

Onewo Inc.
萬物雲空間科技服務股份有限公司

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

Stock Code : 2602

Interim Report **2022**

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LETTER TO SHAREHOLDERS

It does not matter how slowly you go as long as you do not stop.

Although I have been the author of Zhu Baoquan's Insight 《大寶專欄》 for 12 years, this is the very first time for me to write the letter to shareholders. Some time ago, lots of investors asked me a same question: Why do you choose to go public at this point of time? My answer is as follows:

- (1) Technically, "go public" should be referred to the spin-off listing of Onewo Inc., a former business unit of China Vanke Group. In the course of transformation, China Vanke Group has placed equal emphasis on development, operation and services, and incubated many business segments, such as properties, logistics, commerce and apartments. These sectors are gradually mature, and will also consider various factors such as operational demands and market environment, and consider gradual capitalization in due course;
- (2) The spin-off is effected through the issue of new shares rather than the sale of old ones. The proceeds from this issue will be utilized by Onewo Inc. instead of China Vanke Group;
- (3) Featuring in duplicability, Onewo Inc.'s Onewo Towns model is budget-based, which means more budget allows more duplicability. As the business of Onewo Town matures and develops, we will be able to handle capital needs more flexibly through multiple channels including business loans;
- (4) When it comes to a bear market, the price of a good target asset is significantly lower than its fair value, thus investing good target assets can help investors traverse the cycle.

When communicating with the investors, I also found that amid the ups and downs that property services stocks were going through, they were willing to discuss about the nature of properties with me.

The nature of real estate is comprised of some fundamental attributes, such as rights, values and functions, and there is one important indicator named plot ratio. Given its indestructible commodity feature, real estate is vested with another two beneficial attributes: investment and value guarantee, and its underlying property rights registration system is protected by the Civil Code. Plot ratio of a real estate property is inversely proportional to the percentage of its public space. Generally, the higher the plot ratio is, the higher the public space efficiency is. As a counter example, a villa project with a low plot ratio may be charged for a property management fee of RMB20 per square meter, but the total cost is actually high due to its high percentage of public space.

A real estate property can be owned by one person or multiple persons, and can be either self-used or leased. There are four types of property in terms of the number of property owners and the purpose of use. The first type is the property held by a single owner for self-use purposes, such as office buildings occupied by enterprises themselves; the second is the property held by a single owner for leasing purposes, such as shopping malls and hotels; the third and fourth are the properties held by multiple owners for self-use or leasing purposes, such as residential communities or office buildings that are dividable for sale. Property services for the first type, i.e. the property held by a single owner for self-use purposes, are less complicated, since the owners such as enterprises can develop the services by themselves or outsource the services. The range of the outsourced services has been expanding; in other countries, such services have gradually formed into a specific type of property service, and through this enterprise-centric offering, services for working and production environments including real estate can be comprehensively outsourced. As this type of service is still growing in China, property services providers are expected to participate in exploring its trillion-yuan market.

For the second type, i.e. the property held by a single owner for leasing purposes, the owners prefer to engage leasing operation agencies as their primary objective is to operate through leasing. Therefore, services for these properties can be developed or outsourced by the leasing operation agencies. And such services cannot be categorized into integrated property services and are more like stand-alone security and cleaning services.

As for the third and fourth types, i.e. the property held by multiple owners for self-use or leasing purposes, third-party property services agencies are the owners' go-to option, because the transaction cost incurred through the services provided by such agencies is the lowest, given the fact that the number of owners and the area of public space are large. Such property service is the most widely known in the stock market. However, as the market has just transitioned from an incremental one that pursues more developments to a stable one where owners change their service providers if their needs cannot be met and from a developer/seller's market to an owner/buyer's market, the demand side and the supply side are still in the transitional, break-in stage. Under the majority-rule transaction mechanism for multi-property owners, owners and property management enterprises ought to abide by respective owners management statutes to protect the rights and interests of property owners as a whole.

But in any case, "the ability to help preserve and increase the value of property owners' assets and the trust between property owners and service providers" are undoubtedly the two most important criteria for evaluating the quality of a property service provider. It is necessary for property owners, property management enterprises, and shareholders to recognize that property fees are supposed to be spent with professional knowledge in order to preserve and increase the value of assets. Property owners should be informed of how their property fees are spent and whether there is any additional income derived from public resources, through which transparent properties can be created and mutual trust can be gained. In this way, property management enterprises can attain better reputation, more sufficient cash flow, higher compensation and incentives and more space for service extension.

The property management industry is driven by professionalism and transparency, both of which serve as a long hill with just a thin layer of snow, and only with the right values can a business roll a bigger and bigger snowball.

On behalf of all our staff, I would like to express gratitude to our clients for their lasting trust, China Vanke Group and Vanke Real Estate for their 32-year incubation efforts and support, and our investors for choosing to stay with us in the worst of markets.

Let's weather through the cycle together.

By order of the Board of Directors

Onewo Inc.

Zhu Baoquan

Chairman, executive Director and general manager

Hong Kong, September 26, 2022

DEFINITIONS

“AloT”	artificial intelligence of things, the combination of artificial intelligence technologies with the IoT infrastructure to achieve more efficient IoT operations, improve human-machine interactions and enhance data management and analytics
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“Board of Supervisors”	the board of supervisors of our Company
“BPaaS”	business process as a service, a business process outsourcing model that utilizes a combination of cloud technologies for process management
“China” or “the PRC” or the “People’s Republic of China”	the People’s Republic of China, and for the purposes of the Prospectus and for geographical reference only, except where the context requires otherwise, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“China Vanke”	China Vanke Co., Ltd. (萬科企業股份有限公司), a joint stock limited company incorporated in the PRC, the H shares and A shares of which are listed on the Hong Kong Stock Exchange (stock code: 2202) and Shenzhen Stock Exchange (stock code: 000002), respectively, and a Controlling Shareholder of our Company
“Company”, “our Company”, “the Company”, “Onewo”	Onewo Inc. (萬物雲空間科技服務股份有限公司), a limited liability company incorporated in the PRC on February 20, 2001 and converted into a joint stock limited company incorporated in the PRC on March 20, 2018
“Controlling Shareholder(s)” or “Controlling Shareholders Group”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to China Vanke, Wanqing, Wanhu, Wanmazhengxian, Yingda Investment Fund, Wanshuzhimiao and Wanhuquanyuan
“Director(s)” or “our Directors”	the director(s) of our Company
“Domestic Shares”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by domestic investors
“Employee Shareholding Platforms”	collectively, Ruida I Limited, Ruida II Limited, Ruida III Limited, Ruida IV Limited and Ruida V Limited

“Focused Onewo Towns”	Onewo Towns with households on service ranging from 6,000 to 10,000
“FRC”	the Financial Reporting Council of Hong Kong
“Global Offering”	the Hong Kong Public Offering and the International Offering (including the Preferential Offering to Qualifying China Vanke H Shareholders) of the Offer Shares, details of which are set out in the Prospectus
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	our Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company became the holding company of its present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“H Share(s)”	overseas listed shares in the share capital of our Company with a nominal value of RMB1.00 each, subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“High-rise Projects”	building with height more than 200 meters
“HK\$”, “Hong Kong dollars”, “HK dollars” or “cents”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Independent Third Party” or “Independent Third Parties”	individuals(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not connected with our Company, its subsidiaries or any of their respective associates within the meaning ascribed thereto under the Listing Rules
“Latest Practicable Date of this interim report”	September 23, 2022
“Listing Date”	the date on which the dealing in the H shares of the Company first commences on the Stock Exchange, being September 29, 2022

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Lump-sum Basis”	a revenue-generating model whereby we charge service fees which represent the “all-inclusive” fees for all of the residential property services or property and facility management services provided by our employees and subcontractors
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Nomination Committee”	the nomination committee of the Board
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, FRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.005%), being HK\$49.35 per Offer Share
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares of the Company, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
“Onewo Town” or “Onewo Towns”	a strategically selected sub-district in which (i) we have multiple properties under management; and (ii) our employees could commute between managed properties within 20 to 30 minutes
“Over-allotment Option”	the option expected to be granted by our Company under the International Underwriting Agreement to the International Underwriters, exercisable by the Joint Representatives (on behalf of themselves and International Underwriters), pursuant to which our Company may be required to allot and issue up to an aggregate of 17,507,000 additional H Shares at the Offer Price to cover over-allocations in the International Offering (if any)
“Plot Ratio”	the ratio of a building’s total floor area to the size of the piece of land upon which it is built
“Prospectus”	the prospectus of the Company dated September 19, 2022 in connection with the Global Offering

“Province” or “province”	each being a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the PRC Government
“Remuneration Committee”	the remuneration and evaluation committee of the Board
“Reporting Period”	the six months ended June 30, 2022
“RMB” or “Renminbi”	the lawful currency of the PRC
“Saturated Income”	service fee income stipulated in the residential property service agreements or property and facility management service agreements
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, comprising our Unlisted Shares and our H Shares
“Shareholder(s)”	holder(s) of our Share(s)
“Standard Onewo Towns”	Onewo Towns with over 10,000 households on service
“Sub-district”	one of the smaller administrative divisions of China, typically as part of a larger urban area
“Subsidiary” or “Subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Substantial Shareholders”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of our Company
“Target Onewo Towns”	Onewo Towns with households on service ranging from 3,000 to 6,000
“United States”, “U.S.” or “US”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“Unlisted Foreign Shares”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid for in currency other than RMB by foreign investors and not listed on any stock exchange

DEFINITIONS

“Unlisted Shares”	Domestic Shares and Unlisted Foreign Shares
“US dollars”, “U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“Value sub-district(s)”	our Company selected 100 economically developed cities in China based on the algorithm to layout the businesses actively
“Wanhu”	Shenzhen Wanhu Management Consulting Co., Ltd. (深圳市萬斛管理諮詢有限公司), a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of China Vanke and a member of our Controlling Shareholders Group
“Wanhuquanyuan”	Shenzhen Wanhuquanyuan Management Consulting Co., Ltd. (深圳市萬斛泉源管理諮詢有限公司), a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of China Vanke and a member of our Controlling Shareholders Group
“Wanmazhengxian”	Shenzhen Wanmazhengxian Management Consulting Co., Ltd. (深圳市萬馬爭先管理諮詢有限公司), a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of China Vanke and a member of our Controlling Shareholders Group
“Wanqing”	Shenzhen Wanqing Management Consulting Co., Ltd. (深圳市萬頃管理諮詢有限公司), a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of China Vanke and a member of our Controlling Shareholders Group
“Wanshuzhimiao”	Shenzhen Wanshuzhimiao Management Consulting Co., Ltd. (深圳市萬殊之妙管理諮詢有限公司), a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of China Vanke and a member of our Controlling Shareholders Group
“Yingda Investment Fund”	Shenzhen Yingda Investment Fund Management Consulting Co., Ltd. (深圳市盈達投資基金管理有限公司), a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of China Vanke and a member of our Controlling Shareholders Group

BOARD OF DIRECTORS

Executive Directors

Mr. Zhu Baoquan (*Chairman of the Board*)
Mr. He Shuhua

Non-Executive Directors

Mr. Wang Wenjin
Mr. Zhang Xu
Mr. Sun Jia
Mr. Zhou Qi
Mr. Yao Jinbo

Independent Non-executive Directors

Ms. Law Elizabeth
Mr. Chen Yuyu
Mr. Shen Haipeng
Mr. Song Yunfeng

AUDIT COMMITTEE

Ms. Law Elizabeth (*Chairperson*)
Mr. Wang Wenjin
Mr. Chen Yuyu

REMUNERATION COMMITTEE

Mr. Shen Haipeng (*Chairperson*)
Mr. Zhu Baoquan
Mr. Song Yunfeng

NOMINATION COMMITTEE

Mr. Zhu Baoquan (*Chairperson*)
Mr. Song Yunfeng
Mr. Chen Yuyu

SUPERVISORS

Ms. Xiang Yun
Ms. Han Huihua
Mr. Wu Jianxia

AUDITOR

Ernst & Young
27/F, One Taikoo Place, 979 King's Road, Quarry Bay,
Hong Kong

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As to PRC laws:

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PRC

COMPLIANCE ADVISER

Altus Capital Limited
21 Wing Wo Street Central
Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

REGISTERED OFFICE

Meilin Vanke Center, No. 63 Meilin Road, Futian District, Shenzhen, PRC

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

Meilin Vanke Center, No. 63 Meilin Road, Futian District, Shenzhen, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1806-07, 18/F, Laws Commercial Plaza, 788 Cheung Sha Wan Road, Kowloon, Hong Kong

JOINT COMPANY SECRETARIES

Mr. Huang Min
Ms. Ng Wai Kam

AUTHORIZED REPRESENTATIVES

Mr. Zhu Baoquan
Mr. Huang Min

ALTERNATE AUTHORIZED REPRESENTATIVES

Ms. Ng Wai Kam

PRINCIPAL BANKS

Bank of China Meilin Sub-branch

No. 67 Meilin Road, Futian District, Shenzhen, Guangdong

Agricultural Bank of China Shenzhen Luohu Sub-branch

No. 2087 Shennan East Road, Luohu District, Shenzhen

Industrial and Commercial Bank of China Shenzhen Huacheng Sub-branch

1/F, Wenshan Building, No. 2052 Jiefang Road, Luohu District, Shenzhen, Guangdong

China Construction Bank Corporation Business Division of Shenzhen Branch

No. 8 Pengcheng 1st Road, Futian District, Shenzhen, Guangdong

China Merchants Bank Shenzhen Dongmen Branch

1-2/F Waimao Qinggong Tower No. 1002 Aiguo Road Luohu District, Shenzhen

China Citic Bank Shenzhen Chengshiguangchang Flagship Sub-branch

1/F, CITIC Building, No. 1093 Shennan Middle Road, Futian District, Shenzhen

WEBSITE

<https://www.onewo.com/>

STOCK CODE

2602

LISTING DATE

September 29, 2022

(1) OVERVIEW

The Group is the leader and forerunner in territory-wide services. Over the past 32 years, we kick-started our journey with the simple purpose of pursuing excellent property services for more people – a purpose which still guides the way we do business in a highly competitive and fragmented sector today; we constantly explored our development path, innovated the business development model, and accomplished the transformation from a property management services provider to a space services provider. Currently, our business is not limited to property services, and we have become a leading service provider boasting of the synergy of businesses across community, commercial and urban spaces. Our mission is “Reshape Space Efficiency, Service For Ever Better (重塑空間效率, 服務歷久彌新)”. With strong brand influence and reputation for premium services as the core strengths, we focus on economically developed high-tier cities, continue to improve our territory-wide services capabilities, dig deep into the value sub-districts, and invest in the construction of regional infrastructure and synergistic service networks, to realize the strategic layout of Onewo Towns model (蝶城模式).

