

金科智慧服務集團 股份有限公司

Jinke Smart Services Group Co., Ltd.

股份代號 9666.HK

Stock Code 9666.HK

(於中華人民共和國註冊成立的股份有限公司)

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



Jinke 金科服务

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**INTERIM
REPORT 2022**
中 期 報 告

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Xia Shaofei (*Chairman*)
Mr. Luo Chuansong (*resigned on 27 June 2022*)
Mr. Xu Guofu

Non-Executive Directors

Mr. Luo Licheng
Mr. Liang Zhongtai
Ms. Fu Ting (*resigned on 27 June 2022*)
Ms. Lin Ke (*appointed on 18 August 2022*)
Mr. Wu Xiaoli (*appointed on 18 August 2022*)

Independent Non-Executive Directors

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

SUPERVISORS

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

JOINT COMPANY SECRETARIES

Mr. Xu Guofu
Mr. Lau Kwok Yin

AUTHORIZED REPRESENTATIVES

Mr. Xu Guofu
Mr. Lau Kwok Yin

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Xu Guofu (*Chairman*)
Mr. Xia Shaofei
Mr. Chan Chi Fung Leo

HEADQUARTERS IN THE PRC

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No. 480, Panxi Road
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Jiangbei District
Chongqing, PRC

REGISTERED OFFICE IN THE PRC

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Wuhuang Road
Wulidian Street
Jiangbei District
Chongqing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

CORPORATE INFORMATION

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

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

LEGAL ADVISOR AS TO HONG KONG LAWS

Sidley Austin

PRINCIPAL BANKS

Industrial and Commercial Bank of China,
Chongqing Longhu Branch

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

INVESTOR RELATIONS

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E-mail: irjks@jinke.com
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COMPANY'S WEBSITE

www.jinkeservice.com

STOCK CODE

09666

AWARDS AND HONORS

HONORS OF JINKE SERVICES DURING THE PERIOD

List of honors by China Index Academy in 2022:



1

2022 Top 10 among the Top 100 China Property Management Companies in terms of Overall Strength



2

2022 China Top 10 Property Management Companies in terms of Operation Performance



5

2022 China Top 10 Property Management Companies in terms of Service Scale



6

2022 China Leading Property Management Enterprises in terms of Technological Capabilities



9

2022 Top 10 Property Management Companies in Chongqing in terms of Overall Strength



10

2022 Top 10 Property Management Companies in Wuxi in terms of Overall Strength

AWARDS AND HONORS



3

2022 Top 100 China Leading Property Management Companies in terms of Quality Service



4

2022 Top 100 China Leading Property Management Companies in terms of Customer Satisfaction Rate



7

2022 Leading Property Management Service Enterprise with Chinese Characteristics – City Services



8

2022 China Excellent Property Management Enterprises for Corporate Services



11

2022 China Top 10 Listed Property Management Companies in terms of Community Value-added Service Capabilities



CHAIRMAN'S STATEMENT

MARKET AND INDUSTRY OUTLOOK

In 2022, emergencies took place frequently in the PRC and overseas, the COVID-19 pandemic continued to spread, the aftershocks in the real estate industry continued to linger, the upstream and downstream industrial chains continued to fluctuate, the growth of scale of the property management industry slowed down, and the concentration of the industry had been further enhanced, the industry gradually returned to rationality on acquisitions and mergers, small and medium-sized property management companies thus are under huge survival pressure, and large-scale property management companies are also under greater growth pressure. The development of the property management industry has entered the second half, and the development model of property management companies will gradually transition from the traditional “capital-based and channel-based model” to the “professional-based and technology-based model,” and then to the “operational-based and ecological-based model.” In the future, property management companies shall further optimize resources through precision operation to unlock greater value.

DEVELOPMENT STRATEGY

We had stayed “customer-oriented”, adhered to the development strategy of “Service + Ecology, Service + Technology”, and continued to penetrate deeper into the market in density areas, seek strong synergies, and make concentrated efforts in priority areas. Efforts will be made to develop the four business lines, namely space property management services, community value-added services, local catering services, smart living technology solutions, so as to continuously create value for customers, improve operation efficiency and achieve the sustainable and sound development of the Company. In space property management services, we will insist on customer satisfaction as the core, actively practice the service concept of “make your life beautiful,” and focus on the market strategy on the penetration of density areas, region and businesses where we have comparative advantages; in community value-added services, we will continue to integrate high-quality resources, strengthen the synergy between industrial chain and ecology, and quickly improve the service capability of our value-added business; in local catering services, we will continue to focus on the integration with the local supply chains, accelerate the layout of catering services and hotel services with a vision of building a first-class hotel operator providing living services in the local area; in smart living technology solutions, we will firmly implement technology empowerment, and continuously build a “new ecosystem on digital and intelligent scenarios” featured by mechanization, intellectualization and datamation to continuously promote digital transformation.

CORPORATE GOVERNANCE

We will firmly adhere to the sustainable development concept of “effective growth.” For aspects including market strategy, financial management and business operation, the Company will adhere to (i) independent operation by continuously improving the level of marketization and professionalism to promote high-quality development; (ii) sustainable generation of revenue and profits by actively adjusting its business model and enhancing drivers for organic growth to ensure continuous revenue and profit growth; (iii) realizing profit with positive cash flow by comprehensively assessing risks in relation to business development and actively implementing cash flow plans to change the core benchmark of survival to realization of profit with positive cash flow; and (iv) synergetic and complementary development by improving the synergistic mechanism among different business lines to realize the “full synergy” of different business segments of the Company and improve its competitiveness in the industry.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is a leading, comprehensive smart property management service provider in the PRC and ranked the first in the Southwestern China Region. Relying on its industry leading overall strength, the Group was recognized by the China Index Academy (the “CIA”) as the “Top 10 among the Top 100 China Property Management Companies in terms of Overall Strength” (中國物業服務百強企業綜合實力 TOP10) for seven consecutive years, and the Group’s market share in the Midwestern China Region has ranked the first for seven consecutive years. In 2022, due to its leading service quality, the Group was awarded the “Top 2 among the Top 100 China Leading Property Management Companies in terms of Quality Service” (中國物業服務百強服務質量領先企業 Top2) and the “Top 2 among the Top 100 China Leading Property Management Companies in terms of Customer Satisfaction Rate” (中國物業服務百強滿意度領先企業 Top2) by the CIA. The Group was awarded the “Top 1 China Excellent Property Management Enterprises for Corporate Services” (中國企業服務優秀物業企業 Top1) for its multi-format full-service capacity by the CIA. Based on its leading digital and intelligent technology strength, the Group was awarded the “Top 3 among the Leading Property Management Enterprises in terms of Technological Capabilities” (中國物業科技賦能領先企業 Top3) by the CIA. The Group adhered to the urban density strategy and was awarded the Top 1 Property Management Company in Chongqing, Wuxi and Zhengzhou in terms of Overall Strengths by the CIA.

During the first half of 2022, faced with the complex and severe international environment, the reoccurrence of the COVID-19 pandemic and the continued sluggish demand in China’s real estate industry, the downward pressure on the economy increased. The property management industry is struggling to survive and develop steadily in the changing situation. Given the current economic development trends, the changes in the industry and the Company’s pursuit for high-quality sustainable development, adhering to its “Service + Ecosystem, Service + Technology” strategy, the Group firmly followed a differentiated development path. The Group focused on four business lines (summarised as SLCT): (i) space property management services (Space); (ii) community value-added services (Life); (iii) local catering services (Catering); and (iv) smart living technology solutions (Technology). Through continuously enhancing our market competitiveness, insisting on the concept of “revenue shall generate profit and profit shall contain cash flow” and maintaining sustainable and healthy development, we strive to become a first-class comprehensive smart service provider.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

To reflect certain changes in business nature, the Group has made certain adjustments on its business lines: (i) value-added services to non-property owners was incorporated into property management services and the whole business line was renamed as “space property management services”; and (ii) due to the merger and acquisition happened in 2021, catering services previously included in “community value-added services” were separated out as a standalone business line and named as “local catering services.” In the first half of 2022, the Group derived its revenue from four business lines, namely (i) space property management services; (ii) community value-added services; (iii) local catering services; and (iv) smart living technology solutions. Comparative figures for the six months ended 30 June 2021 were also restated as if the business lines of the Group have been adjusted at the beginning of that period, to provide a consistent comparative basis.

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

	As at or for the six months ended 30 June			
	2022		2021	
	(RMB'000)	%	(RMB'000)	%
Space property management services	2,025,975	79.0	1,767,659	68.3
– Property management services	1,754,532	86.6	1,309,579	74.1
– Value-added services to non-property owners	271,443	13.4	458,080	25.9
Community value-added services	285,338	11.1	650,137	25.1
Local catering services	219,081	8.5	113,382	4.4
Smart living technology solutions	34,877	1.4	57,030	2.2
Total	<u>2,565,271</u>	<u>100.0</u>	<u>2,588,208</u>	<u>100.0</u>

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the Group's total revenue amounted to RMB2,565.3 million, representing a slight decrease of approximately 0.89% as compared with RMB2,588.2 million for the same period in 2021. This decrease was mainly attributable to:

- (i) Revenue from space property management services increased by approximately 14.6% from RMB1,767.7 million for the same period in 2021 to RMB2,026.0 million. Among which, (a) revenue from property management services increased by approximately 34.0% from RMB1,309.6 million for the same period in 2021 to RMB1,754.5 million, which was primarily driven by the Group's expansion in the scale of the property management services. The GFA under management increased by approximately 34.5% from 186.8 million sq.m. as at 30 June 2021 to 251.2 million sq.m. as at 30 June 2022; (b) revenue from value-added services to non-property owners decreased by approximately 40.8% from RMB458.1 million for the same period in 2021 to RMB271.4 million, which was primarily due to the decrease in demand for value-added services to non-property owners (including property developers), such as sales assistance services, as affected by national macro policies and the continued sluggish demand in the real estate industry, as well as active reduction in the value-added services to non-property owners with poor collection according to the cash flow of the property developers;
- (ii) Revenue from community value-added services decreased by approximately 56.1% from RMB650.1 million for the same period in 2021 to RMB285.3 million, primarily because (a) affected by the reoccurrence of the COVID-19 pandemic, tourism business has dropped greatly; (b) in response to changes in the industry, the Company adjusted the model of certain businesses in a timely manner, shifting from a self-operated model to a platform model, under which although the segment revenue decreased, the gross profit margin increased significantly;
- (iii) Revenue from local catering services increased by approximately 93.2% from RMB113.4 million for the same period in 2021 to RMB219.1 million, which was primarily driven by (a) fast-growing number of catering service projects and catering supply chain service projects taking the advantage of industry-leading urban density and catering service capacity; (b) fast-growing segment revenue through acquisitions of specialised catering companies and hotel management companies;
- (iv) Revenue from smart living technology solutions decreased by approximately 38.8% from RMB57.0 million for the same period in 2021 to RMB34.9 million, which was primarily driven by (a) decreased demand for implementation of the Group' digital and intelligent solutions such as the Home-Life system (生命家系統) in smart on-site services; (b) the decrease in the Group's revenue from software development and number of intelligent solution projects in stages.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from space property management services

Space property management services mainly consisted of (i) property management services; and (ii) value-added services to non-property owners.

