, thus limiting our business growth and resulting in a material adverse effect on our business, financial position and results of operations. The group will continue to enrich the business structure to ensure a stable property management revenue, thereby minimizing the impact.

### *Future Acquisition or Expansion Risk*

In addition to our organic growth, when suitable opportunities arise, the Company will also explore selective investments in or acquisitions of other property management companies in the PRC. However, there can be no assurance that the Company will be able to identify suitable opportunities. Acquisitions involve uncertainties and risks, including but not limited to, potential ongoing financial obligations and unforeseen or hidden liabilities, failure to achieve the intended objectives, benefits or revenue-enhancing opportunities, and diversion of resources and management attention. Even if the Company manages to identify suitable opportunities, the Company may not be able to complete the acquisitions on terms favourable or acceptable to us, in a timely manner, or at all. The inability to identify suitable acquisition targets or complete acquisitions could materially and adversely affect our competitiveness and growth prospects. Given the above, the Company will identify acquisition targets in a cautious manner.

## **Contingent liabilities**

As at 30 June 2022, the Group had no significant contingent liabilities.

## **Interest rate risk**

As the Group had no significant interest-bearing assets and liabilities for the Period, the Group was not exposed to material risk directly relating to changes in market interest rate.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Foreign exchange risk**

The principal activities of the Group were conducted in the PRC, and a majority of the Group's income and expenses were denominated in Renminbi. Therefore, the Group was not exposed to material risk directly relating to foreign exchange rate fluctuation except certain bank balances were denominated in Hong Kong dollars. During the Period, the Group did not enter into contracts to hedge its exposure to foreign exchange risk, but the management will continue to monitor the foreign exchange exposure, and take prudent measures to reduce the foreign exchange risk.

## **Events after the Period**

As at the date of this report, the Group did not have material subsequent events after the Period.

## **Employment and remuneration policy**

The Group adopted remuneration policies similar to its peers in the industry. The remuneration payable to our staff was fixed by reference to the duties and the prevailing market rates in the region. Discretionary performance bonus after assessments was paid to employees to reward their contributions. In compliance with the applicable statutory requirements in the PRC and existing requirements of the local government, the Group has participated in different social welfare plans for our employees. A restricted share incentive scheme was adopted by the Group to motivate the management and core staff of the Company.

The same remuneration philosophy is applicable to the Directors. Apart from benchmarking against the market, the Company reviews individual competence, contributions and the affordability of the Company in determining the exact level of remuneration for each Director.

As at 30 June 2022, the Group had 12,280 employees (as at 31 December 2021: 11,057 employees).

## **4. OUTLOOK AND PROSPECT**

Along with the continuous upgrading of the industry development pattern and the increasingly diversified needs of customers, the value of property management services has been continuously unleashed. The Group has always taken quality services as the premiere and core of its operation and anchored on a high-quality and sustainable strategic development path. Meanwhile, the Group has been able to grasp the pace of market expansion, accelerate the incubation of value-added service businesses and continue to improve the construction of the smart property management system, forming a high-quality development strategy with "quality leadership, diversified cultivation, resource integration and intelligent empowerment" as its core competitive edge.

### **(1) Taking the lead in quality and implementing a standardised service system**

The Group insist on quality leadership, continuously consolidate the quality of basic services, and implements optimized and standardized management throughout the life cycle of property management services. At the same time, the Group continues to promote service upgrades and service value renewal to maintain benchmark service quality so as to create a "satisfying + surprising" service experience for our customers.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **(2) Diversifying into deeper cultivation to achieve high-quality and stable growth**

The Group has speeded up the establishment of a comprehensive urban service ecological loop, forming a service layout covering specialized sub-sectors: medium and high-end residential, policy housing, commercial and office buildings, industrial parks, government buildings and public facilities, hospitals and schools. In addition, the Group will expand its service scope to commercial assets management, where the Group will provide services to commercial property owners in the operation and management of commercial properties. In the meantime, the Group continues to enhance the content of services in core cities, and actively explore acquisition opportunities through state-owned enterprise cooperation and equity cooperation to achieve high-quality and stable growth in business scale.