The Group’s main business lines include: (1) community space living consumption services; (2) commercial and urban space integrated services; (3) AIoT and BPaaS solution services. These three businesses together constitute the intelligent and integrated services we provide to users, which establish the connections between multi-cycle, multi-space and multi-format service chains and value chains.

For the six months ended June 30, 2022, (1) the community space living consumption services achieved a revenue of RMB7,994.6 million, representing a period-to-period increase of 35.0%, among which the revenue from high-tier cities was RMB6,617.6 million, accounting for 91.0% of the revenue generated from residential property management; the gross profit increased by RMB158.0 million to RMB1,015.9 million as compared to the same period of last year. There were 3,035 property projects under management in total, and the annualized saturated income was RMB19,368.5 million, providing living consumption services for 4,995 thousand households; (2) the commercial and urban space integrated services achieved a revenue of RMB5,093.1 million, representing a period-to-period increase of 39.8%; the gross profit increased by RMB102.4 million to RMB716.5 million as compared to the same period of last year. We offered property and facility management services in Mainland China and Hong Kong, covering 1,706 projects, with the annualized saturated income of RMB9,396.5 million. With more than 30 years of experience and capabilities, we actively take part in the smart city initiative of the PRC Government and endeavor to empower urban space operation with cutting-edge technologies and innovative management solutions. For the six months ended June 30, 2022, we had 59 urban space integrated services projects across 25 cities; (3) the AIoT and BPaaS solution services achieved a revenue of RMB1,155.5 million, representing a period-to-period increase of 56.2%, and a gross profit of RMB394.8 million, representing a period-to-period increase of 82.4%.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2022, the Group's revenue is as follows:

	2022		2021		Growth rate
	RMB'000 (unaudited)	%	RMB'000 (unaudited)	%	
Community space living consumption services					
– Residential property services	7,270,288	51.0	5,163,226	50.1	40.8%
– Home-related asset services	526,563	3.7	551,744	5.4	(4.6%)
– Other community value-added services	197,754	1.4	209,062	2.0	(5.4%)
Subtotal	7,994,605	56.1	5,924,032	57.5	35.0%
Commercial and urban space integrated services					
– Property and facility management services	3,454,339	24.3	2,189,467	21.2	57.8%
– Value-added services for developers	1,366,160	9.6	1,328,026	12.9	2.9%
– Urban space integrated services	272,649	1.9	125,110	1.2	117.9%
Subtotal	5,093,148	35.8	3,642,603	35.3	39.8%
AIoT and BPaaS solution services					
– AIoT solutions	718,650	5.0	515,949	5.0	39.3%
– BPaaS solutions	436,803	3.1	223,617	2.2	95.3%
Subtotal	1,155,453	8.1	739,566	7.2	56.2%
Total	14,243,206	100.0	10,306,201	100.0	38.2%

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2022, the gross profit and gross profit margin of the Group are as follows:

	For the six months ended June 30,			
	2022		2021	
	Gross profit RMB'000 (unaudited)	Gross profit margin (%)	Gross profit RMB'000 (unaudited)	Gross profit margin (%)
Community space living consumption services				
– Residential property services	764,647	10.5	491,864	9.5
– Home-related asset services	127,068	24.1	223,452	40.5
– Other community value-added services	124,177	62.8	142,562	68.2
Subtotal	1,015,892	12.7	857,878	14.5
Commercial and urban space integrated services				
– Property and facility management services	403,429	11.7	266,855	12.2
– Value-added services for developers	283,698	20.8	323,559	24.4
– Urban space integrated services	29,413	10.8	23,678	18.9
Subtotal	716,540	14.1	614,092	16.9
AIoT and BPaaS solution services				
– AIoT solutions	193,531	26.9	126,483	24.5
– BPaaS solutions	201,280	46.1	89,992	40.2
Subtotal	394,811	34.2	216,475	29.3
Total	2,127,243	14.9	1,688,445	16.4

(2) INDUSTRY REVIEW

Diversity of space service offerings has been improved with each sector having great potential for development. According to Frost & Sullivan, the total revenue of China's community space living consumption services market has increased from RMB2,109.3 billion in 2016 to RMB3,313.9 billion in 2021, representing an overall CAGR of approximately 9.5%. It is expected to reach RMB5,319.2 billion in 2026, representing an overall compound annual growth rate ("CAGR") of 9.9% for the period from 2021 to 2026. The total revenue of the commercial and urban space integrated service market in China has increased from RMB1,554.9 billion in 2016 to RMB4,062.9 billion in 2021, representing an overall CAGR of approximately 21.2%. It is expected to reach RMB8,845.2 billion in 2026, representing an overall CAGR of 16.8% for the period from 2021 to 2026. The total revenue of China's intelligent city cloud services market has increased from RMB25.6 billion in 2016 to RMB127.8 billion in 2021, representing an overall CAGR of approximately 38.0%. It is expected to increase to RMB513.2 billion by 2026 with an overall CAGR of 32.1% for the period from 2021 to 2026.

The importance of the existing market has become more prominent, and the trend has been growing. In recent years, it has become the main line of policy to "accelerate the development of property services industry, promote the upgrading of property services toward high quality and diversification, so as to satisfy the people's ever-increasing demand for a wonderful living condition". In 2021 alone, the Ministry of Housing and Urban-Rural Development ("MOHURD") and other government departments promulgated six policies related to property management industry. In 2021, 10 ministries and committees including MOHURD, the Central Political and Legal Affairs Commission and the Central Commission for Guiding Cultural and Ethical Progress jointly promulgated the Notice on Strengthening and Improving the Work of Residential Property Management 《關於加強和改進住宅物業管理工作的通知》, which clearly stated that we should fully play the role of the property owners' association, standardize the operation of the property owners' association, and strengthen the supervision of the property owners' association. In addition, with the continuous improvement of urban residents' requirements for living environment and the enhancement of their sense of self-selection, the property owners are more inclined to good property management companies which can provide diversified and multi-level services, and therefore, the demand for property management replacement in the existing market has increased immediately, the trend of market-oriented competition for the property management services sector has been growing and the market concentration of various property companies has increased significantly. According to the data from the China Index Academy, in 2021, the average area under management of the top 100 companies exceeded 50.00 million sq.m., reaching 56.9298 million sq.m., representing a period-to-period growth rate of 16.69%, which is 5.51 percentage points higher than the growth rate of the completed area of commercial properties across the country (11.18%) over the same period.

Driven by the industry demand and policies, the enterprise service industry shows great development potential. With the continuous upgrading and transformation of modern enterprises today, the increasing professionalization of enterprise services, the continuous expansion of commercial space and service scopes and the growing consciousness of related service outsourcing (especially administrative outsourcing), enterprise service outsourcing has become an inevitable choice for many companies led by the goal of focusing on the core sector of the business value chain, and therefore the industry chain of enterprise service industry in the PRC has been continuously refined and enriched, the outsourcing services market is in the stage of rapid development. Frost & Sullivan expects that the property and facility management services market in the PRC will continue to grow rapidly over the next five years. In addition, as early as January 2020, eight departments, including the Ministry of Commerce, issued the Guidance on Promoting the Acceleration of Transformation and Upgrading of Service Outsourcing 《關於推動服務外包加快轉型升級的指導意見》, proposing to support the outsourcing of business operations services, to encourage enterprises (especially state-owned enterprises) to divest non-core businesses, purchase supply chain, calling center, Internet marketing and promotion, financial back-office, procurement and other operational services in accordance with laws and regulations. With the surge in industry and enterprise demand, together with the proactive guidance of policies, currently the enterprise service industry is in the stage of rapid growth. According to China Insight Consultancy, even for customer service industry only, the compound growth rate is expected to reach 14.1% by 2024, representing a large market space for enterprise service, and the ability to be more refined and professional is a powerful method to seize market share.

(3) BUSINESS REVIEW

Community Space Living Consumption Services

We provide a series of living consumption-related services to customers (such as property owners and residents) in community space, such as residential property services, home-related asset services and other community value-added services. We are innovative in meeting the personalized needs of our users with the “coordinator” model, and lead work order dispatch for the traditional “janitor” services in the common area in the community space through remote operations; in addition, we follow our professional capabilities in asset services to expand more living consumption service offerings, including, among others, home sale and rental brokerage services, home redecoration and furnishing services, carpark space sales assistance services, etc.

During the Period, our revenue from community space living consumption services was approximately RMB7,994.6 million, representing a period-to-period increase of approximately 35.0% as compared to the same period of last year, which accounted for 56.1% of the total revenue. Gross profit increased by RMB158.0 million to RMB1,015.9 million as compared to the same period of last year.

We had extended our projects to 30 provinces, municipalities, autonomous regions and the Hong Kong Special Administrative Region. We focus on high-tier cities while maintaining a balanced national layout. Our revenue from high-tier cities amounted to RMB6,617.6 million, which accounted for 91.0% of the revenue generated from residential property management.

MANAGEMENT DISCUSSION AND ANALYSIS

With the deepening of the marketization of the industry, Vanke Service has made an outstanding performance in new projects by virtue of its own brand advantages. During the Period, the Group's net increase in annualized saturated income from residential properties under management amounted to approximately RMB1,515.4 million, of which 70.2% came from the 152 projects developed by third-party developers and the annualized saturated income was approximately RMB1,064.0 million, representing a period-to-period increase of 23.5% as compared to the same period of last year. The net increase in annualized saturated income of residential property contracts was approximately RMB2,493.5 million, of which 85.9% came from the 165 projects developed by third-party developers and the annualized saturated income was approximately RMB2,142.0 million, representing a period-to-period increase of 104.4% as compared to the same period of last year.

For the six months ended June 30, 2022, the Group's new residential property projects under management are as follows:

	June 30, 2022				June 30, 2021			
	Net increase in number of projects under management (units)	Percentage of number of new projects under management	Net increase in annualized saturated income (RMB million)	Percentage of net increase in annualized saturated income	Net increase in number of projects under management (units)	Percentage of number of new projects under management	Net increase in annualized saturated income (RMB million)	Percentage of net increase in annualized saturated income
China Vanke Group and its joint ventures and associated companies	60	28.3%	451.4	29.8%	79	31.7%	515.3	37.4%
Independent Third Party real estate developers	152	71.7%	1,064.0	70.2%	170	68.3%	861.3	62.6%
Total	212	100.0%	1,515.4	100.0%	249	100.0%	1,376.7	100.0%

For the six months ended June 30, 2022, the Group's new residential property contracted projects are as follows:

	June 30, 2022				June 30, 2021			
	Net increase in number of contracted projects (units)	Percentage of number of newly contracted projects	Net increase in annualized saturated income (RMB million)	Percentage of net increase in annualized saturated income	Net increase in number of contracted projects (units)	Percentage of number of newly contracted projects	Net increase in annualized saturated income (RMB million)	Percentage of net increase in annualized saturated income
China Vanke Group and its joint ventures and associated companies	46	21.8%	351.5	14.1%	119	34.9%	798.1	43.2%
Independent Third Party real estate developers	165	78.2%	2,142.0	85.9%	222	65.1%	1,047.9	56.8%
Total	211	100.0%	2,493.5	100.0%	341	100.0%	1,846.0	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS

As of June 30, 2022, the Group's accumulated residential property projects under management are as follows:

	June 30, 2022			June 30, 2021			Period-to-period increase	
	Number of projects under management (units)	Annualized saturated income (RMB million)	Financial income (RMB million)	Number of projects under management (units)	Annualized saturated income (RMB million)	Financial income (RMB million)	Annualized saturated income	Financial income
China Vanke Group and its joint ventures and associated companies	1,278	10,069.5	4,013.9	1,110	8,706.0	3,267.7	15.7%	22.8%
Independent Third Party real estate developers	1,757	9,299.0	3,256.4	1,193	6,392.2	1,895.5	45.5%	71.8%
Total	3,035	19,368.5	7,270.3	2,303	15,098.2	5,163.2	28.3%	40.8%

Note:

The increment in financial income included the materialization of the financial income conversion from the mergers and acquisitions of Fujian Bon Property Group Co., Ltd. and Shanghai Yango Intelligent Life Service Group Co., Ltd. last year.