Revenue from property management services

The Group provides a full life-cycle of property management services to property owners, property developers, government and enterprise customers, including cleaning, order maintenance, greening, repair and maintenance services, etc. We are committed to serve our clients compassionately and to provide our clients with “Worry-free + Pleasant” services, enabling our clients to enjoy the quality service experience. Leveraging our long-term industry-leading satisfaction rate from property owners, we gained a strong market reputation, which has helped us to actively outreach to a large number of third party residential and non-residential properties. Relying on our advanced technical capabilities in property services, we continued to build our multi-format specialised service system, and have formed a full-scale service capacities covering residential buildings, mid-to-high end commercial office buildings, industrial parks, schools, hospitals, public construction and urban services.

As at 30 June 2022, the Group has completed a national strategic layout in 27 provinces and 191 cities in the PRC. We managed a total of 685 residential projects and 372 non-residential projects, and the number of property owners served increased continuously. As at 30 June 2022, the total contracted GFA was approximately 373.5 million sq.m., of which approximately 70.6% was attributable by Independent Third Parties, representing an increase of approximately 4.4 percentage points as compared to that of the same period in 2021. During the Period, the newly added contracted GFA was approximately 22.9 million sq.m.. As at 30 June 2022, the total GFA under management was approximately 251.2 million sq.m., of which approximately 63.7% was attributable by Independent Third Parties, representing an increase of 6 percentage points as compared to that of the same period in 2021. The contracted GFA under management and the GFA under management of the Group from the third parties steadily increased. The GFA under management in the core area of the Southwestern China Region reached 124.8 million sq.m., accounting for 49.7% of the total GFA under management, representing the additional increase of approximately 25.9 million sq.m. of GFA under management as compared to that of the same period in 2021 in the core area of the Southwestern China Region, which further showed the urban density effect.

During the Period, leveraging our industry-leading service quality, multi-format professional service capabilities, unique local catering services capabilities and advanced digital intelligence technology capabilities, the cross-segment synergies were evident. The newly added GFA under management was approximately 21.3 million sq.m., of which approximately 83.8% was attributable by Independent Third Parties, which further demonstrated our market-oriented outreach capability and our strong independent development capabilities. 48.4% of the newly added GFA under management during the Period was non-residential projects, mainly including schools, hospitals, enterprise and public institution, etc. Several projects were jointly won bids for property management services and catering services, the cross-segment outreach synergies was further enhanced and the moat of our outreach capability was continuously strengthened. We insist on quality and efficient scale growth, and for projects with low quality and efficiency, low fee collection rates and negative contributions, we dare to take the initiative to exit from them to ensure our high-quality sustainable development goals.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	As at or for the six months ended 30 June			
	2022		2021	
	GFA under Management (sq.m. '000)	Revenue (RMB'000)	GFA under Management (sq.m. '000)	Revenue (RMB'000)
Properties developed by Jinke Property Group ⁽¹⁾	91,075	835,564	78,936	723,343
Properties developed by Jinke Property Group's joint ventures and associates ⁽²⁾	13,959	107,297	11,025	63,983
Properties developed by Independent Third Parties ⁽³⁾	114,490	658,041	93,152	493,952
Properties took over upon mergers & acquisitions	31,703	153,630	3,680	28,301
Total	251,227	1,754,532	186,793	1,309,579

Notes:

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

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2022, the average unit property management fee of the Group was RMB2.22 per sq.m./month (31 December 2021: RMB2.19). The average unit property management fee for third party projects was RMB1.95 per sq.m./month (31 December 2021: RMB1.89).

As at 30 June 2022, a majority of the Group's revenue from property management services was derived from residential properties, which accounted for 79.9% of the Group's total revenue from property management services, representing a decrease of 1.5 percentage points as compared to 81.4% for the same period of 2021. The general decrease in the percentage of revenue derived from managing residential properties was primarily due to wide recognition of our non-residential professional service capabilities, leading to the addition of a large number of new high-quality non-residential management projects during the Period.

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

	As at or for the six months ended 30 June			
	2022		2021	
	GFA under management (sq.m.'000)	Revenue (RMB'000)	GFA under management (sq.m.'000)	Revenue (RMB'000)
Residential properties	202,639	1,402,571	151,332	1,066,287
Non-residential properties				
– Commercial properties and office buildings	2,681	36,598	2,900	49,133
– Public institutions, enterprises and other properties	14,321	180,500	12,273	127,462
– Industrial parks	10,786	74,225	9,518	40,074
– Urban services	20,800	60,638	10,770	26,623
Subtotal	48,588	351,961	35,461	243,292
Total	251,227	1,754,532	186,793	1,309,579

MANAGEMENT DISCUSSION AND ANALYSIS

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

	As at or for the six months ended 30 June			
	2022		2021	
	GFA under management (sq.m.'000)	Revenue (RMB'000)	GFA under management (sq.m.'000)	Revenue (RMB'000)
Southwestern China Region ⁽¹⁾	124,793	1,004,413	98,917	766,755
Eastern and Southern China Region ⁽²⁾	59,561	370,207	41,223	280,804
Central China Region ⁽³⁾	51,502	258,989	34,534	165,113
Other regions ⁽⁴⁾	15,371	120,923	12,119	96,907
Total	251,227	1,754,532	186,793	1,309,579

Notes:

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

MANAGEMENT DISCUSSION AND ANALYSIS

The table below indicates the changes for our contracted GFA and GFA under management as at 30 June 2022 and 2021 respectively:

	As at 30 June			
	2022		2021	
	Contracted GFA (sq.m.'000)	GFA under management (sq.m.'000)	Contracted GFA (sq.m.'000)	GFA under management (sq.m.'000)
As at the beginning of the year	359,800	237,859	277,171	156,173
New engagements ⁽¹⁾	23,878	22,274	37,740	30,620
– Properties developed by Jinke Property Group and its joint ventures and associates	137	5,025	10,345	9,691
– Properties developed by Independent Third Parties	23,478	17,027	23,545	17,249
– Properties took over upon mergers & acquisitions	263	222	3,850	3,680
Terminations ⁽²⁾	(10,214)	(8,906)	–	–
	<u>373,464</u>	<u>251,227</u>	<u>314,911</u>	<u>186,793</u>

Notes:

- (1) With respect to residential communities under our management, new engagements primarily include preliminary management contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.
- (2) These terminations include the non-renewal of certain property management service contracts upon expiration and the Group's voluntary exit as we reallocated our resources to more profitable engagements in an effort to optimize our property management portfolio, and we have always insisted on qualitative and effective scale growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from value-added services to non-property owners

We provide value-added services to large property owners primarily in the form of (i) sales assistance services; (ii) pre-delivery services; and (iii) consultancy and other services. Due to impacts from national macro policies and the continuous sluggish real estate demand in the first half of 2022, the demand of property developers for value-added services decreased significantly. Meanwhile, due to the relatively tight cash flows of property developers and increasing difficulties in collection, the Company actively downsized value-added services to non-property owners. During the Period, revenue from value-added services to non-property owners was approximately RMB271.4 million, representing a decrease of approximately 40.8% as compared with RMB458.1 million for the same period in 2021.

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

	For the six months ended 30 June			
	2022		2021	
	(RMB'000)	%	(RMB'000)	%
Sales assistance services	205,107	75.6	369,803	80.7
Pre-delivery services	62,326	23.0	85,346	18.7
Consultancy and other services	4,010	1.4	2,931	0.6
Total	271,443	100.0	458,080	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from community value-added services

The Group provides community value-added services to property owners, residents and large property owners, primarily in the form of (i) home-living services, mainly consisted of community group purchase, household cleaning services and home services; (ii) community management services, which is mainly consisted of management of public resources (leasing of public spaces, for instance), community media services and parent-child education; (iii) home-decoration services, which refers to one-stop complete furnishing and decoration services including interior finishing, decoration, sales of home furnishings, renovation of older properties and move-in furnishing services; and (iv) comprehensive living and traveling services, which primarily include new and existing properties, rental and sale of parking spaces as well as related marketing services and travel agency services.

In the first half of 2022, due to the impacts of the repeated outbreaks of the COVID-19 pandemic, the continuous sluggish real estate demand, the increasing economic downward pressures and other factors, the demand for community value-added services showed a declining trend and the tourism business was greatly affected. Based on changes in the industry, we appropriately adjusted the operating models of certain community value-added services and rapidly transformed from the self-operated model to the platform-based model for businesses with declining demands to guarantee the profitability of all businesses. At the same time, we vigorously focused on core businesses, such as community management, home decoration, agency, rental and sale of parking spaces, community group purchase and other businesses with high frequency of demands to continuously improve the core competitiveness and penetration rate of businesses. During the Period, revenue from community value-added services decreased by approximately 56.1% to RMB285.3 million from RMB650.1 million for the same period in 2021, but the gross profit margin of the segment improved to 68.8%, representing an increase of approximately 33.1 percentage points as compared with 35.7% for the same period in 2021. It showed that the Group practiced the sustainable development strategy of “revenue shall generate profit and profit shall contain cash flow”.

The home-living services segment, which is operated under the Group’s sub-brand “Blessed Neighbourhood (金科金選)” and “JK Goods (金科良品)”, provides users with high-quality community group purchase services during the Period. Leveraging on our huge base of property owners and the base of meal services users, we continuously optimized the cloud warehouse + supply chain system, focused on customer demands with high frequency and carried out “Neighbourhood Group Purchase (鄰里團)” and other community group purchase festivals, continuously improving the penetration rate, repeat purchase rate and positive reviews rate. Revenue from the home-living services segment was approximately RMB13.9 million during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2022, the number of residential projects under our management was 685, representing an increase of approximately 39.8% as compared with 490 for the same period in 2021. With the increase in the number of projects, our traditional space operation services, such as public space rental, courier station, community advertising media and parking lot management, also increased. Meanwhile, community media services also continuously extended from value communication to value creation. Based on the growing property owner and corporate customer base, we strived to build a bonding medium between communities, customer groups, and products to continuously increase the added value of businesses. Revenue from the community management segment was approximately RMB96.1 million during the Period.

We relied on our self-operated and professional team to penetrate into the community home furnishing market. We took pre-emptive business actions at the housing purchase stage, consolidated the advantages of our supply chain and the loyalty of property owners, and provided full-cycle home furnishings, move-in furnishing, community group purchase and other services, improving the penetration rate of projects to 22%. At the same time, we further revitalized the existing market and provided renovation services for older properties, thus our business continued to grow in scale and the satisfaction rate of our deliveries remained high. Revenue from the home-decoration services segment was approximately RMB49.1 million during the Period.