## **(3) Integrating resources and opening up the whole chain of value-added services**

The Group has opened up more value-added service access point to meet the diverse needs of different group of customers. Through the integration of supply chain advantageous resources, the Group explores customers' in-depth service needs, and consolidates the penetration and satisfaction of value-added services such as home living services and home beauty services. The Group will continue to promote smart community services, expand the scope of services and upgrade technology. The Group will improve the occupancy rate and satisfaction rate of elderly-care & health value-added services and will actively prepare the opening of the new elderly care centre in Haicang, which aims to provide institutional elderly-care services to the elderly.

## **(4) Intelligent empowerment, building a new ecology of intelligent connection of everything**

Under the wave of digitisation and intelligence in properties, the Group will innovatively use intelligent tools and means to continuously improve service quality and customer experience, promote the application of relevant intelligent scenarios and build up a new ecology of smart connectivity.

In summary, the Group will adhere to its original intention of providing quality services, respond flexibly to changes in the market environment and continue to strengthen its core competitiveness to achieve "efficient improvement in service quality, steady growth in profit scale, continuous optimisation of business structure and significant enhancement of brand strength", so as to achieve the Group's high-quality long-term development.

## OTHER INFORMATION

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

As at 30 June 2022, the interests and short positions of the Directors and the chief executive of the Company in the shares of the Company (the "Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

#### Long positions in the Shares of the Company

Name of Directors	Capacity/Nature of interests	Number of issued Shares/ underlying Shares held	Approximate percentage of interest in the Company (Note 1)
Mr. Zhuang Yuekai (Note 4)	Founder of a discretionary trust	52,412,000 (Note 2)	3.92%
Mr. Lin Weiguo	Interest of controlled corporation	52,412,000 (Note 2)	3.92%
Ms. Qiao Haixia	Beneficiary of a trust	748,234 (Note 2)	0.06%
	Beneficiary of a trust (other than a discretionary interest)	600,000 (Note 3)	0.04%
	Beneficial owner	32,000	0.002%
Mr. Huang Danghui	Beneficiary of a trust	498,805 (Note 2)	0.04%
	Beneficiary of a trust (other than a discretionary interest)	600,000 (Note 3)	0.04%

Notes:

- The percentage of shareholding was calculated based on the Company's total number of 1,336,261,106 Shares in issue as at 30 June 2022.
- These Shares were registered in the name of Diamond Firetail Limited ("Diamond Firetail"), a company incorporated in the BVI and a wholly-owned subsidiary of Tricor Equity Trustee Limited ("Tricor Equity Trustee"). Tricor Equity Trustee is a trustee of a discretionary trust and Mr. Zhuang Yuekai is one of the founders of the said discretionary trust, while Mr. Lin Weiguo is one of the protectors of the said discretionary trust. Ms. Qiao Haixia and Mr. Huang Danghui are beneficiaries of the said discretionary trust. Therefore, Mr. Zhuang Yuekai, Mr. Lin Weiguo, Ms. Qiao Haixia and Mr. Huang Danghui are deemed to be interested in the Shares held by Diamond Firetail by virtue of the SFO.
- The 2021 restricted share incentive scheme (the "Incentive Scheme") of the Company was approved at the extraordinary general meeting of the Company on 27 September 2021 and up to 35,300,000 ordinary shares of the Company can be allotted and issued to the trustee of the Incentive Scheme, who shall hold the ordinary shares of the Company on behalf of the incentive recipients of the Incentive Scheme. Pursuant to the Incentive Scheme, 28,250,000 shares were initially granted. Being the incentive recipients of the Incentive Scheme, each of Ms. Qiao Haixia and Mr. Huang Danghui is interested in 600,000 and 600,000 ordinary shares of the Company held on trust by the trustee respectively, which are subject to vesting.
- Mr. Zhuang Yuekai resigned as a Director on 25 August 2022.