As of June 30, 2022, the Group's accumulated residential property contracted projects are as follows:

	June 30, 2022		June 30, 2021		Period-to-period increase
	Number of contracted projects (units)	Annualized saturated income (RMB million)	Number of contracted projects (units)	Annualized saturated income (RMB million)	Annualized saturated income
China Vanke Group and its joint ventures and associated companies	1,653	12,973.3	1,475	11,371.5	14.1%
Independent Third Party real estate developers	2,443	13,401.0	1,593	8,690.3	54.2%
Total	4,096	26,374.4	3,068	20,061.8	31.5%

MANAGEMENT DISCUSSION AND ANALYSIS

The Group conceived of the Onewo Town model based on its deliberation over the development of the industry and the application of technology and has been implementing this model. Onewo Towns are strategically selected sub-districts in which our employees could commute between managed property projects within 20 to 30 minutes to deliver services covering at least 50,000 urban households. Based on Onewo Towns, we break through the geographic boundaries of community, commercial and urban space services, achieving resource sharing within one Onewo Town, and improve efficiency while securing expedited response to the users' needs and providing hybrid services across all spaces of sub-districts. By strategically selecting sub-districts, we achieve synergistic operation of property services for managed properties and facilities under communities, commercial and urban public space and thus transform from the supply side of within the area. As of June 30, 2022, the Company has accumulated 479 Onewo Towns, including 141 Standard Onewo Towns, 154 Focused Onewo Towns and 184 Target Onewo Towns.

Taking Bantian Onewo Town in Shenzhen for example, we have managed eleven residential property service projects and seven commercial property and facility management projects, serving a total of 22,727 households representing 36.1% of the total number of households in Bantian. With the integration of our supply chain resources in Bantian, the gross profit margin in the first half of 2022 increased by 9.6 percentage points as compared to the same period in 2021. In addition, we continued put efforts in expanding the home redecoration and furnishing services, Bantian sub-district's average monthly newly contracted amount increased by approximately 180% from RMB1.1 million per month for the first quarter of 2022 to RMB3.1 million per month for the second quarter of 2022.

Commercial and Urban Space Integrated Services

Under the direction of customer-centric development, we have established our industry-leading commercial space management brand, Cushman & Wakefield Vanke Service, through our successful integration with Cushman & Wakefield's property and integrated facility management services business in Greater China; focusing on, among others, Internet, finance, high-end manufacturing, and strategic emerging industries, the brand provides commercial space integrated services, including property and facility management services, value-added services for developers, etc.

Reaching a consensus with various stakeholders of the urban public spaces, including but not limited to government authorities and the general public, we have established our premium urban space integrated services brand, City Up, which provides city coordinator services and urban space smart operations services mainly through our joint ventures. City coordinator services are mainly provided by the Company's non-controlling and unconsolidated joint ventures, part of whose incomes are the Company's consolidated income and constitute the income from urban space integrated services under this segment; income from urban space smart operations services is presented under the segment of "AIoT and BPaaS Solution Services".

During the Period, our revenue from commercial and urban space integrated services was approximately RMB5,093.1 million, representing a period-to-period increase of approximately 39.8% as compared to the same period of last year, accounting for 35.8% of total revenue. Gross profit increased by RMB102.4 million to RMB716.5 million as compared to the same period of last year.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2022, the Group's net increase in property and facility management services projects under management are as follows:

	June 30, 2022				June 30, 2021			
	Net increase in number of projects under management (units)	Percentage of number of new projects under management	Net increase in annualized saturated income (RMB million)	Percentage of net increase in annualized saturated income	Net increase in number of projects under management (units)	Percentage of number of new projects under management	Net increase in annualized saturated income (RMB million)	Percentage of net increase in annualized saturated income
China Vanke Group and its joint ventures and associated companies	22	15.6%	290.9	23.5%	36	15.4%	275.5	29.1%
Independent Third Party real estate developers	119	84.4%	947.1	76.5%	198	84.6%	671.9	70.9%
Total	141	100.0%	1,238.1	100.0%	234	100.0%	947.5	100.0%

For the six months ended June 30, 2022, the Group's net increase in property and facility management services contracted projects are as follows:

	June 30, 2022				June 30, 2021			
	Net increase in number of contracted projects (units)	Percentage of number of newly contracted projects	Net increase in annualized saturated income (RMB million)	Percentage of net increase in annualized saturated income	Net increase in number of contracted projects (units)	Percentage of number of newly contracted projects	Net increase in annualized saturated income (RMB million)	Percentage of net increase in annualized saturated income
China Vanke Group and its joint ventures and associated companies	42	15.8%	355.8	19.6%	31	15.7%	369.9	34.8%
Independent Third Party real estate developers	223	84.2%	1,456.3	80.4%	167	84.3%	693.2	65.2%
Total	265	100.0%	1,812.1	100.0%	198	100.0%	1,063.1	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS

As of June 30, 2022, the Group's accumulated property and facility management services projects under management are as follows:

	June 30, 2022			June 30, 2021			Period-to-period increase	
	Number of projects under management (units)	Annualized saturated income (RMB million)	Financial revenue (RMB million)	Number of projects under management (units)	Annualized saturated income (RMB million)	Financial revenue (RMB million)	Annualized saturated income	Financial revenue
China Vanke Group and its joint ventures and associated companies	271	1,766.5	632.4	233	1,334.6	484.2	32.4%	30.6%
Independent Third Party real estate developers	1,435	7,629.9	2,821.9	980	5,177.4	1,705.3	47.4%	65.5%
Total	1,706	9,396.5	3,454.3	1,213	6,512.0	2,189.5	44.3%	57.8%

As of June 30, 2022, the Group's accumulated property and facility management services contracted projects are as follows:

	June 30, 2022		June 30, 2021		Period-to-period increase
	Number of contracted projects (units)	Annualized saturated income (RMB million)	Number of contracted projects (units)	Annualized saturated income (RMB million)	Annualized saturated income
China Vanke Group and its joint ventures and associated companies	308	2,204.3	243	1,611.5	36.8%
Independent Third Party real estate developers	1,621	9,254.7	993	5,482.4	68.8%
Total	1,929	11,459.0	1,236	7,093.9	61.5%

MANAGEMENT DISCUSSION AND ANALYSIS

Among others, our revenue from property and facility management services was approximately RMB3,454.3 million, representing a period-to-period increase of approximately 57.8% as compared to the same period of last year, accounting for 67.8% of the revenue from the commercial and urban space integrated services; the gross profit was approximately RMB403.4 million, representing a period-to-period increase of approximately 51.2% as compared to the same period of last year. Our revenue from urban space integrated services was approximately RMB272.6 million, representing a period-to-period increase of 117.9% as compared to the same period of last year, accounting for 5.4% of the revenue from the commercial and urban space integrated services; the gross profit increased RMB5.7 million as compared to the same period of last year to RMB29.4 million. Our revenue from value-added services for developers was approximately RMB1,366.2 million, representing a period-to-period increase of 2.9% as compared to the same period of last year, accounting for 26.8% of the revenue from the commercial and urban space integrated services.

The scale of the commercial and urban space integrated services in the Group continuously increased. As of June 30, 2022, the number of our contracted properties for property and facility management services was 1,929, representing an increase of 265 as compared to December 31, 2021; the annualized saturated income from property and facility management services contracts was approximately RMB11,459.0 million, representing a net increase of RMB1,812.1 million as compared to the annualized saturated income on December 31, 2021.

In the market expansion of property and facility management services, we customized personalized solutions based on the needs of customers and occupiers across industries, incorporated facility layout, customer budget, service details and so on into the requirements, continuously improved our service quality and built market-shaping brands. In the first half of 2022, we newly acquired eight top 500 clients and four super high-rise projects, reaching a new high in market expansion. During the Period, the net increase in annualized saturated income under management with respect to the property and facility management services of the Group was approximately RMB1,238.1 million, of which 76.5% came from the 119 projects developed by third-party developers and the annualized saturated income was approximately RMB947.1 million, representing a period-to-period increase of 41.0% as compared to the same period of last year. The net increase in annualized saturated income from property and facility management services contracts was approximately RMB1,812.1 million, of which 80.4% came from the 223 projects developed by third-party developers and the annualized saturated income was approximately RMB1,456.3 million, representing a period-to-period increase of 110.1% as compared to the same period of last year.

AIoT and BPaaS Solution Service

We take AIoT solutions as the foundation of the sensing layer in the structure of our technology platform and BPaaS solutions as our means to reshape space efficiency, promote the standardization, digitization and intelligence of space services, and enhance the quality and efficiency of space services.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, our revenue from AIoT and BPaaS solution services was approximately RMB1,155.5 million, representing a period-to-period increase of 56.2% as compared to the same period of last year, accounting for 8.1% of the total revenue. The gross profit was approximately RMB394.8 million, representing a period-to-period increase of 82.4% as compared to the same period of last year.

Among others, our revenue from AIoT solutions was approximately RMB718.7 million, representing a period-to-period increase of 39.3% as compared to the same period of last year, accounting for 62.2% of the revenue from AIoT and BPaaS solution services; the gross profit was approximately RMB193.5 million, representing a period-to-period increase of 53.0% as compared to the same period of last year. Our revenue from BPaaS solutions was approximately RMB436.8 million, representing a period-to-period increase of 95.3% as compared to the same period of last year, accounting for 37.8% of the revenue from AIoT and BPaaS solution services; the gross profit was approximately RMB201.3 million, representing a period-to-period increase of 123.7% as compared to the same period of last year.

(4) OUTLOOK FOR THE SECOND HALF OF 2022

2022 is the first year of Onewo's listing, and we will make good use of every penny of investors.

Consolidate the brand and develop whole area. Leveraging the success of our core brands, being Vanke Service and Cushman & Wakefield Vanke Service, we will continue to strengthen our brand influence, promote the diversified development of space and customers, and incubate more new service brands to enrich our brand portfolio in three business lines of living consumption services, commercial and urban space integrated services and AIoT and BPaaS solution services.

Deeply cultivate the stock and achieve leapfrog development. We will continue to deepen the stock market, focus on the value sub-districts, and enhance spatial density of Onewo Town; we will continue to optimize the Onewo Town model and promote the pilot of the Onewo Town model on a larger scale, summarize the experience of the Onewo Town pilot, form and improve the process for the replication of the Onewo Town on a national scale; we will complete the process change of more Standard Onewo Towns and realize the landing of home redecoration business in more Standard Onewo Towns.

Enrich the ecology and extend the content. We will further consolidate the moat of the enterprise service market, focus on the ecology of Cushman & Wakefield Vanke Service and the needs of enterprise customers, and discover opportunities for mergers and acquisitions and capacity building along the upstream and downstream suppliers of Cushman & Wakefield Vanke Service.

We will not cease to uphold our corporate values of "Service (做服務者)", "Champion (永爭第一)" and "Positivity (陽光健康)" and will maintain our leading position in the development and transformation of the industry.

(5) FINANCIAL REVIEW

Revenue

For the six months ended June 30, 2022, the Group's total revenue was RMB14,243.2 million, representing an increase of 38.2% as compared to RMB10,306.2 million for the same period of 2021. The increase in revenue was mainly due to the continued expansion of the Group's management and business scale. Specifically:

Community space living consumption services

Our revenue generated from community space living consumption services increased from RMB5,924.0 million for the six months ended June 30, 2021 to RMB7,994.6 million for the same period in 2022, primarily due to the increase in the number of properties under our management and clients we serve.

Commercial and urban space integrated services

Our revenue generated from commercial and urban space integrated services increased from RMB3,642.6 million for the six months ended June 30, 2021 to RMB5,093.1 million for the same period of 2022, primarily due to increasing number of projects and service of a wider range of corporate, institutional and government clients.

AIoT and BPaaS solution services

Our revenue generated from AIoT and BPaaS solution services increased from RMB739.6 million for the six months ended June 30, 2021 to RMB1,155.5 million for the same period of 2022, primarily due to the optimized expansion capacity of business lines and provision of more types of services to attract new clients.

Cost of Sales

The Group's cost of sales mainly includes operating costs, depreciation and amortization cost, including (i) subcontracting costs, (ii) staff costs, (iii) common area facility costs, (iv) engineering costs, (v) office and other related costs for operating costs; and (vi) depreciation and amortization, mainly for premium amortization of mergers and acquisitions.