Leveraging on our exclusive advantages in resources, we vigorously developed parking spaces agency, sales of new properties and rental and sale of existing properties. With the rapid growth of new energy vehicles and the rapid popularization of household charging piles, the demand for proprietary parking spaces increased rapidly. We seized the opportunity, relied on team upgrading, node control and resources coordination and strengthened the capability on parking spaces sales agency services, achieving remarkable results in parking spaces agency services and significant growth in revenue. Due to the impacts of the repeated outbreaks of the COVID-19 pandemic, the tourism business was greatly affected. We appropriately adjusted the development models of the tourism business and transformed from the self-operated model to the platform-based model to guarantee the profitability of the business in time. Revenue from comprehensive living and traveling services was approximately RMB126.2 million during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	For the six months ended 30 June			
	2022		2021	
	(RMB'000)	%	(RMB'000)	%
Home-living services	13,912	4.9	44,381	6.8
Community management services	96,069	33.7	37,970	5.9
Home-decoration services	49,128	17.2	55,962	8.6
Comprehensive living and traveling services	126,229	44.2	511,824	78.7
Total	285,338	100.0	650,137	100.0

Revenue from local catering services

The Group provides local catering services to property owners and corporate customers, primarily in the form of (i) catering services; (ii) catering supply chain services (relevant food materials supply chain services for catering services); and (iii) hotel management services. Revenue from local catering services was approximately RMB219.1 million during the Period, representing an increase of approximately 93.2% as compared with RMB113.4 million for the same period in 2021.

In line with the changes in the industry and the Company's future development strategy and based on our advantages in respect of project resources and management density, we vigorously developed diversified local catering services with the focus on catering services. We established a differentiated brand system covering high-end catering services, comprehensive catering services and community catering services, fostered multi-dimensional and high-quality catering service capabilities, rapidly expanded the market share of catering services and developed the market expanding ability in the high-quality catering service market. We expanded nearly 20 new catering service projects during the Period and won the bidding for basic property services and catering services in various projects, achieving remarkable results in cross-segment market exploration and synergy. We continuously improved the vertical depth of business and satisfied customers' demands, facilitating us to better acquire non-residential projects such as medium and high-end commercial and office buildings, universities, hospitals, enterprises and institutions, etc. Based on our rapidly growing customer base for catering services and leveraging on the advantages in large-scale centralized procurement, we continued to integrate and optimize our local supply chain system, to provide high-quality raw materials for catering to property owners in our communities, through online platforms and offline scenarios, allowing them to enjoy our more comprehensive value-added services with better quality, so as to enhance the loyalty of our property owners.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June

	2022		2021	
	(RMB'000)	%	(RMB'000) (Restated)	%
Catering services	41,114	18.8	12,794	11.3
Catering supply chain services	112,849	51.5	94,554	83.4
Hotel management services	65,118	29.7	6,034	5.3
Total	219,081	100.0	113,382	100.0

Revenue from smart living technology solutions

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

During the Period, the Group continued to promote the reform of mechanization of manpower and the intellectualization of machinery. Through a series of digital and intelligent technology upgrades such as cloud monitoring, cloud parking, and smart energy consumption management and control, the Group empowered property management to reduce costs and increase efficiency, and continued to improve management refinement and helped the projects to operate with high quality and efficiency. The Group leveraged its advantages in scenarios and continuously increased R&D inputs to strengthen its cooperation with top companies in the technology industry, focused on core capabilities on the digital and intelligent space operation, management and control, and built three core competencies including Internet of Things, space operating system, and urban space-time engines. It led the construction of national benchmark projects on new smart cities, completed the development and trial operation of eight application scenarios of the phase I of the Chongqing Intelligent Property Platform and continuously promoted the Cloud City 100 project. The revenue from smart living technology solutions decreased by approximately 38.8% from RMB57.0 million for the same period in 2021 to RMB34.9 million.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND FUTURE PLANS

Based on new changes in the industry, the Group appropriately adjusted its future development targets by leveraging its own advantages and focused on four major business growth lines: space property management services, community value-added services, local catering services and smart living technology solutions, to continue to build Jinke Service's own independent brand portfolios and move toward full marketization. We will continue to insist on qualitative and effective scale growth and the sustainable development target of "revenue shall generate profit and profit shall contain cash flow" to continuously provide high-quality comprehensive services to our customers and consumers.

We will focus on services quality, penetrate in regions with comparative advantages and deepen business synergy. Service capability is the cornerstone of our business, and quality is the guarantee for the formation of service capacity. In terms of property management services, we will focus on services, continuously improve standardized and professional service standards in multiple fields and provide high-quality services for high-quality resources with customer demands as the core to continuously improve the satisfaction of property owners. We will continue to focus on the regions where we have comparative advantages and penetrate in core cities in central and western China and along the Yangtze River to further improve the market share in the regions with comparative advantages and promote development, reduce costs, and improve quality and efficiency with management density. We will continue to deepen the coordination capabilities of property management services, catering services and smart living technology solutions and share advantages in resources to build an exclusive and new expansion model of Jinke and maintain growth in scale with quality and efficiency. We will continuously adjust our approach to develop value-added services to non-property owners based on significant changes in the real estate industry, strive to focus on collection and dynamically adjust the business scale.

We will focus on customer needs, optimize business models and improve the loyalty of property owners. With customer demands as the core, we will fully explore the whole life cycle of our customers, constantly enhance the product capability and service capability and further improve the ecosystem of the community value-added services. We will focus on rigid demands of customers and rely on our advantages in resources and scenarios to continuously improve the penetration rate of business. We will appropriately adjust business models based on changes in customer demands and the industry, focus on community media, home-decoration services, parking spaces agency and other core businesses and insist on independent operation of professional teams to constantly improve the core competitiveness of business. We will pay close attention to changes in the tourism business and the childcare business, dynamically adjust the operation philosophy and balance customer demands and the profitability of businesses to maintain steady business development and constantly enhance the loyalty of property owner through the experience in high-quality community value-added services.

MANAGEMENT DISCUSSION AND ANALYSIS

We will focus on local services, consolidate our industry resources and improve the operation quality and efficiency. We will continue to focus on the catering services, catering supply chain services and hotel management services. With increasingly enhanced advantages in the urban density, resources and brands, we will build an integrated supply system with multiple brands for high-end catering services, comprehensive catering services and community catering services to continuously enhance the competitiveness of products and rapidly develop the outreach capabilities of our catering services. We will continue to penetrate in regions with comparative advantages and rapidly expand the market share. We will further enhance the capabilities on the operation and management of light-asset hotels and rely on our professional teams to extend high value-added businesses in hotel management. Leveraging on our advantages in centralized procurement and the growing customer base of local catering services, we will further consolidate high-quality resources to fully leverage our strengths in sales channels and raw materials to continuously improve the quality and efficiency of business operation and build a leading local catering service system in the industry based on our advanced digital management and control capabilities and high-quality supply chain service systems.

We will focus on business linkage and deepen technological empowerment to facilitate digital intelligence transformation. We will apply our industry-leading digital capabilities, focus on digital intelligence services and the diversified business linkage of the Group, continue to promote the expansion of the Cloud City 100 project, explore new cooperation models with G-end and B-end customers and promote the building of capabilities in sharing business and data platforms. Based on our advantages in community private domains and scenarios, we will innovate and develop new models of community consumption. We will further promote the mechanization of manpower and the intellectualization of machinery to empower all businesses to improve the quality and efficiency. We will further enhance the smart energy consumption management and control system, the smart regulation and the energy consumption efficiency to facilitate in solving the tight power supply as a result of high temperatures. Relying on the TOS core management system, we will continue to improve integrated solutions to intelligent communities, intelligent parks and smart cities and constantly facilitate the digital intelligence transformation at the national level.

We will focus on talent reserve, promote the application of information technology and strengthen corporate governance. We will continue to focus on the building of talent pipeline, establish the system on the cultivation and development of young talents and vigorously develop leaders and comprehensive project management talents in the future. We will flexibly optimize the organizational structure, boost the cross-system and cross-organization circulation of talents and fully enhance the comprehensive strength of staff and continuously improve the per capita efficiency. We will promote the application of information technology in business and finance and fully improve the analysis and management efficiency on operating quality and efficiency. We will continue to reinforce management and control measures with collection as the core to ensure safe and healthy cash flows. Based on our healthy shareholding structure, we will promote the establishment of the Related Party Transactions Committee and strengthen management and control measures on related party transactions to continuously return shareholders for their trust.

MANAGEMENT DISCUSSION AND ANALYSIS

COST OF SALES

The Group's cost of sales primarily consists of (i) employee benefit expenses; (ii) greening and cleaning expenses; (iii) security charges; (iv) cost of goods sold; (v) maintenance costs; (vi) utilities; (vii) raw materials; (viii) depreciation and amortization charges; (ix) office expenses; (x) advertising expenses; (xi) travelling and entertainment expenses; and (xii) other costs.

The cost of sales of the Group increased by 8.0% from approximately RMB1,746.8 million for the six months ended 30 June 2021 to approximately RMB1,886.7 million for the six months ended 30 June 2022, which is mainly due to the expansion of the Group's business and the increase of the number of employees.

GROSS PROFIT AND GROSS PROFIT MARGIN

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

	For the six months ended 30 June			
	2022		2021	
	Gross profit (RMB'000)	Gross profit margin %	Gross profit (RMB'000) (Restated)	Gross profit margin %
Space property management services	441,479	21.8	570,857	32.3
– Property management services	388,458	22.1	372,542	28.4
– Value-added services to non-property owners	53,021	19.5	198,315	43.3
Community value-added services	196,305	68.8	232,247	35.7
Local catering services	34,088	15.6	10,141	8.9
Smart living technology solutions	6,736	19.3	28,164	49.4
Total	678,608	26.5	841,409	32.5

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit of the Group decreased by approximately 19.3% from approximately RMB841.4 million for the six months ended 30 June 2021 to approximately RMB678.6 million for the six months ended 30 June 2022.

Gross profit margin of the Group decreased by approximately 6 percentage points from 32.5% for the six months ended 30 June 2021 to 26.5% for the six months ended 30 June 2022, mainly due to (i) the increase of expenses in relation to pandemic prevention and control and staff costs as a result of the impact of the COVID-19 pandemic; (ii) the declines in both the amount and price of value-added services to non-property owners due to the impact of the prolonged slump of the property market; and (iii) the increase of the revenue from local catering services as a percentage of the total revenue.