## OTHER INFORMATION

### Long positions in the shares of the Company's associated corporation

Name of Directors	Name of our associated corporation	Capacity/Nature of interests	Number of issued shares/underlying shares held	Approximate percentage of shareholding in issued share capital (Note 1)
Mr. Zhuang Yuekai (Note 4)	C&D International	Founder of a discretionary trust	47,250,068 (Note 2)	3.24%
	C&D International	Beneficiary of a trust (other than a discretionary interest)	330,000 (Note 3)	0.02%
Mr. Lin Weiguo	C&D International	Interest of controlled corporation	47,250,068 (Note 2)	3.24%
	C&D International	Beneficiary of a trust (other than a discretionary interest)	290,000 (Note 3)	0.02%
Ms. Qiao Haixia	C&D International	Beneficiary of a trust	674,542 (Note 2)	0.05%
	C&D International	Beneficial owner	32,000	0.002%
Mr. Huang Danghui	C&D International	Beneficiary of a trust	449,679 (Note 2)	0.3%

Notes:

- The percentage of shareholding was calculated based on C&D International's total number of 1,457,820,204 ordinary shares in issue as at 30 June 2022.
- These ordinary shares of C&D International were registered in the name of Diamond Firetail, a company incorporated in the BVI and a wholly-owned subsidiary of Tricor Equity Trustee. Tricor Equity Trustee is a trustee of a discretionary trust and Mr. Zhuang Yuekai is one of the founders of the said discretionary trust, while Mr. Lin Weiguo is one of the protectors of the said discretionary trust. Ms. Qiao Haixia and Mr. Huang Danghui are beneficiaries of the said discretionary trust. Therefore, Mr. Zhuang Yuekai, Mr. Lin Weiguo, Ms. Qiao Haixia and Mr. Huang Danghui are deemed to be interested in the ordinary shares of C&D International held by Diamond Firetail by virtue of the SFO.
- The 2021 restricted share incentive scheme of C&D International (the "CDI Incentive Scheme") was approved at the extraordinary general meeting of C&D International on 9 June 2021 and 35,300,000 ordinary shares of C&D International were allotted and issued to the trustee of the CDI Incentive Scheme, who held ordinary shares of C&D International on behalf of the incentive recipients of the CDI Incentive Scheme. Being the incentive recipients of the CDI Incentive Scheme, each of Mr. Zhuang Yuekai and Mr. Lin Weiguo is interested in 330,000 and 290,000 ordinary shares of C&D International held on trust by the trustee, respectively, which are subject to vesting.
- Mr. Zhuang Yuekai resigned as a Director on 25 August 2022.

Save as disclosed above, as at 30 June 2022, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO); or (ii) required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, so far as it was known to any Directors or the chief executive of the Company, the following parties (other than a Director or the chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued Shares and underlying Shares:

Name of substantial Shareholders	Capacity/ Nature of interests	Number of issued Shares/ underlying Shares held	Approximate percentage of interest in the Company (Note 1)
C&D International	Beneficial owner	467,691,388	35.00%
Well Land	Beneficial owner	299,499,718 (Note 2)	22.41%
	Interest of controlled corporation	467,691,388 (Note 2)	35.00%
Well Honour International Limited (益鴻國際有限公司) (“Well Honour”)	Interest of controlled corporation	767,191,106 (Note 2)	57.41%
C&D Real Estate	Interest of controlled corporation	767,191,106 (Note 2)	57.41%
Xiamen C&D Inc. (廈門建發股份有限公司)	Interest of controlled corporation	767,191,106 (Note 2)	57.41%
Xiamen C&D	Interest of controlled corporation	767,191,106 (Note 2)	57.41%
Cederberg Capital (Cayman)	Interest of controlled corporation	93,800,000 (Note 3)	7.02%
Cederberg Capital (Cayman) GP	Interest of controlled corporation	93,800,000 (Note 3)	7.02%
Mr. Dawid Krige	Interest of controlled corporation	93,800,000 (Note 3)	7.02%
Mr. Richard Li	Interest of controlled corporation	70,883,000 (Note 4)	5.30%
OLP Capital Management Limited	Investment manager	70,883,000 (Note 4)	5.30%
RCWL Inc.	Interest of controlled corporation	70,883,000 (Note 4)	5.30%
Mr. Shen Di Fan	Interest of controlled corporation	70,883,000 (Note 4)	5.30%

Notes:

- The percentage was calculated based on the Company's total number of 1,336,261,106 Shares in issue as at 30 June 2022.
- As at 30 June 2022, C&D International held 467,691,388 Shares and C&D International was held as to 62.03% by Well Land. Therefore, Well Land is deemed to be interested in the Shares held by C&D International by virtue of the SFO. Pursuant to the voting rights entrustment agreement dated 29 March 2022, Well Land entrusted C&D International to exercise voting rights of 213,801,777 Shares directly held by Well Land, representing 16% of the issued share capital of the Company, while Well Land continues to beneficially own the said Shares and have rights to the dividends, distributions and all other rights and benefits attaching thereto. Well Land is a wholly-owned subsidiary of Well Honour. Well Honour is a wholly-owned subsidiary of C&D Real Estate. C&D Real Estate is owned as to 54.65% and 45.35% by Xiamen C&D Inc., a company listed on the Shanghai Stock Exchange (stock code: 600153) and Xiamen C&D, a state-owned group of companies under the supervision of State-owned Assets Supervision and Administration Commission of Xiamen Municipal People's Government\* (廈門市人民政府國有資產監督管理委員會), respectively. Xiamen C&D is interested in Xiamen C&D Inc. as to 45.13%. Therefore, Well Honour, C&D Real Estate, Xiamen C&D Inc. and Xiamen C&D are deemed to be interested in the Shares held by Well Land by virtue of the SFO.
- As at 30 June 2022, Cederberg Capital Limited was interested in 93,800,000 Shares. Cederberg Capital Limited is a wholly-owned subsidiary of Cederberg Capital (Cayman), with Mr. Dawid Krige being the only substantial shareholder. Cederberg Capital (Cayman) GP is the general partner of Cederberg Capital (Cayman). Therefore, each of Cederberg Capital (Cayman), Cederberg Capital (Cayman) GP and Mr. Dawid Krige is deemed to be interested in the Shares held by Cederberg Capital Limited.
- As at 30 June 2022, OceanLink Partners Fund, LP and Cassini Partners, L.P. were interested in 45,488,197 and 25,394,803 Shares, respectively. As at 30 June 2022, OLP Capital Management Limited is the investment manager of OceanLink Partners Fund, LP and Cassini Partners, L.P.. OLP Capital Management Limited is owned by Mr. Shen Di Fan and RCWL Inc. as to 65% and 35%, respectively. RCWL Inc. is a company wholly owned by Mr. Richard Li. Therefore, each of Mr. Shen Di Fan, Mr. Richard Li, RCWL Inc., and OLP Capital Management Limited is deemed to be interested in the Shares held by OceanLink Partners Fund, LP and Cassini Partners, L.P..

## OTHER INFORMATION

### RESTRICTED SHARE INCENTIVE SCHEME

For the purpose of establishing and improving the Company's medium to long-term incentive mechanism to collectively integrate interests of the Shareholders, the Company and the Company's core team, fully motivate the management and core staff of the Company and achieve high-quality development of the Company, the 2021 Restricted Share Incentive Scheme (the "Incentive Scheme") was approved at the extraordinary general meeting of the Company on 27 September 2021. Pursuant to the Incentive Scheme, the Company could allot and issue up to 35,300,000 Shares to the trustee of the Incentive Scheme, who held the Shares on behalf of the incentive recipients of the Incentive Scheme until such Restricted Shares are transferred to the relevant incentive recipient(s) under the Incentive Scheme.

During the Period, details of the movement of the restricted Shares are as follows:

Name of the incentive recipient	Position within the Group	Number of restricted Shares as at		Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	Number of restricted Shares as at		Vesting Period (Note)
		1 January 2022	Date of grant					30 June 2022		
Ms. Qiao Haixia	Executive Director	600,000	4 November 2021	-	-	-	-	600,000		4 November 2021 to 3 November 2026
Mr. Huang Danghui	Executive Director	600,000	4 November 2021	-	-	-	-	600,000		4 November 2021 to 3 November 2026
Sub-total		1,200,000		-	-	-	-	1,200,000		
<b>Employees of the Group</b>										
Senior management of the Company, directors, former directors, supervisor and general managers of the Company's subsidiaries	-	6,080,000	4 November 2021	-	-	-	270,000	5,810,000		4 November 2021 to 3 November 2026
Other employees of the Group	-	20,970,000	4 November 2021	-	-	-	210,000	20,760,000		4 November 2021 to 3 November 2026
Total		28,250,000		-	-	-	480,000	27,770,000		

Note: All restricted Shares granted to the incentive recipients are subject to different lock-up periods. The restricted Shares shall be released starting from 24 months, 36 months and 48 months respectively from the grant date of the restricted Shares, respectively; and 40%, 30% and 30% of the Restricted Shares will be released during each period, respectively.