For the six months ended June 30, 2022, the total cost of the Group was RMB12,116.0 million, representing an increase of 40.6% as compared to RMB8,617.8 million for the same period in 2021. The increase in costs was mainly due to an increase in operating costs resulting from the business expansion of the Group and an increase in amortization cost of intangible assets resulted from mergers and acquisitions.

Gross Profit and Gross Profit Margin

For the six months ended June 30, 2022, the Group's gross profit was RMB2,127.2 million, representing an increase of 26.0% as compared to RMB1,688.4 million for the same period in 2021. For the six months ended June 30, 2022, the Group's gross profit margin was 14.9%, representing a decrease of 1.5 percentage points as compared to 16.4% for the same period in 2021. As of June 30, 2022, the adjusted gross profit margin (excluding the amortization of intangible assets due to our historical acquisitions of RMB274.2 million) was 16.9%, representing an increase of 0.1 percentage point as compared to the adjusted gross profit margin (excluding the amortization of intangible assets due to our historical acquisitions of RMB37.9 million) of 16.8% for the same period in 2021.

Community space living consumption services

The gross profit margin of community space living consumption services decreased from 14.5% for the six months ended June 30, 2021 to 12.7% for the same period in 2022, mainly due to the amortization of intangible assets resulted from our historical acquisitions, the impact of the COVID-19 and market conditions on home-related asset services.

Commercial and urban space integrated services

The gross profit margin of commercial and urban space integrated services decreased from 16.9% for the six months ended June 30, 2021 to 14.1% for the same period in 2022, mainly subject to amortization of intangible assets, changes of business structure and relatively low gross profit from newly developed businesses in their early stage.

AIoT and BPaaS solution services

The gross profit margin of AIoT and BPaaS solution services increased from 29.3% for the six months ended June 30, 2021 to 34.2% for the same period in 2022, mainly due to our continuous efforts to diversify our AIoT and BPaaS solution services.

Other income and gains

Our other income and gains increased from RMB211.3 million for the six months ended June 30, 2021 to RMB376.1 million for the same period in 2022. The increase was mainly affected by the gain on remeasurement of the previously held interest in an associate and the fluctuations in gain on sales of car parking spaces.

Selling and Distribution Expenses

Our selling and distribution expenses increased from RMB77.6 million for the six months ended June 30, 2021 to RMB205.1 million for the same period in 2022, primarily due to (i) an increase in staff costs resulting from business expansion; and (ii) an increase in marketing and promotion expenses as a result of our intensified efforts in marketing and promotion.

Administrative Expenses

Our administrative expenses increased from RMB717.8 million for the six months ended June 30, 2021 to RMB961.5 million for the same period of 2022, primarily due to an increase of staff costs and research & development expenses arising from our business expansion.

Income Tax Expenses

Our income tax expenses decreased from RMB279.9 million for the six months ended June 30, 2021 to RMB240.3 million for the same period of 2022, mainly because the gain on remeasurement of the previously held interest in an associate is not subject to income tax in accordance with applicable PRC tax laws.

Profit for the Period

As of June 30, 2022, the Group's profit for the period amounted to RMB907.4 million, representing an increase of 17.1% as compared to RMB774.6 million for the same period of 2021. After excluding the effects resulting from the amortization of intangible assets and deferred tax due to mergers and acquisitions, adjusted profit for the period as of June 30, 2022 amounted to RMB1,125.4 million, representing an increase of 39.2% from the adjusted profit of RMB808.7 million for the same period of 2021.

Intangible Assets

The Group's intangible assets mainly include customer relationships arising from mergers and acquisitions, goodwill and software. Our intangible assets increased from RMB8,244.1 million as of December 31, 2021 to RMB8,741.5 million as of June 30, 2022, mainly due to the completion of certain equity acquisition during the period. On the other hand, the amortization of intangible assets resulted from mergers and acquisitions for the six months ended June 30, 2022 was RMB274.2 million, and the amortization of intangible assets resulted from mergers and acquisitions for the same period last year was RMB37.9 million.

Liquidity and Financial Resource

Cash position: As of June 30, 2022, the Group had cash and cash equivalents of RMB2,812.2 million, representing a decrease as compared to RMB6,430.6 million as at December 31, 2021, primarily due to the payment of salaries and benefits, annual bonuses and payment of mergers and acquisitions.

Bank loans: As of June 30, 2022, the Group had no bank loans.

Global Offering

The H shares of the Company was listed on the Main Board of the Stock Exchange on September 29, 2022 by way of Global Offering. As at the Listing Date, the Company would issue 116,714,000 H Shares at an issue price of HK\$49.35 per H Share on the Stock Exchange pursuant to the Global Offering. As at the Latest Practicable Date of this interim report, the Over-allotment Option has not been exercised.

Use of Net Proceeds from the Global Offering

The H shares of the Company were listed on the Hong Kong Stock Exchange on September 29, 2022. The net proceeds from the Global Offering is expected to amount to approximately HK\$5,593.9 million (equivalent to RMB4,924.4 million at the same exchange rate as in the Prospectus) based on the Offer Price, after deducting the underwriting commissions and other estimated expenses payable by the Company in connection with the Global Offering, assuming the Over-allotment Option is not exercised. Such net proceeds amounts may be subject to further adjustment as a result of other fees and expenses expected to be incurred in connection with the Global Offering.

Since the Company had not been listed on the Hong Kong Stock Exchange as at June 30, 2022, the net proceeds from the Global Offering had not been utilized by the Company during the Reporting Period. The Company expects to utilize the net proceeds from the Global Offering in accordance with the intended use and expected timeline previously disclosed in the Prospectus. For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Gearing Ratio

As of June 30, 2022, the Group had no bank loans and therefore had net cash position as at June 30, 2022 (total interest-bearing borrowings minus cash and cash equivalents divided by total equity)*.

* Net gearing ratio is calculated as the total interest-bearing borrowings minus cash and cash equivalents divided by total equity as of the end of the relevant period and multiplied by 100%. Net gearing ratio is not applicable to us as we had net cash position as of June 30, 2022.

Contingent Liabilities

As of June 30, 2022, the Group had no material contingent liabilities.

Pledge of Asset

As of June 30, 2022, the Group had no pledge of assets.

Impact of Exchange Rate Fluctuation

As the Group's business is mainly conducted in the PRC, we mainly take RMB as the settlement currency.

As of June 30, 2022, non-RMB assets are cash and cash equivalents, including HKD-denominated assets (worth RMB15.6 million) and USD-denominated assets (worth RMB0.8 million). As of June 30, 2022, the fluctuation of the exchange rate between RMB and foreign currency had no significant impact on the results of operations of Group, so the Group had not conducted foreign exchange hedging activities. In the future, the Group will manage the exchange risk caused by the exchange rate fluctuation of the funds raised in Hong Kong dollars, subject to market condition and demands of the Group.

Subsequent Event

As of the Latest Practicable Date of this interim report, save for the Global Offering, the Group had no subsequent event that had a material impact on the Group's financial performance.

Employees and Remuneration Policy

As of June 30, 2022, the Group had 98,477 employees (December 31, 2021: 106,945 employees), and the total staff costs during the Period was approximately RMB5,436.7 million. Remuneration and benefits include basic salaries, bonus payments, and social security fund and housing provident fund, which were determined based on the nature of work, work performance and market conditions.

Significant Investments, Material Acquisitions and Capital Asset Plans

As of June 30, 2022, the Group had not made any significant investments or material acquisitions, or disposals of subsidiaries, associates and joint ventures.

In addition, save as the plans disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group has no specific plans to make significant investments or acquire material capital assets. However, the Group will continue to seek new opportunities for business development in accordance with the Company's strategy. For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

CORPORATE GOVERNANCE

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

As the H Shares had not been listed on the Stock Exchange as of June 30, 2022, the CG Code was not applicable to the Company during the Reporting Period.

After the listing, the Company has complied with the applicable code provisions set out in the CG Code, save for the deviation as disclosed below:

Pursuant to code provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Zhu Baoquan is the chairman of the Board and the general manager of the Company and the roles of Mr. Zhu Baoquan have not been separate as required under code provision C.2.1 of the CG Code.

In view of the fact that Mr. Zhu Baoquan has been managing and operating the Company as the chairman, an executive Director and the general manager since February 2011, the Board believes that Mr. Zhu Baoquan should continue to assume the responsibilities of the general manager of the Company as this arrangement will improve the efficiency of the Company’s decision-making and execution process and provide strong and consistent leadership to the Company. Further, the Company has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors. In light of the above, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in the circumstances of the Company. The Board will review the current structure from time to time and will make any necessary arrangement as appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its code for dealing in securities in the Company by the Directors and Supervisors. As the Company was not yet listed on the Stock Exchange during the Reporting Period, the provisions under the Listing Rules in relation to the compliance with the Model Code by the Directors and Supervisors were not applicable to the Company. After specific enquiries made to all Directors and Supervisors, Directors and Supervisors have confirmed compliance with the required standard set out in the Model Code since the listing of the Company on the Listing Date up to the date of this interim report.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICER

As of the Latest Practicable Date of this interim report, there were no changes in the information of the Directors, the Supervisors and chief executive officer of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

Since the H Shares of the Company were not listed on the Stock Exchange as of June 30, 2022, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO") and section 352 of the SFO were not applicable to the Company, the Directors, the Supervisors and chief executive of the Company as of June 30, 2022.

As of September 29, 2022, the date of this interim report, the interests and short positions of the Directors, the Supervisors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO, Chapter 571 of the laws of Hong Kong) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were otherwise required, to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

Interest in Shares of the Company

Name	Title	Nature of interest	Class of Shares	Number of Shares ⁽¹⁾	Approximately percentage of shareholding in the relevant class of Shares ⁽¹⁾	Approximately percentage of shareholding in the total share capital of the Company of Shares ⁽¹⁾
Mr. Zhu Baoquan ⁽²⁾	Executive Director, the chairman of the Board and the general manager	Interest in controlled corporations	Unlisted Foreign Shares	90,000,000 (L)	27.27%	7.71%
Mr. Yao Jinbo ⁽³⁾	Non-executive Director	Interest in controlled corporations	Unlisted Foreign Shares	30,042,000 (L)	9.10%	2.57%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) The calculation is based on the total number of 720,378,000 Domestic Shares in issue, 330,042,000 Unlisted Foreign Shares in issue and 116,714,000 H Shares (issued pursuant to the Global Offering) in issue as at September 29, 2022, assuming the Over-allotment Option is not exercised. The letter “L” denotes the person’s long position in our Shares.
- (2) As of September 29, 2022, Ruida I Limited directly held 35,000,000 Unlisted Foreign Shares, Ruida II Limited directly holds 23,284,000 Unlisted Foreign Shares, Ruida III Limited directly holds 23,057,000 Unlisted Foreign Shares, Ruida IV Limited directly holds 2,970,000 Unlisted Foreign Shares, and Ruida V Limited directly holds 5,689,000 Unlisted Foreign Shares.

Each of Ruida I Limited and Ruida II Limited is a wholly-owned subsidiary of Ruida Investments I Limited Partnership. Ruida III Limited is a wholly-owned subsidiary of Ruida Investments IV Limited Partnership and Ruida V Limited is a wholly-owned subsidiary of Ruida Investments III Limited Partnership. Glorious Falcon Investment Limited is the general partner of each of Ruida Investments I Limited Partnership, Ruida Investments IV Limited Partnership and Ruida Investments III Limited Partnership. In addition, Shenzhen Yuying No. 23 Investment Management Partnership Enterprise (Limited Partnership) (深圳市譽鷹第二十三投資管理合夥企業(有限合夥)) is a limited partner holding approximately 62.86% interests in Ruida Investments I Limited Partnership and the remaining interests are held by the general partner, Glorious Falcon Investment Limited. Ruida IV Limited is a limited partner holding approximately 50.00% interests in Ruida Investments III Limited Partnership and the remaining interests are held by the general partner. Glorious Falcon Investment Limited is a wholly-owned subsidiary of Ruida IV Limited, which in turn wholly owned by Shenzhen Yuying No. 21 Investment Management Partnership Enterprise (Limited Partnership) (深圳市譽鷹第二十一投資管理合夥企業(有限合夥)) (“**Yuying 21**”). The general partner of Yuying 21 is Shenzhen Yuying Investment Management Co., Ltd. (深圳市譽鷹投資管理有限公司) (“**Yuying Investment**”). Mr. Zhu Baoquan, the chairman of the Board, an executive Director and the general manager of the Company, holds 67% of interests in Yuying Investment.

Therefore, Mr. Zhu Baoquan is deemed to be interested in the aggregate 90,000,000 Unlisted Foreign Shares held by Ruida I Limited, Ruida II Limited, Ruida III Limited, Ruida IV Limited and Ruida V Limited pursuant to Part XV of the SFO.

- (3) As of September 29, 2022, Dream Landing Holdings Limited (“**Dream Landing**”) directly held 30,042,000 Unlisted Foreign Shares.

Dream Landing is a wholly-owned subsidiary of Dream Warrior Inc., which is an indirect wholly-owned subsidiary of 58.com Inc.. 58.com Inc. is ultimately controlled by Mr. Yao Jinbo, a non-executive Director.