Gross profit margin of space property management services decreased from 32.3% for the six months ended 30 June 2021 to 21.8% for the six months ended 30 June 2022, with (i) a decrease of 6.3 percentage points in the gross profit margin of basic property management services, mainly due to the increase of expenses in relation to pandemic prevention and control and staff costs of the Group as a result of the ongoing impact of the COVID-19 pandemic and the cancellation of certain government grants and tax and fee cuts in relation to the COVID-19 pandemic; (ii) the continuous increase of the revenue from property management services for non-residential properties, the gross profit margin of which is slightly lower than that for residential properties; and (iii) the significant decrease of the gross profit margin of value-added services to non-property owners by approximately 23.8 percentage points, mainly as a result of the reduced liquidity of property developers and the declines in both the amount and price of value-added services to non-property owners due to the impact of the prolonged slump of the property market.

Gross profit margin of community value-added services increased significantly by 33.1 percentage points from 35.7% for the six months ended 30 June 2021 to 68.8% for the six months ended 30 June 2022, which was primarily because (i) in response to the changes in the industry, the Group adjusted part of its business models in a timely manner and added platform business, as a result of which the segment gross profit margin significantly increased despite the decrease of segment revenue; and (ii) the Group seized the opportunities brought by the popularization of electric vehicles and devoted great efforts to the development of parking space sales agency services.

Gross profit margin of local catering services increased by approximately 6.7 percentage points from 8.9% for the six months ended 30 June 2021 to 15.6% for the six months ended 30 June 2022, which was mainly due to (i) the continuous growth of the gross profit margin of catering services thanks to the high-quality local supply chain system; and (ii) the continuous growth of the revenue from high-end hotel and catering services.

Gross profit margin of smart living technology solutions decreased from 49.4% for the six months ended 30 June 2021 to 19.3% for the six months ended 30 June 2022, which was mainly due to (i) the continuous introduction of senior management personnel in smart living technology solutions operation and maintenance by the Group; and (ii) the increase of the revenue from the sales and installation services for smart devices.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER INCOME

The Group's other income primarily consists of (i) interest on refundable deposits provided to related parties; (ii) government grants; and (iii) deductible value-added taxes.

Other income of the Group increased by 252.5% from approximately RMB10.1 million for the six months ended 30 June 2021 to approximately RMB35.6 million for the six months ended 30 June 2022, which was primarily due to the significant increase of the relevant interest on refundable equity deposits provided to related parties which increased as a result of acquiring the equity interest of a related party's subsidiary which owns high-quality diversified business.

OTHER GAINS/(LOSSES) – NET

The Group's other gains/(losses) – net primarily consist of (i) net foreign exchange gains, and (ii) loss on disposal of other assets.

The Group's other net gains increased from approximately RMB-14.6 million for the six months ended 30 June 2021 to approximately RMB4.6 million for the six months ended 30 June 2022, mainly because the Group actively took a number of foreign exchange management measures to improve the net foreign exchange gains.

ADMINISTRATIVE EXPENSES

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

The Group's administrative expenses increased by 19.3% from approximately RMB192.9 million for the six months ended 30 June 2021 to approximately RMB230.1 million for the six months ended 30 June 2022, which was primarily attributable to (i) the increase in traveling and entertainment expenses resulting from the Group's business expansion, and (ii) the increasing number of officers.

MANAGEMENT DISCUSSION AND ANALYSIS

INCOME TAX EXPENSES

The Group's income tax expenses comprise PRC corporate income tax. Income tax expenses of the Group decreased by approximately 56.1% from approximately RMB118.7 million for the six months ended 30 June 2021 to approximately RMB52.1 million for the six months ended 30 June 2022, which was primarily due to (i) the decrease in profit before tax of the Group; and (ii) the tax planning actively carried out by the Group to continuously lower the overall income tax rate.

The effective income tax rate of the Group decreased by 5.8 percentage points from 18.1% for the six months ended 30 June 2021 to 12.3% for the six months ended 30 June 2022. Such tax rate is lower than the prevailing enterprise income tax rate of 25% in China, mainly because the Company and some of the Group's subsidiaries enjoyed a preferential income tax rate of 15% for western regions in China and one of the Group's subsidiaries enjoyed the preferential income tax treatment for high-technology enterprises.

INTANGIBLE ASSETS

The Group's intangible assets primarily consist of customer relationship, goodwill and software patent. The intangible assets of the Group increased by approximately 52.8% from RMB540.8 million as at 31 December 2021 to RMB826.2 million as at 30 June 2022, mainly due to (i) the significant increase in customer relationship and goodwill arising from the Group's actively pursuing business expansion and several business mergers and acquisitions; and (ii) the Group's continuous efforts devoted to the research and development of smart living technology, resulting in an increase in self-developed software patents.

TRADE AND BILL RECEIVABLES

The Group's trade and bill receivables mainly arise from space property management services.

Trade and bill receivables of the Group increased by approximately 23.1% from RMB2,012.6 million as at 31 December 2021 to RMB2,477.7 million as at 30 June 2022, and trade receivables mainly arise from the space property management services. Among which, the gross amount of related party trade and bill receivables was approximately RMB623.7 million, representing an increase of approximately 69.2% as compared to the same period in last year; and the gross amount of third parties was approximately RMB1,985.4 million, (i) in terms of ageing structure, over 89.4% of the receivables were generated within one year, which was mainly due to the significant increase in the area and the number of projects under management of the Group's basic property management services; and (ii) in terms of customer classification, over approximately 50% of the trade receivables were from major property owners. Due to the impact of continued downturn in the real estate market and downward pressure on the economy and the COVID-19 pandemic during the Period, the cash flows of government customers, property developer customers and other major property owner customers served by the Group are tightening, resulting in higher trade receivables turnover days. The Group will pay close attention to the balance of trade receivables, strengthen risk control measures and carry out special collection work.

MANAGEMENT DISCUSSION AND ANALYSIS

PREPAYMENTS AND OTHER RECEIVABLES

The Group's prepayments and other receivables mainly represent (i) refundable equity deposits paid for potential business mergers; (ii) service deposit paid for acquiring the exclusive sales agency rights; and (iii) normal service deposit paid to third parties.

Prepayments and other receivables of the Group increased by approximately 12.5% from RMB2,276.9 million as at 31 December 2021 to RMB2,562.4 million as at 30 June 2022, mainly due to (i) an increase in refundable equity deposits paid for potential business mergers, such as the acquisition of national merchant management companies; (ii) an increase in service deposits paid for parking lot agency and new property sales business to acquire the exclusive sales agency rights of quality assets; and (iii) an increase in service deposits paid for local catering services to gain centralized purchase price and supply chain cost advantages.

TRADE AND BILL PAYABLES

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

Trade and bill payables of the Group increased by approximately 16.5% from approximately RMB610.2 million as at 31 December 2021 to approximately RMB711.0 million as at 30 June 2022, mainly due to (i) the increase in the amount due to suppliers as result of the increase in the area and the number of projects under management underlying property management services of the Group; and (ii) the increase in amounts due to upstream suppliers as a result of the rapid growth of the local catering services business.

OTHER PAYABLES

The Group's other payables and accruals primarily consist of (i) equity acquisition payables to third parties; (ii) accrued payroll; and (iii) deposit guarantee payable.

Other payables and accruals of the Group decreased by approximately 6.4% from RMB1,115.3 million as at 31 December 2021 to RMB1,043.7 million as at 30 June 2022, mainly due to the Group's payment for part of equity payables.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTRACT LIABILITIES

Contract liabilities primarily consist of advances of property management fees. The Group's contract liabilities increased by 5.5% from RMB586.2 million as at 31 December 2021 to RMB618.3 million as at 30 June 2022, mainly due to (i) the increase in the area and the number of properties under management underlying property management services of the Group, which resulted in the increase in the Group's ability to receive prepayments for property management fees from private property owners due to higher customer satisfaction; and (ii) the enhancement in the Group's community value-added service project strength, which resulted in the increase in the Group's ability to receive prepayment of related services.

LIQUIDITY AND CAPITAL RESOURCES

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

Cash Position

As at 30 June 2022, the Group had cash and cash equivalents of approximately RMB3,936.2 million (31 December 2021: approximately RMB4,922.3 million).

Cash Flows

For the six months ended 30 June 2022, the Group's net cash outflow from operating activities was approximately RMB307.2 million, which was mainly attributable to (i) the decrease in the operating profits of the Group; and (ii) a slower collection of proceeds due to tight cash flow from major property owners in respect of basic property management services.

For the six months ended 30 June 2022, the Group's net cash outflow from investing activities was approximately RMB235.3 million, which was mainly attributable to (i) the Group's payment for acquisition of equity interests in property management companies; and (ii) the Group's payment for deposits for purchase of nursery assets.

For the six months ended 30 June 2022, the Group's net cash outflow from financing activities was approximately RMB471.0 million, which was mainly attributable to (i) the increase in final dividend for 2021; and (ii) continued purchase of the shares of the Company on the secondary markets according to the share award scheme.

MANAGEMENT DISCUSSION AND ANALYSIS

INDEBTEDNESS

Borrowings

As at 30 June 2022, the Group had nil borrowings (31 December 2021: Nil).

GEARING RATIO

As the Group had nil borrowings as at 30 June 2022, the gearing ratio (as calculated by total interest-bearing bank borrowings as at the end of respective periods divided by total equity as at the same date) was nil as at 30 June 2022 (31 December 2021: Nil).

PLEDGE OF ASSETS

As at 30 June 2022, the Group did not have any pledged assets (31 December 2021: Nil).

FOREIGN EXCHANGE RISKS

The Group's operations are primarily denominated in RMB, which is the functional currency of the Group companies. Foreign currency transaction included mainly receipts of proceeds from the Listing on the Main Board of the Stock Exchange and payment of professional fees, which are mainly denominated in Hong Kong dollars, and a subsidiary which is mainly denominated in United States dollars. As at 30 June 2022, the cash and cash equivalents denominated in HK\$ and US\$ amounted to approximately RMB27.2 million and RMB6.7 million, respectively. Fluctuation of the exchange rates of RMB against foreign currency could affect the Group's results of operations. The Group actively controls the risk of exchange losses by the lock-ups of exchange rate and timely settlement. The management of the Group will continue to keep track of changes in exchange rate to mitigate the financial impact of changes in exchange rate on the Group.

CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any material contingent liabilities (31 December 2021: Nil).

COMMITMENTS

As at 30 June 2022, the Group did not have any capital commitments (31 December 2021: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

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

During the six months ended 30 June 2022, the Group had no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

USE OF NET PROCEEDS FROM THE LISTING

After deducting the underwriting commission and other expenses payable by the Company in connection with the Listing, the net proceeds from the Listing and the exercise in full of the Over-allotment Option amounted to approximately HK\$6,660.9 million.