## OTHER INFORMATION

### CHANGE IN DIRECTORS' INFORMATION

From 1 January 2022 to the date of this report, the change in Directors' information is as follow:

With effect from 24 June 2022, Mr. Cheung Kwok Kwan, *J.P.* has tendered his resignation as an independent non-executive director of the Company, and ceased to be a member of each of the audit committee, the remuneration committee and the nomination committee of the Company due to his other work commitments.

With effect from 25 August 2022, (i) Mr. Zhuang Yuekai has resigned as a non-executive Director, the chairman of the Board (the "Chairman"), chairman of the nomination committee of the Board (the "Nomination Committee") and member of the remuneration committee of the Board (the "Remuneration Committee"); (ii) Mr. Lin Weiguo has been appointed as the Chairman, the chairman of the Nomination Committee and member of the Remuneration Committee; and (iii) Mr. Xu Yixuan has been appointed as a non-executive Director. Please refer to the Company's announcements dated 25 August 2022 and 30 August 2022 for the details of the change of Director.

Mr. Huang Danghui resigned as the general manager and director of the Yijiayuan (Xiamen) Property Management Company Limited\* (怡家園(廈門)物業管理有限公司) (an indirect wholly-owned subsidiary of the Company) on 1 June 2022.

Mr. Lee Cheuk Yin Dannis has resigned as an independent non-executive director of Geely Automobile Holdings Limited (吉利汽車控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 175), on 25 May 2022.

Each of the independent non-executive Directors has entered into a service agreement with the Company and the Director's emolument was increased from HK\$100,000 per annum to HK\$120,000 per annum, with retrospective effect from 1 January 2022.

Save as disclosed above, there was no other change to information which is required to be disclosed by Directors pursuant to Rule 13.51B(1) of the Listing Rules.

### RETIREMENT BENEFIT SCHEMES/PENSION SCHEME

Retirement benefits to employees are provided through defined contribution plans.

The retirement benefits costs charged in the income statement represent the contributions payable in respect of the current year to the retirement benefits scheme managed by respective local social security bureau in accordance with government regulations in different jurisdictions. The forfeited contributions (by us on behalf of employees who leave the scheme prior to vesting fully in such contributions) will not be used by us to reduce the existing level of contributions.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Period.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code as set out in Appendix 10 to the Listing Rules for dealings in securities of the Company by its Directors. The Company has made specific enquiries to all Directors and each of them confirmed that they have complied with the Model Code during the Period.

## OTHER INFORMATION

### INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Period (corresponding period of the previous year: Nil).

### CORPORATE GOVERNANCE

The Company is committed to maintaining high corporate governance standards. It believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the shareholders of the Company (the "Shareholders"), enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has complied with all the applicable principles and code provisions as set out in Part 2 of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules during the Period.

### REVIEW BY AUDIT COMMITTEE

The Board has established an audit committee with written terms of reference in compliance with the CG Code. The primary duties of the audit committee is assisting the Board to review financial information and reporting process, risk management and internal control system, effectiveness of internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or any other matters of the Company. The audit committee consists of all three independent non-executive Directors, namely Mr. Lee Cheuk Yin Dannis (committee chairman), Mr. Li Kwok Tai James and Mr. Wu Yat Wai.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and the unaudited consolidated financial statements of the Group for the Period and is of the opinion that such statements comply with the applicable accounting standards and requirements, and that adequate disclosures have been made.

### APPRECIATION

The Group would like to take this opportunity to express its sincere gratitude to the Shareholders for their continuing support, its appreciation to all staff members for the dedication and loyalty to the Group.

By Order of the Board  
**C&D Property Management Group Co., Ltd**  
**Lin Weiguo**  
*Chairman and Non-executive Director*

Hong Kong, 26 August 2022