Therefore, Mr. Yao Jinbo is deemed to be interested in the 30,042,000 Unlisted Foreign Shares held by Dream Landing pursuant to Part XV of the SFO.

Interest in associated corporations of the Company

Name	Title	Name of associated corporation	Nature of interest	Class of shares	Number of shares ⁽¹⁾	Approximately percentage of shareholding in the relevant class of the underlying shares of the relevant associated corporation	Approximately percentage of shareholding in the total share capital of the relevant associated corporation
Mr. Zhang Xu	Non-executive Director	China Vanke	Beneficial owner	A shares	2,639 (L)	0.00003%	0.00002%
Mr. Wu Jianxia	Supervisor	China Vanke	Beneficial owner	A shares	15,100 (L)	0.00016%	0.00013%
Ms. Han Huihua	Supervisor	China Vanke	Beneficial owner	A shares	133,000 (L)	0.00137%	0.00114%

Note:

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

Save as disclosed above, as of September 29, 2022, the date of this interim report, none of the Directors, the Supervisors and chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or its associated corporations, recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

So far as is known to the Company, as of September 29, 2022, the date of this interim report, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the respective type of the Shares or underlying Shares:

Name of Substantial Shareholder	Nature of interest	Number and class of Shares	Approximate percentage of shareholding in the relevant class of Shares ⁽⁸⁾	Approximate percentage in the total issued share capital of the Company ⁽⁸⁾
China Vanke ⁽¹⁾	Beneficial owner	600,000,000 Domestic Shares	83.29%	51.41%
	Interest in controlled corporations	60,602,000 Domestic Shares	8.41%	5.19%
Wanhuquanyuan ⁽¹⁾	Beneficial owner	35,602,000 Domestic Shares	4.94%	3.05%
Wanqing ⁽¹⁾	Beneficial owner	5,000,000 Domestic Shares	0.69%	0.43%
Wanhu ⁽¹⁾	Beneficial owner	5,000,000 Domestic Shares	0.69%	0.43%
Wanmazhengxian ⁽¹⁾	Beneficial owner	5,000,000 Domestic Shares	0.69%	0.43%
Yingda Investment Fund ⁽¹⁾	Beneficial owner	5,000,000 Domestic Shares	0.69%	0.43%
Wanshuzhimiao ⁽¹⁾	Beneficial owner	5,000,000 Domestic Shares	0.69%	0.43%
Radiant Sunbeam Limited ⁽²⁾	Beneficial owner	180,000,000 Unlisted Foreign Shares	54.54%	15.42%
		180,000,000 Unlisted Foreign Shares		
Bumper Harvest Limited ⁽²⁾	Interest in controlled corporations	180,000,000 Unlisted Foreign Shares	54.54%	15.42%
Boyu Capital Fund III, L.P. ⁽²⁾	Interest in controlled corporations	180,000,000 Unlisted Foreign Shares	54.54%	15.42%
Boyu Capital General Partner III, L.P. ⁽²⁾	Interest in controlled corporations	180,000,000 Unlisted Foreign Shares	54.54%	15.42%
Boyu Capital General Partner III, Ltd. ⁽²⁾	Interest in controlled corporations	180,000,000 Unlisted Foreign Shares	54.54%	15.42%
Boyu Capital Group Holdings Ltd. ⁽²⁾	Interest in controlled corporations	180,000,000 Unlisted Foreign Shares	54.54%	15.42%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Substantial Shareholder	Nature of interest	Number and class of Shares	Approximate percentage of shareholding in the relevant class of Shares ⁽⁸⁾	Approximate percentage in the total issued share capital of the Company ⁽⁸⁾
Ruida I Limited ⁽³⁾	Beneficial owner	35,000,000 Unlisted Foreign Shares	10.60%	3.00%
Ruida II Limited ⁽³⁾	Beneficial owner	23,284,000 Unlisted Foreign Shares	7.05%	1.99%
Ruida Investments I Limited Partnership ⁽³⁾	Interest in controlled corporations	58,284,000 Unlisted Foreign Shares	17.66%	4.99%
Ruida III Limited ⁽³⁾	Beneficial owner	23,057,000 Unlisted Foreign Shares	6.99%	1.98%
Ruida Investments IV Limited Partnership ⁽³⁾	Interest in controlled corporations	23,057,000 Unlisted Foreign Shares	6.99%	1.98%
Ruida V Limited ⁽³⁾	Beneficial owner	5,689,000 Unlisted Foreign Shares	1.72%	0.49%
Ruida Investments III Limited Partnership ⁽³⁾	Interest in controlled corporations	5,689,000 Unlisted Foreign Shares	1.72%	0.49%
Glorious Falcon Investment Limited ⁽³⁾	Interest in controlled corporations	87,030,000 Unlisted Foreign Shares	26.37%	7.46%
Ruida IV Limited ⁽³⁾	Beneficial owner	2,970,000 Unlisted Foreign Shares	0.90%	0.25%
Shenzhen Yuying No. 21 Investment Management Partnership Enterprise (Limited Partnership) (深圳市譽鷹第二十一投資管理 合夥企業(有限合夥)) ⁽³⁾ ("Yuying 21")	Interest in controlled corporations	87,030,000 Unlisted Foreign Shares	26.37%	7.46%
	Interest in controlled corporations	90,000,000 Unlisted Foreign Shares	27.27%	7.71%
Shenzhen Yuying No. 23 Investment Management Partnership Enterprise (Limited Partnership) (深圳市譽鷹第二十三投資管理 合夥企業(有限合夥)) ⁽³⁾ ("Yuying 23")	Interest in controlled corporations	58,284,000 Unlisted Foreign Shares	17.66%	4.99%
	Interest in controlled corporations	90,000,000 Unlisted Foreign Shares	27.27%	7.71%
Shenzhen Yuying Investment Management Co., Ltd. (深圳市譽鷹投資管理有限公司) ⁽³⁾ ("Yuying Investment")	Interest in controlled corporations	90,000,000 Unlisted Foreign Shares	27.27%	7.71%
Dream Landing Holdings Limited ⁽⁴⁾	Beneficial owner	30,042,000 Unlisted Foreign Shares	9.10%	2.57%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Substantial Shareholder	Nature of interest	Number and class of Shares	Approximate percentage of shareholding in the relevant class of Shares ⁽⁸⁾	Approximate percentage in the total issued share capital of the Company ⁽⁸⁾
Dream Warrior Inc. ⁽⁴⁾	Interest in controlled corporations	30,042,000 Unlisted Foreign Shares	9.10%	2.57%
58.com Inc. ⁽⁴⁾	Interest in controlled corporations	30,042,000 Unlisted Foreign Shares	9.10%	2.57%
HK Rui Xuan Enterprise Management Limited ⁽⁵⁾ ("Rui Xuan")	Beneficial owner	30,000,000 Unlisted Foreign Shares	9.10%	2.57%
Qianhai Chuangxiang Technology (Shenzhen) Co., Ltd. (前海創享科技(深圳)有限公司) ⁽⁵⁾	Interest in controlled corporations	30,000,000 Unlisted Foreign Shares	9.10%	2.57%
Shenzhen Linkaiying Technology Development Co., Ltd. (深圳市琳凱盈科技發展有限公司) ⁽⁵⁾	Interest in controlled corporations	30,000,000 Unlisted Foreign Shares	9.10%	2.57%
Shenzhen Linzhu Investment Holding (Group) Co., Ltd. (深圳市琳珠投資控股(集團)有限公司) ⁽⁵⁾	Interest in controlled corporations	30,000,000 Unlisted Foreign Shares	9.10%	2.57%
Shenzhen Linzhu Trading Co., Ltd. (深圳市琳珠貿易有限公司) ⁽⁵⁾	Interest in controlled corporations	30,000,000 Unlisted Foreign Shares	9.10%	2.57%
Chen Kunming ⁽⁵⁾	Interest in controlled corporations	30,000,000 Unlisted Foreign Shares	9.10%	2.57%
China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司) ⁽⁶⁾ ("Mixed-ownership Reform Fund")	Beneficial owner	11,382,300 H Shares	9.75%	0.98%
China Chengtong Holdings Group Co., Ltd. (中國誠通控股集團有限公司) ⁽⁶⁾ ("China Chengtong")	Interest in controlled corporations	14,528,300 H Shares	12.45%	1.24%
UBS Asset Management (Singapore) Ltd. ⁽⁷⁾ ("UBS AM Singapore")	Investment manager	9,438,000 H Shares	8.09%	0.81%
UBS Asset Management AG ⁽⁷⁾	Interest in controlled corporations	9,438,000 H Shares	8.09%	0.81%
UBS Group AG ⁽⁷⁾	Interest in controlled corporations	9,438,000 H Shares	8.09%	0.81%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) Each of Wanhuquanyuan, Wanqing, Wanhu, Wanmazhengxian, Yingda Investment Fund and Wanshuzhimiao is a wholly-owned subsidiary of China Vanke. As such, China Vanke is deemed to be interested in the Domestic Shares held by each of Wanhuquanyuan, Wanqing, Wanhu, Wanmazhengxian, Yingda Investment Fund and Wanshuzhimiao pursuant to the SFO.
- (2) Radiant Sunbeam Limited is a wholly-owned subsidiary of Bumper Harvest Limited, which is in turn wholly owned by Boyu Capital Fund III, L.P. and Boyu Capital General Partner III, L.P. is the general partner of Boyu Capital Fund III, L.P.. Boyu Capital General Partner III, Ltd. is the general partner of Boyu Capital General Partner III, L.P. and Boyu Capital General Partner III, Ltd. is wholly owned by Boyu Capital Group Holdings Ltd.. As such, each of Boyu Capital Group Holdings Ltd., Boyu Capital General Partner III, Ltd., Boyu Capital General Partner III, L.P., Boyu Capital Fund III, L.P. and Bumper Harvest Limited is deemed to be interested in the Unlisted Foreign Shares held by Radiant Sunbeam Limited pursuant to the SFO.
- (3) Each of Ruida I Limited and Ruida II Limited is a wholly-owned subsidiary of Ruida Investments I Limited Partnership. Ruida III Limited is a wholly-owned subsidiary of Ruida Investments IV Limited Partnership and Ruida V Limited is a wholly-owned subsidiary of Ruida Investments III Limited Partnership. Glorious Falcon Investment Limited is the general partner of each of Ruida Investments I Limited Partnership, Ruida Investments IV Limited Partnership and Ruida Investments III Limited Partnership. In addition, Yuying 23 is a limited partner holding approximately 62.86% interests in Ruida Investments I Limited Partnership and the remaining interests are held by the general partner, Glorious Falcon Investment Limited. Ruida IV Limited is a limited partner holding approximately 50.00% interests in Ruida Investments III Limited Partnership and the remaining interests are held by the general partner. Glorious Falcon Investment Limited is a wholly-owned subsidiary of Ruida IV Limited, which in turn wholly owned by Yuying 21. The general partner of Yuying 21 is Yuying Investment. Mr. Zhu Baoquan, the chairman of the Board, an executive Director and the general manager of the Company, holds 67% of interests in Yuying Investment.

Therefore, Mr. Zhu Baoquan is deemed to be interested in the aggregate 90,000,000 Unlisted Foreign Shares held by Ruida I Limited, Ruida II Limited, Ruida III Limited, Ruida IV Limited and Ruida V Limited pursuant to Part XV of the SFO.

Among the 90,000,000 Unlisted Foreign Shares, 20,000,000 Unlisted Foreign Shares are directly held by Ruida III Limited for investment purpose, and 70,000,000 Unlisted Foreign Shares are held by the Employee Shareholding Platforms pursuant to the employee stock ownership plan. For further details, please refer to the section headed "Employee Stock Ownership Plan".

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (4) Dream Landing Holdings Limited is a wholly-owned subsidiary of Dream Warrior Inc. which is in turn an indirect wholly-owned subsidiary of 58.com Inc.. 58.com Inc. is wholly-owned by Quantum Bloom Group Ltd. (a company incorporated in the Cayman Islands), which is controlled as to more than one-third by Mr. Yao Jinbo (through his intermediary controlled entities). As such, each of Dream Warrior Inc., 58.com Inc., Quantum Bloom Group Ltd. is deemed to be interested in the Unlisted Foreign Shares held by Dream Landing Holdings Limited.
- (5) Rui Xuan is a wholly-owned subsidiary of Qianhai Chuangxiang Technology (Shenzhen) Co., Ltd., which is in turn wholly owned by Shenzhen Linkaiying Technology Development Co., Ltd., which is owned as to 95% by Shenzhen Linzhu Investment Holding (Group) Co., Ltd. ("**Linzhu Group**"). Linzhu Group is owned as to 90% by Shenzhen Linzhu Trading Co., Ltd., which is in turn wholly held by Mr. Chen Kunming. As such, each of Qianhai Chuangxiang Technology (Shenzhen) Co., Ltd., Shenzhen Linkaiying Technology Development Co., Ltd., Linzhu Group and Shenzhen Linzhu Trading Co., Ltd. is deemed to be interested in the Unlisted Foreign Shares held by Rui Xuan.
- (6) Each of Mixed-ownership Reform Fund and China Chengtong Investment is a cornerstone investor of the Company. Mixed-ownership Reform Fund is a national fund approved by the State Council, entrusted by the State-owned Assets Supervision and Administration Commission of the State Council and initiated by China Chengtong. China Chengtong Investment is a wholly-owned subsidiary of China Chengtong Hong Kong Company Limited, which is an overseas capital operation platform of China Chengtong. As such, China Chengtong will be deemed to be interested in the H Shares held by Mixed-ownership Reform Fund and China Chengtong Investment.
- (7) UBS AM Singapore is a cornerstone investor of the Company. UBS AM Singapore is a wholly owned subsidiary of UBS Asset Management AG, which is wholly ultimately owned by UBS Group AG. As such, UBS Group AG will be deemed to be interested in the H Shares held by UBS AM Singapore and UBS Asset Management AG.
- (8) The calculation is based on the total number of 720,378,000 Domestic Shares in issue, 330,042,000 Unlisted Foreign Shares in issue and 116,714,000 H Shares (issued pursuant to the Global Offering) in issue as at September 29, 2022, assuming the Over-allotment Option is not exercised.