As stated in the Documents, the Group intended to use the net proceeds as follows: (i) approximately 60%, or approximately HK\$3,996.5 million for pursuing selective strategic investment and acquisition opportunities and further developing strategic partnerships to expand the business scale of the Group and the depth and breadth of the geographic coverage of the Group; (ii) approximately 10%, or approximately HK\$666.1 million for upgrading the systems of the Group for digitization and smart management; (iii) approximately 18%, or approximately HK\$1,199.0 million for further developing the value-added services of the Group; (iv) approximately 10%, or approximately HK\$666.1 million for the Group's general business operations and working capital; and (v) approximately 2%, or approximately HK\$133.2 million for the funding of the repurchase of Shares and/or the establishment of incentive programs, such as employee share ownership plan and share award plan, as permitted by the laws of the place where the Company is registered and where the Company's shares are listed in respect of retaining the net proceeds in Hong Kong and Mainland China.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth details of the use and allocation of net proceeds as at 30 June 2022:

	Planned use of net proceeds disclosed in the Documents		Unutilised net proceeds as at 1 January 2022	Actual use of net proceeds during the six months ended 30 June 2022	Unutilised net proceeds as at 30 June 2022	Expected timeline of the intended use of proceeds
	<i>HK\$'million</i>	<i>approximately %</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	
(a) Pursuing selective strategic investment and acquisition opportunities and further developing strategic partnerships to expand the Group's business scale and the depth and breadth of the Group's geographic coverage, by way of investment (direct investment, acquisition, or capital increase of affiliated companies), acquisition of or entering into joint venture arrangement with property management companies or companies engaged in the business of value-added services, and joint investment in relevant industry funds with business partners	3,996.5	60.0%	2,258.6	684.0	1,574.6	On or before 30 September 2023
(i) Investing in or acquiring property management companies which manage quality residential properties which meet the Group's selection criteria, and/or with the necessary experiences and qualifications, and/or which manage non-residential properties which meet the Group's selection criteria such as public facilities, educational institutions and/or hospitals	1,532.0	23.0%	1,000.4	196.7	803.7	On or before 30 September 2023
(ii) Investing in or acquiring suitable targets with business that are complementary to the Group's existing services and can help the Group further integrate its upstream and downstream resources, such as catering services, and enjoy a reputable brand name	666.0	10.0%	46.1	11.5	34.6	On or before 30 September 2023
(iii) Retaining the net proceeds in Hong Kong for the investment in and acquisition of suitable targets with the business scope described in subcategories (i) and (ii) above, and according to the structure of the transaction and acquisition target (such as red chip structure), possibly for direct payment in Hong Kong of such investment and mergers and acquisitions, so that the Company can explore and expand business sources and channels in multiple directions	1,798.5	27.0%	1,212.1	475.8	736.3	On or before 30 September 2023

MANAGEMENT DISCUSSION AND ANALYSIS

	Planned use of net proceeds disclosed in the Documents		Unutilised net proceeds as at 1 January 2022	Actual use of net proceeds during the six months ended 30 June 2022	Unutilised net proceeds as at 30 June 2022	Expected timeline of the intended use of proceeds
(b) Upgrading the systems of the Group for digitization and smart management	666.1	10%	646.8	1.0	645.8	On or before 30 September 2023
(i) Developing and upgrading hardware and software	466.3	7.0%	447.0	1.0	446.0	On or before 30 September 2023
(ii) Developing and improving the Group's intelligent management systems	199.8	3.0%	199.8	–	199.8	On or before 30 September 2023
(c) Further developing the value-added services of the Group	1,199.0	18.0%	397.8	84.7	313.1	On or before 30 September 2023
(i) Strategically developing the Group's upstream and downstream services	899.2	13.5%	100.0	84.6	15.4	On or before 30 September 2023
(ii) Upgrading hardware and developing smart community	299.8	4.5%	297.8	0.1	297.7	On or before 30 September 2023
(d) General business operations and working capital	666.1	10.0%	13.8	1.3	12.5	On or before 30 September 2023
(e) Retaining the net proceeds in Hong Kong and mainland China for the funding of the repurchase of Shares and/or the establishment of incentive programs, such as employee share ownership plan and share award plan, as permitted by the laws of the place where the Company is registered and where the Company's shares are listed	133.2	2.0%	113.2	110.0	3.2	On or before 30 September 2023
Total	6,660.9	100%	3,430.2	881.0	2,549.2	

MANAGEMENT DISCUSSION AND ANALYSIS

Such used amounts were allocated and utilised in accordance with the use of proceeds as set out in the Documents. As at 30 June 2022, the Directors are not aware of any material change in the planned use of the net proceeds. The unutilised net proceeds and the following timeline of intended utilization will be applied in the manners disclosed by the Company.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the expansion plan as disclosed in the Documents, the Group has no other future plans for material investments and capital assets as at 30 June 2022.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2022, the Group had approximately 12,688 employees (31 December 2021: 11,700 employees). During the Period, the staff cost recognised by the Group amounted to RMB938.5 million (30 June 2021: approximately RMB697.8 million).

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

SIGNIFICANT EVENTS AFTER THE PERIOD

On 29 July 2022, the Company entered into a loan agreement with Jinke Property, pursuant to which the Company provided a long-term loan with a principal amount of RMB1,500,000,000 at an interest rate of 8.6% per annum to Jinke Property, which was secured by certain assets owned by the Jinke Property Group. For details, please refer to the circular of the Company dated 1 August 2022.

CORPORATE GOVERNANCE

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The roles of the chairman and the chief executive officer of the Company have not been separated as required by Code Provision C.2.1 of the Corporate Governance Code. The roles of the chairman and president of the Company were once both performed by Mr. Xia Shaofei, an executive Director. The Board believes that vesting the roles of both chairman and president in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Xia Shaofei's extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Mr. Xia Shaofei continues to act as the chairman and president of the Group following the Listing Date, and that the balance of power and authority is sufficiently maintained by the operation of the Board, comprising the executive Directors, non-executive Directors and independent non-executive Directors. On 29 March 2022, Mr. Xia Shaofei has resigned and Mr. Han Qiang has been appointed as the president of the Company. For details, please refer to the announcement of the Company dated 29 March 2022. Following the above change of the president, the Company has complied with the requirement under Code Provision C.2.1 of the Corporate Governance Code.

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

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

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

AUDIT COMMITTEE

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

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

REVIEW OF INTERIM REPORT

The Audit Committee has discussed with the management and the external auditor of the Company and has reviewed the unaudited condensed consolidated interim results of the Group and the interim report of the Company for the six months ended 30 June 2022. The interim results of the Group for the six months ended 30 June 2022 have not been audited but have been reviewed by PricewaterhouseCoopers, the external auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

OTHER INFORMATION

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 June 2022, the interests and short positions of the Directors, Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

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

Interest in the Company

As at 30 June 2022, none of the Directors, Supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company, which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interest in associated corporations of the Company

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

Note:

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

Save as disclosed above, as at 30 June 2022, none of the Directors, Supervisors and chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

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

As at 30 June 2022, the following persons, other than a Director, Supervisor or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares		Percentage of the total issued share capital of the Company (approx.)
			Number ⁽¹⁾	Percentage (approx.)	
Boyu Capital Fund V, L.P. ⁽²⁾	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,604,375 (L)	52.33%	52.33%
Boyu Capital Fund V, Pte Ltd ⁽²⁾	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,604,375 (L)	52.33%	52.33%
Broad Gongga Investment Pte Ltd ⁽²⁾⁽³⁾	Beneficial owner/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,604,375 (L)	52.33%	52.33%
Jubilant Season Limited ⁽²⁾	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,604,375 (L)	52.33%	52.33%
Jubilant Springtime, LP ⁽²⁾	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,604,375 (L)	52.33%	52.33%

OTHER INFORMATION

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares		Percentage of the total issued share capital of the Company (approx.)
			Number ⁽¹⁾	Percentage (approx.)	
Jubilant Summer Limited ⁽²⁾	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,604,375 (L)	52.33%	52.33%
Jubilant Winter Limited ⁽²⁾	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,604,375 (L)	52.33%	52.33%
Top Yingchun Investment IV Ltd ⁽²⁾	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,604,375 (L)	52.33%	52.33%
Jinke Property ⁽³⁾	Beneficial owner/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,604,375 (L)	52.33%	52.33%
Tianjin Hengye Meihao Management Consulting Partnership (Limited Partnership) (天津恒業美好管理諮詢合夥企業(有限合夥)) ("Hengye Meihao")	Beneficial owner	H Shares	50,516,464 (L)	7.74%	7.74%
Chongqing Jinhetong Trading Co., Ltd. (重慶金合通商貿有限公司) ("Chongqing Jinhetong") ⁽⁴⁾	Interest in a controlled corporation	H Shares	50,516,464 (L)	7.74%	7.74%
Zhang Yuan (張原) ⁽⁴⁾	Interest in a controlled corporation	H Shares	50,516,464 (L)	7.74%	7.74%
UBS Group AG	Interest of corporation controlled by you	H Shares	32,379,259 (L) 11,974,955 (S)	4.96% 1.83%	4.96% 1.83%

OTHER INFORMATION

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares or underlying Shares, “S” denotes the person’s short position in the Shares or underlying Shares.
- (2) Broad Gongga Investment Pte Ltd is held as to 100% by Top Yingchun Investment IV Ltd, which is in turn held as to 71.43% by Jubilant Summer Limited, a company held as to 100% by Jubilant Springtime, LP. Jubilant Winter Limited held 100% interests in Jubilant Springtime, LP as its limited partner. Jubilant Season Limited is the general partner of Jubilant Springtime, LP. Both of Jubilant Winter Limited and Jubilant Season Limited are held as to 100% by Boyu Capital Fund V, Pte, Ltd, which is in turn held as to 100% by Boyu Capital Fund V, L.P. By virtue of the SFO, each of Top Yingchun Investment IV Ltd, Jubilant Summer Limited, Jubilant Springtime, LP, Jubilant Winter Limited, Jubilant Season Limited, Boyu Capital Fund V, Pte, Ltd and Boyu Capital Fund V, L.P. is deemed to be interested in the Shares held by Broad Gongga Investment Pte Ltd.
- (3) Pursuant to an concert party agreement entered into between Jinke Property and Broad Gongga Investment Pte Ltd dated 15 December 2021, each of them is deemed to be interested in the Shares that the other person is interested in under section 317 of the SFO.
- (4) The general partner of Hengye Meihao is Chongqing Jinhetong, which is wholly owned by Zhang Yuan (張原). By virtue of the SFO, Chongqing Jinhetong and Zhang Yuan (張原) are deemed to be interested in the Shares held by Hengye Meihao.

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

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the Period (for the six months ended 30 June 2021: nil).

Xia Shaofei

Chairman and Executive Director

Chongqing, the PRC, 30 August 2022

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Jinke Smart Services Group Co., Ltd.

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

INTRODUCTION

We have reviewed the interim financial information set out on pages 39 to 87, which comprises the interim condensed consolidated statement of financial position of Jinke Smart Services Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2022 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting." Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 30 August 2022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Revenue	6	2,565,271	2,588,208
Cost of sales	7	<u>(1,886,663)</u>	<u>(1,746,799)</u>
Gross profit		678,608	841,409
Selling and marketing expenses	7	(2,312)	(3,329)
Administrative expenses	7	(230,119)	(192,893)
Net impairment losses on financial assets		(74,398)	(3,429)
Other income	9	35,552	10,149
Other gains/(losses)-net	10	<u>4,596</u>	<u>(14,626)</u>
Operating profit		411,927	637,281
Finance income	11	18,811	17,616
Finance cost	11	(6,734)	(217)
Finance income-net	11	12,077	17,399
Share of net profits of associates and joint ventures accounted for using the equity method	14	405	259
Profit before income tax		424,409	654,939
Income tax expenses	12	<u>(52,099)</u>	<u>(118,682)</u>
Profit and total comprehensive income for the period		<u>372,310</u>	<u>536,257</u>
Profit and total comprehensive income attributable to:			
– Owners of the Company		357,233	524,309
– Non-controlling interests		<u>15,077</u>	<u>11,948</u>
		<u>372,310</u>	<u>536,257</u>
Earnings per share (expressed in RMB per share)			
– Basic and diluted earnings per share	13	<u>0.55</u>	<u>0.80</u>

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Assets			
Non-current assets			
Property, plant and equipment	15	158,631	90,219
Right-of-use assets	15,16	228,888	192,625
Goodwill	17	631,458	410,041
Other intangible assets	17	194,731	130,752
Investments in associates and joint ventures	14	48,327	47,159
Prepayments	21	199,947	92,774
Financial assets at fair value through profit or loss	24	51,000	–
Deferred income tax assets		45,629	19,936
		<u>1,558,611</u>	<u>983,506</u>
Current assets			
Inventories	19	29,842	22,866
Other assets	20	22,994	53,320
Trade and bill and other receivables and prepayments	21	4,857,518	4,210,273
Restricted cash	22	4,336	2,083
Term deposits		–	245,169
Cash and cash equivalents	23	3,936,237	4,922,276
		<u>8,850,927</u>	<u>9,455,987</u>
Total assets		<u><u>10,409,538</u></u>	<u><u>10,439,493</u></u>
Equity			
Equity attributable to owners of the Company			
Share capital	25	652,848	652,848
Other reserves	26	5,724,541	5,800,761
Retained earnings	26	1,136,278	1,203,396
		<u>7,513,667</u>	<u>7,657,005</u>
Non-controlling interests		<u>107,573</u>	<u>72,971</u>
Total equity		<u><u>7,621,240</u></u>	<u><u>7,729,976</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Liabilities			
Non-current liabilities			
Lease liabilities	16	212,764	176,281
Financial instruments issued to investors	29	42,233	–
Deferred income tax liabilities		<u>31,055</u>	<u>16,968</u>
		<u>286,052</u>	<u>193,249</u>
Current liabilities			
Trade and bill and other payables	27	1,754,694	1,725,480
Lease liabilities	16	34,897	23,993
Contract liabilities	28	618,266	586,192
Current income tax liabilities		<u>94,389</u>	<u>180,603</u>
		<u>2,502,246</u>	<u>2,516,268</u>
Total liabilities		<u>2,788,298</u>	<u>2,709,517</u>
Total equity and liabilities		<u>10,409,538</u>	<u>10,439,493</u>

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

The condensed consolidated interim financial information on pages 39 to 87 were approved by the Board of Directors on 30 August 2022 and were signed on its behalf.

Mr. Xia Shaofei
Chairman & Executive Director

Mr. Xu Guofu
Chief Financial Officer

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total equity	
	Note	Share capital	Other reserves	Retained earnings			Total
		RMB'000 (Note 25)	RMB'000 (Note 26)	RMB'000			RMB'000
Balance at 1 January 2021 (Audited)		652,848	5,993,270	568,034	7,214,152	38,311	7,252,463
Business combination under common Control (Note 2)		–	2,000	(17,816)	(15,816)	–	(15,816)
Balance at 1 January 2020 (Audited) (Restated)		652,848	5,995,270	550,218	7,198,336	38,311	7,236,647
Comprehensive income							
Profit for the period		–	–	524,309	524,309	11,948	536,257
Transactions with owners of the Company							
Contribution from non-controlling shareholders of subsidiaries		–	–	–	–	2,313	2,313
Acquisition of subsidiaries		–	–	–	–	7,127	7,127
Acquisition of additional interests in a subsidiary		–	20	–	20	(1,970)	(1,950)
Dividends declared to shareholders of the Company	30	–	–	(326,424)	(326,424)	–	(326,424)
Dividends declared to non-controlling interests		–	–	–	–	(184)	(184)
Balance at 30 June 2021 (Unaudited) (Restated)		<u>652,848</u>	<u>5,995,290</u>	<u>748,103</u>	<u>7,396,241</u>	<u>57,545</u>	<u>7,453,786</u>
Balance at 1 January 2022 (Audited)		<u>652,848</u>	<u>5,800,761</u>	<u>1,203,396</u>	<u>7,657,005</u>	<u>72,971</u>	<u>7,729,976</u>
Comprehensive income							
Profit for the period		–	–	357,233	357,233	15,077	372,310
Transactions with owners of the Company							
Contribution from non-controlling shareholders of subsidiaries		–	–	–	–	5,023	5,023
Acquisition of subsidiaries	31	–	–	–	–	22,477	22,477
Acquisition of additional interests in subsidiaries		–	(867)	–	(867)	(4,985)	(5,852)
Dividends declared to shareholders of the Company	30	–	–	(424,351)	(424,351)	–	(424,351)
Dividends declared to non-controlling interests		–	–	–	–	(2,407)	(2,407)
Purchase of shares in connection with share award scheme	26	–	(75,353)	–	(75,353)	–	(75,353)
Deregistration of a subsidiary		–	–	–	–	(613)	(613)
Other transaction with non-controlling interest		–	–	–	–	30	30
Balance at 30 June 2022 (Unaudited)		<u>652,848</u>	<u>5,724,541</u>	<u>1,136,278</u>	<u>7,513,667</u>	<u>107,573</u>	<u>7,621,240</u>

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended 30 June	
	Note	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Cash flows from operating activities			
Cash (used in)/generated from operations		(157,474)	738,454
Interest received		18,566	17,616
Income tax paid		(168,329)	(77,446)
Net cash (used in)/generated from operating activities		(307,237)	678,624
Cash flows from investing activities			
Purchases of property, plant and equipment		(62,416)	(30,351)
Purchase of other intangible assets	17	(3,627)	(5,567)
Proceeds from disposal of property, plant and equipment		595	241
Proceeds from disposal of other assets		13,660	6,780
Acquisition of financial assets at fair value through profit or loss	24(a)	(51,000)	–
Proceeds from disposal of financial assets at fair value through profit or loss		–	14,348
Capital injection to associates and joint ventures	14	(6,039)	(8,217)
Increase in restricted cash relating to investing activities		–	(74,427)
Decrease/(increase) in term deposits		245,169	(709,061)
Interest received		2,890	–
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	31	(132,517)	(70,432)
Proceeds from partial disposal of equity interests in an associate		2,574	–
Prepayments for acquisition of properties	21	(199,947)	–
Settlement of outstanding considerations payable for business combinations in the prior year		(44,600)	–
Net cash used in investing activities		(235,258)	(876,686)
Cash flows from financing activities			
Dividends paid to shareholders		(398,494)	(326,716)
Dividends paid to non-controlling interests		(2,652)	(184)
Principal elements and interest elements of lease payments		(11,600)	(1,398)
Acquisition of additional interests in subsidiaries		(5,852)	(1,950)
Capital contribution from non-controlling interests		5,023	2,313
Repayments of borrowings and interests paid		(2,407)	–
Listing expenses paid		(536)	–
Purchase of shares for share award scheme	26	(75,353)	–
Settlement of outstanding considerations payable for business combinations under common control in the prior year		(20,500)	–
Proceeds from issuance of financial instruments issued to investors	29	41,341	–
Net cash used in financing activities		(471,030)	(327,935)
Net decrease in cash and cash equivalents		(1,013,525)	(525,997)
Cash and cash equivalents at beginning of period		4,922,276	6,856,275
Exchange gains/(losses) on cash and cash equivalents		27,486	(59,240)
Cash and cash equivalents at end of period		3,936,237	6,271,038

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

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

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

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

These condensed consolidated interim financial information are presented in Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the board of directors (the “Board”) on 30 August 2022.

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2022 has been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting”.

The condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial statements. Accordingly, this information is to be read in conjunction with the annual report for the year ended 31 December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), and any public announcement made by the Company during the interim reporting period.

Application of business combination under common control

On 31 December 2021, the Group acquired 100% of the equity interest of Chongqing Jinke Jinchen Hotel Management Co., Ltd. (“Jinchen Hotel”) from Chongqing Jinke Enterprise Management Group Co., Ltd., which is a subsidiary of Jinke Property. The acquisition is considered as a business combination involving entities under common control and has been accounted for by using merger accounting method. As a result, the comparative figures of the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows and related notes were restated using the principles of merge accounting as prescribed in Hong Kong Accounting Guideline 5 “Merge Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), as if Jinchen Hotel had been combined with the Group from the earliest date when Jinchen Hotel first came under the control of Jinke Property Group.

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2021, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings, the adoption of new and amended HKFRSs effective for the financial period beginning on 1 January 2022 and Note 3(c) below.

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the financial period beginning on 1 January 2022:

HKAS 16 (Amendment)	Property, Plant and Equipment: Proceeds before intended use
HKAS 37 (Amendment)	Onerous Contracts – Cost to Fulfilling a Contract
HKFRS 3 (Amendment)	Reference to the Conceptual Framework
Annual improvements to HKFRS standards 2018 – 2020	Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41
Revised Accounting Guideline 5	Merger Accounting for Common Control Combinations

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

3 ACCOUNTING POLICIES (Continued)

(b) New standards and amendments not yet effective for the financial period beginning on 1 January 2022 and not early adopted by the Group

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

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance Contract	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
Hong Kong Interpretation 5 (2020)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 January 2023
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

(c) Financial instruments issued to investors

Financial instruments issued to investors represented issuance of ordinary shares with certain preferential rights to certain investors of Chongqing Tianzhihuiqi Technology Co., Ltd. ("Tianqi Technology"), a subsidiary of Jinke Services. According to the agreement, the ordinary shares will become redeemable by the holder under certain events which are out of the Group's control.