Save as disclosed above, as of the Latest Practicable Date of this interim report, the Company had not been notified of any persons (other than a Director, a Supervisor or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares that were recorded in the register required to be kept under section 336 of the SFO.

EMPLOYEE STOCK OWNERSHIP PLAN

(a) Background

China Vanke introduced and adopted an internal business partnership scheme (事業合夥人機制) for employees of its property service business, being our Company, in June 2015 to attract and retain talents and to enhance our Company's competitiveness for long-term development. As of the Latest Practicable Date of this interim report, the business partnership scheme has been further amended and consolidated as the Employee Stock Ownership Plan ("**ESOP**"). As of the Latest Practicable Date of this interim report, 70,000,000 Shares in aggregate were directly held by the Employee Shareholding Platforms representing approximately 6.00% of the aggregate amount of our total issued Shares (assuming the Over-allotment Option is not exercised). The terms of the ESOP are not subject to the provisions of Chapter 17 of the Listing Rules.

(b) Awards

Pursuant to the terms of the ESOP, the eligible participants (the "**Participants**") shall be granted a conditional right (the "**Awards**") to subscribe for certain limited partnership interests (the "**Incentive Interests**") in the respective employee incentive platform (being the holding partnership platform of each of the Employee Shareholding Platforms) (the "**Employee Incentive Platforms**"). The grant of the Award(s) shall be determined by the general partner of each of the Employee Incentive Platforms (the "**General Partner**"), with Mr. Zhu Baoquan (the chairman of the Board, an executive Director and the general manager of the Company) and Ms. Xiang Yun (the chairperson of the Supervisory Committee) being the shareholders of the General Partner.

(c) Maximum number of Shares

As of the date of this interim report, the number of Shares directly held by the Employee Shareholding Platforms for the purpose of the ESOP were in aggregate of 70,000,000 Shares, representing approximately 6.00% of the total issued Shares immediately upon completion of the Global Offering assuming the Over-allotment Option is not exercised.

(d) Participants

Participants of the ESOP are management member and employees of our Group at the time being granted such Award(s).

CORPORATE GOVERNANCE AND OTHER INFORMATION

(e) Term

All Shares underlying the Awards granted to the Participants are directly held by the Employee Shareholding Platforms. The Awards shall be vested in the Participants on the date which the Participants having subscribed for his or her designated Incentive Interests in the respective Employee Incentive Platforms.

(f) Sale of the Awards

The Participants are entitled to arrange sale of the Incentive Interests subscribed pursuant to the Awards which will be handled by the administrative office of the relevant Employee Incentive Platforms at its full discretion as authorized by the General Partner.

(g) Restriction on transfer

Save as disclosed under paragraph (f) above, no Participant shall in any way transfer, pledge, provide guarantee for another, encumber or dispose of any Incentive Interests subscribed under the Awards granted to him or her.

(h) Details of the Awards granted

As of the Latest Practicable Date of this interim report, the aggregate number of Shares underlying the Awards as directly held by the Employee Shareholding Platforms amounted to 70,000,000 Shares, had been granted to 394 Participants. Details of the Awards granted pursuant to the ESOP as of the Latest Practicable Date of this interim report are set out as below:

Participant	Role within the Group	Approximate number of Shares underlying the Awards ⁽⁵⁾	Approximate percentage of issued Shares
Mr. Zhu Baoquan	Director of the Company	20,000,000	1.71%
Mr. He Shuhua	Director of the Company	1,068,294	0.09%
Ms. Xiang Yun	Supervisor of the Company	667,459	0.06%
Mr. Wu Jianxia	Supervisor of the Company	578,014	0.05%
Mr. Zou Ming	Deputy general manager of the Company	807,663	0.07%
Mr. Yang Guanghui	Deputy general manager of the Company	934,776	0.08%
Mr. Li Qingping	Chief investment officer of the Company	1,055,513	0.09%
Directors of our subsidiaries ⁽¹⁾		8,603,563 ⁽²⁾	0.74%
Supervisors of our subsidiaries ⁽¹⁾		1,979,447 ⁽³⁾	0.17%
Other employees of the Group		34,305,273 ⁽⁴⁾	2.94%

Notes:

- (1) Subsidiaries which do not constitute insignificant subsidiaries as defined under the Listing Rules.
- (2) Representing an aggregate of 21 Participants, with no single Participant being granted more than 1,200,000 underlying Shares, representing no more than 0.10% of the Company's total issued Shares immediately after the completion of the Global Offering (assuming Over-allotment Option is not exercised).
- (3) Representing an aggregate of 6 Participants, with no single Participant being granted more than 1,000,000 underlying Shares, representing no more than 0.09% of the Company's total issued Shares immediately after the completion of the Global Offering (assuming Over-allotment Option is not exercised).
- (4) Representing an aggregate of 360 Participants, with no single Participant being granted more than 1,200,000 underlying Shares, representing no more than 0.10% of the Company's total issued Shares immediately after the completion of the Global Offering (assuming Over-allotment Option is not exercised).
- (5) Due to rounding adjustments, the number of Shares underlying the Awards of each category does not represent an arithmetic aggregation of 70,000,000 Shares.

INTERIM DIVIDEND

The Board has resolved that the Company will not declare any interim dividends for the Reporting Period.

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

As the shares of the Company had not yet been listed on the Stock Exchange for the six months ended June 30, 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and the knowledge of the Directors, the Company had maintained sufficient public float from Listing Date.

AUDIT COMMITTEE

The Board of the Company has established the Audit Committee with written terms of reference in compliance with the CG Code.

The primary duties of the Audit Committee are to review, supervise and coordinate the external and internal audit process, propose the engagement or replacement of the external auditors, review the financial information and its disclosure as well as the internal control system of the Company, and other matters authorized by the Board. The Audit Committee consists of three members, including Ms. Law Elizabeth, Mr. Wang Wenjin and Mr. Chen Yuyu. The Audit Committee is chaired by Ms. Law Elizabeth, an independent non-executive Director who possesses appropriate professional accounting and related financial management expertise. The Audit Committee has reviewed the Company's unaudited condensed consolidated interim results for the six months ended June 30, 2022 and confirmed that it has complied all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of audit and financial reporting.

The interim results for the six months ended June 30, 2022 have not been audited, but have been reviewed by the Company's auditor, Ernst & Young, 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.

TO THE BOARD OF DIRECTORS OF ONEWO INC.

(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 42 to 72, which comprises the condensed consolidated statement of financial position of Onewo Inc. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended, and 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 International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board ("IASB"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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 HKICPA. 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 is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
19 September 2022

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
REVENUE	3	14,243,206	10,306,201
Cost of sales		(12,115,963)	(8,617,756)
Gross profit		2,127,243	1,688,445
Other income and gains	4	376,100	211,276
Selling and distribution expenses		(205,055)	(77,565)
Administrative expenses		(961,513)	(717,824)
Impairment losses on financial assets, net		(177,497)	(67,223)
Other expenses		(10,435)	(5,210)
Finance costs		(6,007)	(5,334)
Share of profits of:			
Joint ventures		222	4,856
Associates		4,629	23,079
PROFIT BEFORE TAX	5	1,147,687	1,054,500
Income tax expense	6	(240,289)	(279,901)
PROFIT FOR THE PERIOD		907,398	774,599
Attributable to:			
Owners of the parent		873,202	748,856
Non-controlling interests		34,196	25,743
		907,398	774,599
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT, IN RMB			
Basic and diluted	8	0.83	0.75

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
PROFIT FOR THE PERIOD	907,398	774,599
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	214	(460)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	214	(460)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(417,841)	174,491
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	(417,841)	174,491
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	(417,627)	174,031
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	489,771	948,630
Attributable to:		
Owners of the parent	455,575	922,887
Non-controlling interests	34,196	25,743
	489,771	948,630

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

30 June 2022

	<i>Notes</i>	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	499,105	500,639
Investment properties		617,670	657,110
Right-of-use assets		267,705	253,086
Intangible assets	10	8,741,462	8,244,089
Investments in joint ventures		1,022,335	1,019,672
Investments in associates		755,183	793,560
Equity investments designated at fair value through other comprehensive income		1,079,620	1,497,461
Financial assets at fair value through profit or loss		976	976
Deferred tax assets		101,136	56,807
Prepayments, deposits and other receivables	12	2,027,080	1,992,483
Total non-current assets		15,112,272	15,015,883
CURRENT ASSETS			
Inventories		217,722	261,296
Trade and retention receivables	11	6,453,517	4,514,273
Prepayments, deposits and other receivables	12	2,665,519	1,697,630
Financial assets at fair value through profit or loss		6,761	3,664
Restricted bank deposits	13	315,991	305,250
Time deposits with original maturity of over three months	13	504,981	495,713
Cash and cash equivalents	13	2,812,157	6,430,557
Total current assets		12,976,648	13,708,383
CURRENT LIABILITIES			
Trade and notes payables	14	3,682,545	3,243,250
Financial liabilities at fair value through profit or loss		191,792	191,792
Contract liabilities	15	4,100,622	4,167,711
Other payables and accruals	16	6,253,364	7,821,982
Interest-bearing bank borrowings		–	11,500
Lease liabilities		116,461	100,938
Tax payable		721,165	744,715
Total current liabilities		15,065,949	16,281,888

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

30 June 2022

	<i>Notes</i>	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
NET CURRENT LIABILITIES		(2,089,301)	(2,573,505)
TOTAL ASSETS LESS CURRENT LIABILITIES		13,022,971	12,442,378
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		–	4,087
Other payables and accruals	16	888,686	815,539
Provision		99,591	72,874
Lease liabilities		150,057	149,609
Deferred tax liabilities		1,031,517	1,087,691
Total non-current liabilities		2,169,851	2,129,800
Net assets		10,853,120	10,312,578
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	1,050,420	1,050,420
Other reserves	18	9,298,600	8,843,025
		10,349,020	9,893,445
Non-controlling interests		504,100	419,133
Total equity		10,853,120	10,312,578

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Statutory surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	1,050,420	7,388,027	261,338	1,146	525,210	667,304	9,893,445	419,133	10,312,578
Profit for the period (unaudited)	-	-	-	-	-	873,202	873,202	34,196	907,398
Other comprehensive income for the period: (unaudited)	-	-	(417,841)	-	-	-	(417,841)	-	(417,841)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax (unaudited)	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations (unaudited)	-	-	-	214	-	-	214	-	214
Total comprehensive income/(loss) for the period (unaudited)	-	-	(417,841)	214	-	873,202	455,575	34,196	489,771
Partial disposal of subsidiaries and acquisition of subsidiaries (unaudited)	-	-	-	-	-	-	-	50,771	50,771
At 30 June 2022 (unaudited)	1,050,420	7,388,027	(156,503)	1,360	525,210	1,540,506	10,349,020	504,100	10,853,120

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the parent							Total equity RMB'000	
	Share capital RMB'000 (Note 17)	Capital reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Exchange fluctuation reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000		Non-controlling interests RMB'000
At 1 January 2021	1,000,000	2,408,435	(217,685)	2,392	325,298	2,736,574	6,255,014	309,576	6,564,590
Profit for the period (unaudited)	-	-	-	-	-	748,856	748,856	25,743	774,599
Other comprehensive income for the period: (unaudited)	-	-	174,491	-	-	-	174,491	-	174,491
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax (unaudited)	-	-	-	(460)	-	-	(460)	-	(460)
Exchange differences on translation of foreign operations (unaudited)	-	-	-	(460)	-	-	(460)	-	(460)
Total comprehensive income/(loss) for the period (unaudited)	-	-	174,491	(460)	-	748,856	922,887	25,743	948,630
Dividends declared to non-controlling shareholders (unaudited)	-	-	-	-	-	-	-	(856)	(856)
Dividends declared (unaudited)	-	-	-	-	-	(397,000)	(397,000)	-	(397,000)
Transferred from retained earnings (unaudited)	-	-	-	-	147,747	(147,747)	-	-	-
Partial disposal of subsidiaries and acquisition of subsidiaries (unaudited)	-	-	-	-	-	-	-	31,502	31,502
Acquisition of non-controlling interests (unaudited)	-	(669)	-	-	-	-	(669)	(6,505)	(7,174)
At 30 June 2021 (unaudited)	1,000,000	2,407,766	(43,194)	1,932	473,045	2,940,683	6,780,232	359,460	7,139,692