As the Group does not have the unconditional right to avoid delivering cash or another financial assets to settle contractual obligation, the Group recognized a financial liability which recognized initially at the present value of the redemption amount. The financial liabilities are subsequently measured at amortized cost. Interests from the financial instruments are charged in "finance cost." Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect the present value of revised estimated future cash outflows at the financial instrument's original effective interest rate, and the adjustments will be recognized as "finance cost" (Note 29). The redemption liabilities are classified as current liabilities unless the preferential rights can only be exercised after 12 months after the end of each reporting period.

NOTES TO THE INTERIM FINANCIAL INFORMATION

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

5 SEGMENT INFORMATION

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

During the six months ended 30 June 2022 and 2021, the Group is principally engaged in the provision of space property management services, community value-added services, local catering services and smart living technology solutions in the PRC.

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

During the six months ended 30 June 2022 and 2021, all the segments are domiciled in the PRC and all the revenue are derived in the PRC, and the segments are principally engaged in the provision of similar services to similar customers. All operating segments of the Group were aggregated into a single operating segment.

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

As at 30 June 2022, cash and cash equivalents of Hong Kong dollars ("HK\$")29,321,000 (equivalent to RMB25,075,000) and United States dollars ("US\$") 1,000,000 (equivalent to RMB6,711,000) were temporarily deposited in the Group's bank accounts in Hong Kong. Except for this, all of the Group's assets are situated in the Mainland of PRC.

NOTES TO THE INTERIM FINANCIAL INFORMATION

6 REVENUE

Revenue mainly comprises proceeds from space property management services, community value-added services, local catering services and smart living technology solutions. An analysis of the Group's revenue by category for the six months ended 30 June 2022 and 2021 was as follows:

	Six months ended 30 June	
	2022 <i>RMB'000</i> <i>(Unaudited)</i>	2021 <i>RMB'000</i> <i>(Unaudited)</i> <i>(Restated)</i>
Recognized over time		
– Space property management services	2,013,850	1,762,568
– Community value-added services	195,949	501,247
– Local catering services	13,103	18,828
– Smart living technology solutions	21,469	57,030
	<u>2,244,371</u>	<u>2,339,673</u>
Recognized at a point in time		
– Space property management services	12,125	5,091
– Community value-added services	89,389	148,890
– Local catering services	205,978	94,554
– Smart living technology solutions	13,408	–
	<u>320,900</u>	<u>248,535</u>
	<u><u>2,565,271</u></u>	<u><u>2,588,208</u></u>

For the six months ended 30 June 2022 and 2021, revenue from the Jinke Property Group contributed 13% and 21% of the Group's revenue, respectively. Other than the Jinke Property Group, the Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

NOTES TO THE INTERIM FINANCIAL INFORMATION

7 EXPENSES BY NATURE

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Employee benefit expenses (Note 8)	938,476	697,747
Greening and cleaning expenses	349,757	280,407
Security charges	230,394	176,945
Cost of goods sold	119,165	131,136
Maintenance costs	113,906	79,414
Utilities	85,280	62,119
Raw materials	59,070	34,239
Depreciation and amortization charges	31,894	8,402
Office expenses	19,473	17,421
Advertising expenses	18,280	12,245
Travelling and entertainment expenses	15,233	14,258
Taxes and other levies	11,863	12,728
Community activities expenses	11,262	8,445
Short-term lease expenses	9,201	4,024
Bank charges	8,047	5,898
Sub-contract expenses for property agency services	7,034	100,482
Construction costs	2,943	17,552
Cost of tourism services (Note (a))	2,123	226,212
Audit services		
– Audit services	1,887	1,485
– Non-audit services	1,511	170
Others	82,295	51,692
Total cost of sales, selling and marketing expenses and administrative expenses	2,119,094	1,943,021

- (a) Cost of tourism services represents the cost of the tourism products, mainly including hotel fee and cost of the tickets sold to customers.

NOTES TO THE INTERIM FINANCIAL INFORMATION

8 EMPLOYEE BENEFIT EXPENSES

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Wages, salaries and bonuses	753,036	564,973
Social insurance expenses and housing benefits (Note (a))	159,944	108,132
Other employee benefits (Note (b))	25,496	24,642
	<u>938,476</u>	<u>697,747</u>

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

(b) Other employee benefits mainly include meal, housing allowances and holiday benefits.

9 OTHER INCOME

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Interest income from the refundable deposits paid to related parties (Note 32(b)(i))	20,755	–
Government grants (Note(a))	7,632	4,538
Value-added tax ("VAT") deductible (Note(b))	7,165	5,611
	<u>35,552</u>	<u>10,149</u>

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

(b) VAT deductible mainly included additional deduction of input value-added tax applicable to certain subsidiaries.

NOTES TO THE INTERIM FINANCIAL INFORMATION

10 OTHER GAINS/(LOSSES) – NET

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Net foreign exchange gains/(losses)	26,620	(47,367)
Net fair value gains on financial assets at fair value through profit or loss	–	33,566
Gains from bargain purchase	–	2,011
Losses on disposal of other assets	(16,666)	(442)
Losses on partial disposal of equity interests in an associate	(2,702)	–
Losses on disposal of property, plant and equipment	(168)	(387)
Others	(2,488)	(2,007)
	<u>4,596</u>	<u>(14,626)</u>

11 FINANCE INCOME – NET

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Finance income		
Interest income from bank deposits	<u>18,811</u>	<u>17,616</u>
Finance cost		
Interest expense of lease liabilities	(5,835)	(217)
Others	<u>(899)</u>	<u>–</u>
	<u>(6,734)</u>	<u>(217)</u>
Finance income – net	<u>12,077</u>	<u>17,399</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

12 INCOME TAX EXPENSES

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Current income tax		
– PRC corporate income tax	77,996	111,586
Deferred income tax		
– PRC corporate income tax	(25,897)	7,096
	52,099	118,682

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

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited) (Restated)
Profit before income tax	424,409	654,939
Tax charge at effective rate applicable to profits in the respective group entities	68,404	118,136
Tax effects of:		
– Expenses not deductible for tax purposes	1,111	391
– Tax effect of super deduction	(219)	(143)
– The impact of change in tax rate applicable to subsidiaries	(897)	298
– Adjustments on income tax for prior year which affect current profit or loss (Note(a))	(16,300)	–
Total income tax expenses	52,099	118,682

The effective income tax rate was 12.3% for the six months ended 30 June 2022 (six months ended 30 June 2021: 18.1%).

NOTES TO THE INTERIM FINANCIAL INFORMATION

12 INCOME TAX EXPENSES *(Continued)*

- (a) Certain subsidiaries of the Group located in western region are eligible to enjoy the preference income tax rate of 15%, which was not confirmed by tax bureau until May 2022.

Hong Kong profits tax

No Hong Kong profits tax was applicable to the Group for the period ended 30 June 2022. There was a subsidiary incorporated in Hong Kong. No Hong Kong profit tax was provided for this Hong Kong subsidiary as there was no estimated taxable profits that was subject to Hong Kong profits tax during the period ended 30 June 2022 (six months ended 30 June 2021: same).

PRC corporate income tax

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

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

Certain operations of the Group in the PRC were qualified as “Small Low-Profit Enterprise” and taxed at reduced tax rate of 20% from 1 January 2008. During the period ended 30 June 2022, the “Small Low-Profit Enterprise” whose taxable income less than RMB3 million can enjoy the preferential income tax treatment with the income tax rate of 20% and is eligible to have their tax calculated based on 12.5% or 25% of their taxable income.

NOTES TO THE INTERIM FINANCIAL INFORMATION

13 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares during the six months ended 30 June 2022 and 2021.

The Company did not have any potential ordinary shares outstanding during the six months ended 30 June 2022 and 2021. Diluted earnings per share is equal to basic earnings per share.

	Six months ended 30 June	
	2022 <i>(Unaudited)</i>	2021 <i>(Unaudited)</i> <i>(Restated)</i>
Profit attributable to owners of the Company (RMB '000)	357,233	524,309
Weighted average number of ordinary shares (in thousands)	651,878	652,848
	<hr/>	<hr/>
Basic and diluted earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share)	<u>0.55</u>	<u>0.80</u>

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Six months ended 30 June	
	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Opening carrying amount	47,159	4,850
Capital injections	6,039	8,217
Share of net profits	405	259
Partial disposal of equity interests in an associate	(5,276)	–
	<hr/>	<hr/>
Closing carrying amount	<u>48,327</u>	<u>13,326</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

15 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Property, plant and equipment								
	Equipment and						Right-of-use assets		Total
	Buildings	machinery	Vehicles	Furniture	Leasehold improvements	Construction in progress	Subtotal	(Note 16)	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
As at 31 December 2020 (Audited) (Restated)									
Cost	-	52,184	3,247	2,233	13,652	1,229	72,545	55,648	128,193
Accumulated depreciation	-	(28,516)	(1,723)	(1,644)	(6,883)	-	(38,766)	(6,413)	(45,179)
Net book amount	-	23,668	1,524	589	6,769	1,229	33,779	49,235	83,014
Six months ended 30 June 2021 (Unaudited) (Restated)									
Opening net book amount	-	23,668	1,524	589	6,769	1,229	33,779	49,235	83,014
Additions	8,705	3,028	465	43	2,858	15,252	30,351	69,633	99,984
Acquisition of subsidiaries	566	3,088	313	23	157	-	4,147	-	4,147
Transfer to leasehold improvements	-	-	-	-	445	(445)	-	-	-
Disposals	-	(245)	(221)	(5)	(157)	-	(628)	-	(628)
Depreciation charge	(48)	(3,773)	(249)	(117)	(1,490)	-	(5,677)	(4,260)	(9,937)
Closing net book amount	9,223	25,766	1,832	533	8,582	16,036	61,972	114,608	176,580
As at 30 June 2021 (Unaudited) (Restated)									
Cost	9,425	58,185	4,086	2,207	16,955	16,036	106,894	125,281	232,175
Accumulated depreciation	(202)	(32,419)	(2,254)	(1,674)	(8,373)	-	(44,922)	(10,673)	(55,595)
Net book amount	9,223	25,766	1,832	533	8,582	16,036	61,972	114,608	176,580

NOTES TO THE INTERIM FINANCIAL INFORMATION

15 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

	Property, plant and equipment						Right-of-use assets (Note 16)	Total	
	Equipment		Vehicles	Furniture	Leasehold improvements	Construction in progress			Subtotal
	Buildings	and machinery							
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
As at 31 December 2021 (Audited)									
Cost	9,425	62,252	7,461	2,388	35,786	22,904	140,216	348,598	
Accumulated depreciation	(329)	(34,578)	(2,694)	(1,706)	(10,690)	-	(49,997)	(65,754)	
Net book amount	9,096	27,674	4,767	682	25,096	22,904	90,219	282,844	
Six months ended 30 June 2022 (Unaudited)									
Opening net book amount	9,096	27,674	4,767	682	25,096	22,904	90,219	282,844	
Additions	47,969	4,512	948	156	6,318	6,003	65,906	121,293	
Acquisition of subsidiaries (Note 31)	-	4,794	105	265	6,616	-	11,780	12,843	
Disposals	-	(275)	(185)	(3)	(72)	-	(535)	(5,115)	
Depreciation charge	(127)	(4,037)	(636)	(140)	(3,799)	-	(8,739)	(24,346)	
Closing net book amount	56,938	32,668	4,999	960	34,159	28,907	158,631	387,519	
As at 30 June 2022 (Unaudited)									
Cost	57,394	77,537	7,966	2,771	50,575	28,907	225,150	483,316	
Accumulated depreciation	(456)	(44,869)	(2,967)	(1,811)	(16,416)	-	(66,519)	(95,797)	
Net book amount	56,938	32,668	4,999	960	34,159	28,907	158,631	387,519	

No property, plant and equipment is restricted or pledged as security for liabilities as at 30 June 2022 (31 December 2021: nil).