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,147,687	1,054,500
Adjustments for:			
Depreciation of items of property, plant and equipment	5	62,889	48,066
Depreciation of right-of-use assets	5	64,837	41,852
Depreciation of investment properties	5	7,726	8,933
Amortisation of intangible assets	5, 10	275,145	37,934
(Gain)/loss on disposal of items of property, plant and equipment		(75)	91
Gain on disposal of investment properties	4	(16,451)	(41,401)
Fair value gains or losses on financial assets at fair value through profit or loss	4	(6,350)	(40,783)
Impairment losses for trade and retention receivables, net	5	51,275	20,849
Impairment losses for prepayments, deposits and other receivables, net	5	126,222	46,374
Gain on disposal of subsidiaries		(767)	–
Gain on disposal of joint ventures and associates	4	(13,058)	–
Gain on remeasurement of the previously held interest in an associate	4	(215,563)	–
Share of profits and losses of joint ventures and associates		(4,851)	(27,935)
Interest income	5	(20,525)	(38,827)
Finance costs		6,007	5,334
Net foreign exchange differences		(10)	(23)
		1,464,138	1,114,964
Decrease/(increase) in inventories		43,574	(1,646)
Increase in trade and retention receivables		(1,990,756)	(1,003,526)
Increase in prepayments, deposits and other receivables		(1,082,284)	(141,966)
Increase/(decrease) in trade and notes payables		439,550	(33,427)
(Decrease)/increase in other payables and accruals		(298,227)	96,902
Decrease in contract liabilities		(66,440)	(33,236)
Increase in provision		26,717	302
		(1,463,728)	(1,633)
Tax paid		(382,126)	(356,387)
Net cash flows used in operating activities		(1,845,854)	(358,020)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of items of property, plant and equipment		13,531	17,182
Purchase of items of property, plant and equipment		(74,811)	(118,927)
Proceeds from disposal of investment properties		54,499	114,214
Purchase of investment properties		(51,000)	(45,398)
Purchase of intangible assets		(207,847)	(28,764)
Purchase of shareholding in joint ventures and associates		(11,081)	(21,333)
Proceeds from disposal of joint ventures and associates		42,642	–
Acquisition of subsidiaries, net of cash acquired		–	(1,456,000)
Step acquisition of a subsidiary	19	(190,907)	–
Proceeds from disposal of subsidiaries		519	–
Redemption of wealth management products upon maturity		3,253	50,675
Interest received		20,525	38,827
Decrease/(increase) in pledged deposits		24,355	(7,758)
Increase in time deposits with original maturity of over three months		(9,268)	(49,400)
Net cash flows used in investing activities		(385,590)	(1,506,682)
CASH FLOWS FROM FINANCING ACTIVITIES			
Disposal of non-controlling interests		4,771	31,502
Acquisition of non-controlling interests		–	(7,174)
Listing expenses paid		(13,384)	–
New bank loans		–	–
Repayment of bank loans		(15,577)	(9,921)
Interest paid		(625)	(134)
Dividends paid		(1,294,001)	–
Dividends paid to non-controlling shareholders		–	(856)
Interest element of lease rentals paid		(5,382)	(5,200)
Capital element of lease rentals paid		(63,485)	(41,880)
Net cash flows used in financing activities		(1,387,683)	(33,663)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,619,127)	(1,898,365)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD			
Effect of foreign exchange rate changes, net		727	(403)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		2,812,157	3,498,878
CASH AND CASH EQUIVALENTS AS STATED IN THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS			
	13	2,812,157	3,498,878

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting issued by IASB. The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information is consistent with those of the Group's Historical Financial Information as set out in the accountants' report in Appendix I to the Company's prospectus dated 19 September 2022 (the "Prospectus").

The interim condensed consolidated financial information does not include all the information and disclosures required in the Historical Financial Information and should be read in conjunction with the Group's Historical Financial Information included in the accountants' report as set out in Appendix I to the Prospectus, which have been prepared in accordance with International Financial Reporting Standards.

As at 30 June 2022, the Group had net current liabilities approximately RMB2,089,301,000. The directors of the Company believe that the Group has adequate resources to continue operations and meet its abilities as at when they fall due for the foreseeable future of not less than 12 months from the end of the reporting period, by taking into account: (a) the Group's expected cash inflows from operating activities; (b) the bank facilities obtained subsequent to the reporting date; (c) included in the current liabilities were the contract liabilities of approximately RMB4,100,622,000, with no expected future cash outflows. Therefore, the directors of the Company are of the opinion that it is appropriate to prepare the interim condensed consolidated financial information on a going concern basis.

2. OPERATING SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product lines.

During the six months ended 30 June 2022 and 2021, the Group was principally engaged in the provision of community space living consumption services, commercial and urban space integrated services and AIoT and BPaaS solution services in the PRC. Management reviews the operating results of the business as a single operating segment to make decisions about resources to be allocated. Therefore, the executive directors regard that there is only one segment which is used to make strategic decisions.

The principal operating entities of the Group are domiciled in the PRC and majority of revenue is derived in the PRC for the six months ended 30 June 2022 and 2021.

As at 30 June 2022 and 31 December 2021, except for the equity investments designated at fair value through other comprehensive income, majority of the non-current assets of the Group were located in the PRC.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. REVENUE

Revenue mainly comprises proceeds from community space living consumption services, commercial and urban space integrated services and AloT and BPaaS solution services. An analysis of the Group's revenue and cost of services by category for the six months ended 30 June 2022 and 2021 is as follows:

An analysis of revenue is as follows:

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Types of services		
Community space living consumption services	7,994,605	5,924,032
Commercial and urban space integrated services	5,093,148	3,642,603
AloT and BPaaS solution services	1,155,453	739,566
Total revenue from contracts with customers	14,243,206	10,306,201
Timing of revenue recognition		
Services transferred at a point in time	506,624	521,556
Services transferred over time	13,736,582	9,784,645
Total revenue from contracts with customers	14,243,206	10,306,201

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. OTHER INCOME AND GAINS

	Notes	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Interest income		20,525	38,827
Government grants*		101,076	80,172
Fair value gains on financial assets at fair value through profit or loss		6,350	40,783
Gain on disposal of investment properties**		16,451	41,401
Gain on disposal of joint ventures and associates		13,058	–
Gain on remeasurement of the previously held interest in an associate	19	215,563	–
Other non-operating income***		3,077	10,093
		376,100	211,276

* There are no unfulfilled conditions or contingencies relating to these grants.

** The Group's investment properties primarily consist of the use right of car parking spaces, which are purchased from the controlling shareholder and leased to third parties.

*** The group's non-operating income mainly represents the compensation income charged to counter parties associated with the non-compliance or breach of contracts by the counter parties.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Cost of services provided		11,575,451	8,254,738
Cost of inventories sold		540,512	363,018
Depreciation of property, plant and equipment*		62,889	48,066
Depreciation of right-of-use assets*		64,837	41,852
Depreciation of investment properties*		7,726	8,933
Amortisation of intangible assets*	10	275,145	37,934
Research and development costs		204,825	143,477
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		4,558,196	2,989,632
Pension costs, housing funds, medical insurances and other social insurances		871,387	500,128
		5,429,583	3,489,760
Impairment losses on financial assets, net:			
Impairment of trade and retention receivables, net		51,275	20,849
Impairment of financial assets included in prepayments, deposits and other receivables, net		126,222	46,374
		177,497	67,223
Fair value gains, net:			
Financial assets at fair value through profit or loss	4	(6,350)	(40,783)
Interest income	4	(20,525)	(38,827)
Gain on disposal of investment properties	4	(16,451)	(41,401)
Gain on disposal of joint ventures and associates	4	(13,058)	–
Gain on remeasurement of the previously held interest in an associate	4	(215,563)	–

* The depreciation and amortisation included in the cost of service provided aggregated to RMB349,579,000 and RMB92,954,000 for the six months ended 30 June 2022 and 2021, respectively.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6. INCOME TAX EXPENSES

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The provision for Mainland China current income tax was based on a statutory rate of 25% of the taxable profits for the six months ended 30 June 2022 and 2021 as determined in accordance with the PRC Income Tax Law and the respective regulations.

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the Enterprise Income Tax Law, the tax rate of the PRC subsidiaries are (i) 25% for the six months ended 30 June 2022 and 2021, or (ii) 15% if qualified as high and new technology enterprises or registered in the western region, Shenzhen Qianhai region and Guangdong Hengqin region of the PRC.

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on any estimated assessable profits arising in Hong Kong during the six months ended 30 June 2022 and 2021. No provision for Hong Kong profits tax has been made as the Group has no assessable profits derived from or earned in Hong Kong during the six months ended 30 June 2022 and 2021.

The major components of income tax expenses for the six months ended 30 June 2022 and 2021 are as follows:

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Current – PRC	340,792	284,003
Deferred tax	(100,503)	(4,102)
Total tax charge for the period	240,289	279,901

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

7. DIVIDENDS

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Dividends declared by the Company to the shareholders	–	397,000

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the six months ended 30 June 2022 and 2021 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the six months ended 30 June 2022 and 2021, as adjusted to reflect the rights issue during the six months ended 30 June 2022 and 2021.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2022 and 2021.

The calculation of basic earnings per share are based on:

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Earnings		
Earning attributable to the owner of the parent, used in the basic earnings per share calculation (RMB'000)	873,202	748,856
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	1,050,420,000	1,000,000,000
Basic and diluted earnings per share (RMB)	0.83	0.75

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired assets at a cost of RMB74,811,000 (30 June 2021: RMB118,927,000).

Assets with a net book value of RMB13,456,000 were disposed of by the Group during the six months ended 30 June 2022 (30 June 2021: RMB17,273,000), resulting in a net gain on disposal of RMB75,000 (30 June 2021: net loss on disposal of RMB91,000).

10. INTANGIBLE ASSETS

As at 30 June 2022 (unaudited)

	Customer relationship RMB'000	Goodwill RMB'000	Software RMB'000	Total RMB'000
At 1 January 2022:				
Cost	5,139,992	3,700,222	12,097	8,852,311
Accumulated amortisation	(603,765)	–	(4,457)	(608,222)
Net carrying amount	4,536,227	3,700,222	7,640	8,244,089
At 1 January 2022, net of accumulated amortisation	4,536,227	3,700,222	7,640	8,244,089
Additions	772,389	–	129	772,518
Amortisation provided during the period	(274,194)	–	(951)	(275,145)
At 30 June 2022, net of accumulated amortisation	5,034,422	3,700,222	6,818	8,741,462
At 30 June 2022:				
Cost	5,912,381	3,700,222	11,967	9,624,570
Accumulated amortisation	(877,959)	–	(5,149)	(883,108)
Net carrying amount	5,034,422	3,700,222	6,818	8,741,462

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

10. INTANGIBLE ASSETS (continued)

As at 30 June 2021 (unaudited)

	Customer relationship RMB'000	Goodwill RMB'000	Total RMB'000
At 1 January 2021:			
Cost	913,544	80,208	993,752
Accumulated amortisation	(410,744)	–	(410,744)
Net carrying amount	502,800	80,208	583,008
At 1 January 2021, net of accumulated amortisation	502,800	80,208	583,008
Additions	33,658	–	33,658
Amortisation provided during the period	(37,934)	–	(37,934)
At 30 June 2021, net of accumulated amortisation	498,524	80,208	578,732
At 30 June 2021:			
Cost	947,201	80,208	1,027,409
Accumulated amortisation	(448,677)	–	(448,677)
Net carrying amount	498,524	80,208	578,732

Impairment testing of goodwill

The CGU includes goodwill should perform impairment tested annually or when the management being aware of events or circumstance changes between annual test that might be identified as goodwill impairment indicators. As at 30 June 2022, the management do not aware indicators that the CGUs to which the goodwill has been allocated may be impaired.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

11. TRADE AND RETENTION RECEIVABLES

	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Trade receivables		
– Related parties (note 20)	2,569,710	2,046,328
– Third parties	4,017,658	2,546,988
Notes receivable		
– Third parties	15,474	27,682
Retention receivables	36,813	28,138
	6,639,655	4,649,136
Less: Allowance for impairment of trade and retention receivables	(186,138)	(134,863)
	6,453,517	4,514,273

Retention receivables related to revenue earned from the provision of construction of intelligent property management services for which the right to the receipt of consideration for work performed remain conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the service contracts. The retention receivables are transferred to the trade receivables when the right become unconditional, which is typically at the expiry date of the defect liability period.

Trade receivables mainly arise from commercial and urban space integrated services and AIoT and BPaaS solution services.

The Group's trading terms with its customers are mainly on credit. The credit term is normally decided on a case-by-case basis upon the acceptance of the products or the completion of service. The credit period is generally one month, extending up to three months for major customers. In view of the aforementioned and the fact that the Group's trade and retention receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

11. TRADE AND RETENTION RECEIVABLES (continued)

An ageing analysis of the trade and retention receivables as at 30 June 2022 and 31 December 2021, based on the invoice date, is as follows:

	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Within 1 year	6,189,239	4,237,601
1 to 2 years	237,040	236,394
2 to 3 years	20,233	25,083
Over 3 years	7,005	15,195
	6,453,517	4,514,273

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Current:		
Other receivables		
– Payments on behalf of property owners for properties managed on a management remuneration basis (a)	1,119,764	960,684
– Payments on behalf of property owners for properties managed on a lump sum basis, sub-contractors and staff	731,571	470,523
– Deposits	868,016	350,839
– Other receivables	83,145	75,737
	2,802,496	1,857,783
Less: Allowance for impairment of other receivables	(976,236)	(850,014)
	1,826,260	1,007,769
Prepayments to suppliers	382,439	328,629
Prepayments for tax	456,820	361,232
	2,665,519	1,697,630

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Non-current:		
Deposits (b)		
– Amounts due from related parties (<i>note 20</i>)	1,596,345	1,643,056
– Others	153,025	70,227
	1,749,370	1,713,283
Prepaid expenses	277,710	279,200
	2,027,080	1,992,483

- (a) The balance represented payments made on behalf of property owners for properties managed on a management remuneration basis under certain specific circumstances, including but not limited to payments of centralised procurement costs and transitional arrangements for property management projects with temporary working capital needs. Under the Group's policy, such payments on behalf of property owners must be settled within a set period of time depending on the nature of the payment. The Group did not hold any collateral over these balances.
- (b) Non-current deposits mainly consist of deposits charged by property developers for carpark space sales assistance services.

The Group has assessed that the credit risk of amounts due from related parties has not increased significantly since initial recognition. At the end of each reporting period, these receivables were categorised in stage 1 and 12-month expected losses are calculated. During the six months ended 30 June 2022 and 2021, the Group considered that the expected loss of other receivables from related parties was minimal.

The Group had assessed the expected loss of other receivables from third parties and classified them into stage 1 to stage 3 for measurement of ECL. A provision matrix was used to measure expected credit losses for other receivables from third parties based on days past due, repayment history, current conditions and forecasts of future economic conditions.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13. CASH AND CASH EQUIVALENTS

	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Cash and cash equivalents		
Cash in hand	13,748	12,318
Cash at bank	3,619,381	7,219,202
	3,633,129	7,231,520
Less: Restricted bank deposits	(315,991)	(305,250)
Time deposits with original maturity of over three months	(504,981)	(495,713)
	2,812,157	6,430,557

14. TRADE AND NOTES PAYABLES

	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Notes payables	166,399	96,747
Trade payables		
– Related parties (<i>Note 20</i>)	–	184,894
– Third parties	3,516,146	2,961,609
	3,682,545	3,243,250

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

14. TRADE AND NOTES PAYABLES (continued)

An ageing analysis of the trade payables as at 30 June 2022 and 31 December 2021, based on the invoice date, is as follows:

	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Within 1 year	3,353,472	2,915,974
1 to 2 years	286,254	277,640
2 to 3 years	22,386	21,774
Over 3 years	20,433	27,862
	3,682,545	3,243,250

15. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities:

	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Short-term advances for services	4,100,622	4,167,711

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

16. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Current:		
Other payables		
Amounts due to related parties (<i>note 20</i>)	511,971	519,792
Cash collected on behalf of property owners	1,974,211	1,988,151
Deposits payable	985,842	920,859
Dividends	101,487	1,280,017
Consideration payable for equity interests	255,125	255,125
Payable for intangible assets	43,828	35,542
Accruals and other payables	907,657	719,844
	4,780,121	5,719,330
Payroll payables	1,197,616	1,664,794
Long-term payables within one year (<i>note 20</i>)	41,042	60,405
Other taxes payables	234,585	377,453
	6,253,364	7,821,982
Non-current:		
Amounts held on behalf of property owners	874,572	795,463
Long term payables	14,114	20,076
	888,686	815,539

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

17. SHARE CAPITAL

	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Issued and fully paid:		
Ordinary shares of RMB1 each	1,050,420	1,050,420

A summary of movements in the Company's share capital are as follows:

	Number of shares in issue	Share capital RMB'000
At 31 December 2021 and 30 June 2022	1,050,420,000	1,050,420

Further details of the changes in the Company's share capital are set out in the section headed "History and Development" in the Prospectus.

18. RESERVE

The amounts of the Group's reserves and the movements therein for the six months ended 30 June 2022 and 2021 are presented in the interim condensed consolidated statement of changes in equity on pages 46 to 47 of the financial statements.

19. STEP ACQUISITION OF 51% SHAREHOLDING IN A FORMER ASSOCIATE

Pursuant to an equity transfer agreement between a subsidiary of the Group, Shenzhen Yuying and Beijing Capital Land Ltd. (首創置業有限公司), an Independent Third Party, the Group acquired 51% equity interest in Shouwan Yuye (Shanghai) Property Services Co., Ltd. (首萬譽業(上海)物業服務有限公司) ("Shouwan Yuye"). Prior to this acquisition, the Group owned 49% equity interest of Shouwan Yuye. Upon the completion of this acquisition, the Group held 100% of the equity interest in Shouwan Yuye in May 2022.

The above acquisition has been accounted for as an acquisition of assets as this acquisition had no attribution of a business. As at the acquisition date, the Group remeasured the fair value of the previously held equity interest of Shouwan Yuye and recognised the gain on remeasurement of this previously held interest, which is amounted to RMB215,563,000.

The identified assets and liabilities acquired by the Group in the above acquisition were as follows:

	RMB'000 (unaudited)
Total identifiable net assets	484,949
Including:	
Cash and cash equivalents	56,417
Intangible assets	510,385
Satisfied by:	
Cash and cash equivalents	247,324
Fair value of previously held equity interest remeasured at the date of acquisition	237,625
	484,949

An analysis of the cash flows in respect of the acquisition is as follows:

	RMB'000 (unaudited)
Cash consideration	247,324
Cash and cash equivalents acquired	(56,417)
	190,907
Net outflow of cash and cash equivalents included in cash flows from investing activities	190,907

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20. RELATED PARTY TRANSACTIONS

(a) Name and relationship with a related party

The ultimate holding company is China Vanke.

(b) Transactions with related parties

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the periods:

	Notes	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Purchases of investment properties			
The ultimate holding company and its subsidiaries (the "China Vanke Group")			
	(i)	6,334	8,623
Receipts of services			
China Vanke Group	(ii)	5,766	24,799
Associates and joint ventures of China Vanke Group	(iii)	2,173,394	1,813,161
		2,179,160	1,837,960
Lease of office space			
China Vanke Group	(iv)	13,307	11,278
Rendering of services			
China Vanke Group	(v)	1,884,048	1,663,003
Associates and joint ventures of China Vanke Group		370,183	360,509
		2,254,231	2,023,512

20. RELATED PARTY TRANSACTIONS *(continued)*

(b) Transactions with related parties *(continued)*

Notes:

- (i) The purchase of investment properties refers to the purchase of parking spaces and other assets. The fees to be charged for the purchase of investment properties shall be determined on arm's length basis with reference to the historical transaction amounts during the periods and the prevailing market purchase of similar assets offered by the independent third parties.
- (ii) Receipts of services from China Vanke Group refers to the purchase of accounting auxiliary services, technology system usage and maintenance services. The fees to be charged for these services shall be determined on arm's length basis with reference to the prevailing market prices and prices for similar services offered by the independent third parties.
- (iii) Receipts of services from associates and joint ventures of China Vanke Group refers to the purchase of security service and electromechanical maintenance service. The fees to be charged for the security service and electromechanical maintenance service will be determined after arm's length negotiations with reference to, where applicable, (1) the prevailing market prices of similar services; (2) the anticipated operation costs (including but not limited to the scope and standards of particular services to be offered, labour costs, administration costs and costs of materials); and (3) the prices for similar services offered by the independent third parties.
- (iv) The fees to be charged for the property lease shall be determined on arm's length basis with reference to the historical transaction amounts during the periods and the prevailing market rent of similar properties located in similar areas offered by the independent third parties.
- (v) Rendering of services refers to the space management service and value-added commercial services. The fees to be charged for the space management services will be determined after arm's length negotiations with reference to, where applicable, (1) the guidance rate published by the relevant government authorities; (2) the prevailing market rate (taking into consideration the location and condition of the properties); (3) the anticipated operation costs (including but not limited to the scope and standards of particular services to be offered, labour costs, administration costs and costs of materials); and (4) the prices charged by the Group for providing comparable services to the independent third parties.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20. RELATED PARTY TRANSACTIONS (continued)

(c) Balances with related parties

	<i>Notes</i>	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Trade and retention receivables	<i>(i)</i>		
China Vanke Group		1,985,987	1,587,756
Associates and joint ventures of China Vanke Group		583,723	458,572
		2,569,710	2,046,328
Prepayments, deposits and other receivables	<i>(ii)</i>		
China Vanke Group		1,294,803	1,286,933
Associates and joint ventures of China Vanke Group		301,542	356,123
		1,596,345	1,643,056
Trade and notes payables	<i>(i)</i>		
Associates and joint ventures of China Vanke Group		–	184,894
Other payables and accruals	<i>(i)</i>		
Other payables			
China Vanke Group		417,783	417,008
Associates and joint ventures of China Vanke Group		94,188	102,784
		511,971	519,792
Long-term payables within one year			
China Vanke Group		31,474	53,671
Associates and joint ventures of China Vanke Group		9,568	6,734
		41,042	60,405

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20. RELATED PARTY TRANSACTIONS (continued)

(c) Balances with related parties (continued)

	<i>Notes</i>	As at 30 June 2022 RMB'000 (unaudited)	As at 31 December 2021 RMB'000
Long-term payables			
China Vanke Group		1,970	15,674
Associates and joint ventures of China Vanke Group		1,028	1,127
		2,998	16,801
		556,011	596,998
Contract liabilities	<i>(i)</i>		
China Vanke Group		105,539	114,587
Lease liabilities	<i>(i)</i>		
China Vanke Group		35,336	37,769

Notes:

- (i) Trade and retention receivables from related parties, trade and notes payables to related parties, contract liabilities to related parties, other payables and accruals to related parties and lease liabilities to related parties are trade in nature.
- (ii) Prepayments, deposits and other receivables from related parties mainly consist of deposits charged by property developers for carpark space sales assistance services, which are trade in nature.

20. RELATED PARTY TRANSACTIONS (continued)

(d) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Salaries, allowances and benefits in kind	1,496	1,757
Retention and discretionary bonuses	7,565	10,151
Equity-settled share-based payment	–	–
Pension costs, housing funds, medical insurances and other social insurances	208	192
	9,269	12,100

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 30 June 2022 and 31 December 2021, the fair values of the Group's financial assets or financial liabilities approximated to their respective carrying amounts.

Management has assessed that the fair value of trade and retention receivables, financial assets included in prepayments, deposits and other receivables, cash and cash equivalents, trade and notes payables, financial liabilities included in other payables and accruals, lease liability, interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair values of the non-current portion of financial asset included in prepayments, deposits and other receivables, the non-current portion of other payables and accruals, interest-bearing bank borrowings and lease liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair values as at 30 June 2022 and 31 December 2021 were assessed to be insignificant.

The fair value of a listed equity investment is based on quoted market prices. The fair value of unlisted equity investments designated at fair value through profit or loss has been estimated using an asset-based valuation technique based on assumptions that are not supported by observable market prices or rates.

The Group invests in debt investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the expected future interest return on maturity of the wealth management products instruments.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

As at 30 June 2022

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets				
Equity investments at fair value through other comprehensive income				
Listed equity investments	1,079,620	-	-	1,079,620
Financial assets at fair value through profit or loss	-	6,761	976	7,737
	1,079,620	6,761	976	1,087,357
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	-	191,792	191,792

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

As at 31 December 2021

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets				
Equity investments at fair value through other comprehensive income				
Listed equity investments	1,497,461	–	–	1,497,461
Financial assets at fair value through profit or loss	–	3,664	976	4,640
	1,497,461	3,664	976	1,502,101
Financial liabilities				
Financial liabilities at fair value through profit or loss	–	–	191,792	191,792

For the equity investments designated at fair value through profit or loss, fair value was determined by the changes in the net assets of the unlisted equity entity. If the net assets had decreased/increased by 10% with all other variables held constant, the profit before income tax for the six months ended 30 June 2022 and the year ended 31 December 2021 would have been approximately RMB97,600 lower/higher and RMB97,600 lower/higher, respectively.

Fair value of financial liabilities measured within level 3 fair value measurement is mainly affected by changes of the discount rate. If the discount rate had increased/decreased by 10% with all other variables held constant, the profit before income tax for the six months ended 30 June 2022 and the year ended 31 December 2021 would have been approximately RMB970,000 lower/higher and RMB2,375,000 lower/higher, respectively.

During the six months ended 30 June 2022 and 2021, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorized for issue by the board of directors on 19 September 2022.