NOTES TO THE INTERIM FINANCIAL INFORMATION

16 LEASES

Amounts recognized in the statement of financial position

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Right-of-use assets		
Properties (Note 15)	<u>228,888</u>	<u>192,625</u>
Lease liabilities		
Current	34,897	23,993
Non-current	<u>212,764</u>	<u>176,281</u>
	<u>247,661</u>	<u>200,274</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

17 INTANGIBLE ASSETS

	Goodwill (Note 31) RMB'000	Customer relationship RMB'000	Software and others RMB'000	Total RMB'000
As at 31 December 2020 (Audited) (Restated)				
Cost	–	–	16,758	16,758
Accumulated depreciation	–	–	(6,770)	(6,770)
Net book amount	–	–	9,988	9,988
Six months ended 30 June 2021 (Unaudited) (Restated)				
Opening net book amount	–	–	9,988	9,988
Additions	–	–	5,567	5,567
Acquisition of subsidiaries	133,149	42,250	–	175,399
Amortization	–	(562)	(1,510)	(2,072)
Closing net book amount	133,149	41,688	14,045	188,882
As at 30 June 2021 (Unaudited) (Restated)				
Cost	133,149	42,250	22,372	197,771
Accumulated amortization charge	–	(562)	(8,327)	(8,889)
Net book amount	133,149	41,688	14,045	188,882
As at 31 December 2021 (Audited)				
Cost	410,041	117,730	28,084	555,855
Accumulated depreciation	–	(4,612)	(10,450)	(15,062)
Net book amount	410,041	113,118	17,634	540,793
Six months ended 30 June 2022 (Unaudited)				
Opening net book amount	410,041	113,118	17,634	540,793
Additions	–	–	3,627	3,627
Acquisition of subsidiaries (Note 31)	221,417	69,429	666	291,512
Amortization	–	(7,153)	(2,590)	(9,743)
Closing net book amount	631,458	175,394	19,337	826,189
As at 30 June 2022 (Unaudited)				
Cost	631,458	187,159	32,649	851,266
Accumulated amortization charge	–	(11,765)	(13,312)	(25,077)
Net book amount	631,458	175,394	19,337	826,189

NOTES TO THE INTERIM FINANCIAL INFORMATION

17 INTANGIBLE ASSETS (Continued)

- (a) No intangible asset is restricted or pledged as security for liabilities as at 30 June 2022 (31 December 2021: nil).
- (b) During the period, the Group acquired 100% equity interests in Sichuan Ruide Property Management Services Co., Ltd. (“Ruide Services”), 80% equity interests in Zhuzhou Gaoke Property Management Services Co., Ltd. (“Gaoke Services”), 51% equity interests in Guizhou Jinke Qingyun Property Management Services Co., Ltd. (“Qingyun Services”), 80% equity interests in Chongqing Easton Intelligent Elevator Engineering Co., Ltd. (“Easton Elevator”) and 57% equity interests in Chongqing Yunhan Catering Culture Co., Ltd. (“Yunhan Catering”). The total identifiable net assets of these entities acquired as at their respective acquisition date amounted to RMB119,065,000, including identified customer relationship of RMB69,429,000 recognized by the Group. Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of 10 years for the customer relationships.

The excess of the consideration transferred and the amount of the non-controlling interests in the acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill.

As the result of management assessment, no impairment provision on goodwill was recognized as at 30 June 2022 (31 December 2021: nil).

18 FINANCIAL GUARANTEES

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Guarantees for sale and leaseback financing loan of a related party (Note(a))	<u>25,000</u>	<u>25,000</u>

- (a) Chongqing Jinke Jinchen Hotel Management Co., Ltd. (“Jinchen Hotel”), the subsidiary of the Group, provided guarantees to a subsidiary of Jinke Property Group to obtain sale and leaseback financing loan in 2021. Pursuant to the terms of the guarantees, the loan is unconditionally and irrevocably guaranteed by Jinchen Hotel. The fair value of financial guarantee is insignificant both at initial recognition and at 30 June 2022. The Group considers the repayment progress of the relevant loan by the related party and considers that the likelihood of default in payments is minimal. The financial guarantee contracts will terminate and guarantees provided for sale and leaseback financing loan of a related party will be released on 6 October 2024.

NOTES TO THE INTERIM FINANCIAL INFORMATION

19 INVENTORIES

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Merchandise goods	15,755	13,996
Consumables	11,481	6,792
Raw materials	2,606	2,078
	<u>29,842</u>	<u>22,866</u>

20 OTHER ASSETS

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Parking lots	<u>22,994</u>	<u>53,320</u>

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

21 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Trade receivables (Note (a))		
– Related parties (Note 32(d))	603,659	360,720
– Third parties	<u>1,984,871</u>	<u>1,721,490</u>
	2,588,530	2,082,210
Less: allowance for impairment of trade receivables	<u>(131,325)</u>	<u>(78,183)</u>
	<u>2,457,205</u>	<u>2,004,027</u>
Bill receivables		
– Related parties (Note 32(d))	19,996	7,877
– Third parties	<u>500</u>	<u>700</u>
	<u>20,496</u>	<u>8,577</u>
Other receivables		
– Related parties (Note 32(d))	1,471,788	1,327,562
– Third parties	<u>451,259</u>	<u>341,638</u>
	1,923,047	1,669,200
Less: allowance for impairment of other receivables	<u>(37,672)</u>	<u>(18,445)</u>
	<u>1,885,375</u>	<u>1,650,755</u>
Prepayments		
– Related parties (Note 32(d))	199,947	–
– Third parties	<u>477,122</u>	<u>626,166</u>
	<u>677,069</u>	<u>626,166</u>
Input VAT to be deducted	<u>17,320</u>	<u>13,522</u>
	5,057,465	4,303,047
Less: non-current portion of prepayments		
– Prepayments for acquisition of properties (Note(b))	(199,947)	–
– Prepayments for acquisition of equity interests	<u>–</u>	<u>(92,774)</u>
	<u>(199,947)</u>	<u>(92,774)</u>
Current portion of trade and bill and other receivables and prepayments	<u><u>4,857,518</u></u>	<u><u>4,210,273</u></u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

21 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

- (a) Trade receivables mainly arise from space property management services income.

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

- (b) Prepayments for acquisition of properties arose from definitive sale and purchase agreement between the Company and the Jinke Property Group for the acquisition of ownership or right-of-use assets (where applicable) of nursery properties. As at 30 June 2022, the Company has prepaid RMB199,947,000 for the acquisition.

As at 30 June 2022 and 31 December 2021 the ageing analysis of the trade receivables based on invoice date were as follows:

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Up to 1 year	2,313,602	1,891,135
1 to 2 years	259,974	167,552
2 to 3 years	11,190	19,497
3 to 4 years	1,764	1,970
4 to 5 years	1,980	2,027
Over 5 years	20	29
	<u>2,588,530</u>	<u>2,082,210</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2022, a provision of RMB131,325,000 was made against the gross amounts of trade receivables (31 December 2021: RMB78,183,000).

22 RESTRICTED CASH

As at 30 June 2022, restricted cash mainly represents the Company's cash deposits in the bank as performance security for property management services according to the requirement of a certain client.

NOTES TO THE INTERIM FINANCIAL INFORMATION

23 CASH AND CASH EQUIVALENTS

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Cash at bank, payment platforms and on hand (Note(a))		
– Denominated in RMB	3,902,306	4,110,610
– Denominated in HK\$	27,220	805,236
– Denominated in US\$	6,711	6,430
	<u>3,936,237</u>	<u>4,922,276</u>

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

24 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

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

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

The different levels have been defined as follows:

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

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

(a) Fair value hierarchy *(Continued)*

The following table presents the Group's financial assets measured and recognized at fair value at 30 June 2022 and 31 December 2021 on a recurring basis:

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i> Level 3	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i> Level 3
Fund with limited life	<u>51,000</u>	<u>–</u>

As at 30 June 2022, the Group's financial instruments measured at fair value through profit or loss categorized within level 3 were fund with limited life, which mainly represents investments in unlisted companies. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

The Group did not measured any financial assets at fair value on a non-recurring basis as at 30 June 2022.

NOTES TO THE INTERIM FINANCIAL INFORMATION

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

(a) Fair value hierarchy *(Continued)*

The following table presents the changes in level 3 instruments for the period ended 30 June 2022.

	Financial assets at fair value through profit or loss Fund with limited life <i>RMB'000</i>
Opening balance	–
Addition	51,000
Gains for the period recognized in profit or loss (i)	–
	<hr/>
Closing balance	<u>51,000</u>

- (i) The Group invested in the fund at a time close to the period end of 30 June 2022 and the investment consideration was determined with reference to the fair value of those unlisted entities. The change of the fair value during the period from investment date to 30 June 2022 was considered insignificant. Thus the fair value of these equity investments approximated the investment cost as at 30 June 2022.

(b) Valuation techniques used to determine fair values

Level 3 financial instruments comprise investment in unlisted companies. The fair value of the investment is determined using the latest round financing, i.e. the prior transaction price or the third-party pricing information.

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

25 SHARE CAPITAL

	Number of ordinary shares	Share capital <i>RMB'000</i>
Issued and fully paid		
As at 30 June 2022 and 31 December 2021	<u>652,848,100</u>	<u>652,848</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

26 RESERVES

	Shares held for share award scheme <i>RMB'000</i>	Capital reserves <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Total other reserves <i>RMB'000</i>	Retained earnings <i>RMB'000</i>	Total reserves <i>RMB'000</i>
Balance at 1 January 2021 (Audited)	–	5,936,288	56,982	5,993,270	568,034	6,561,304
Business combination under common control	–	2,000	–	2,000	(17,816)	(15,816)
Balance at 1 January 2021 (Audited) (Restated)	–	5,938,288	56,982	5,995,270	550,218	6,545,488
Profit for the period	–	–	–	–	524,309	524,309
Acquisition of additional interests in a subsidiary	–	20	–	20	–	20
Dividends declared to owners of the Company (Note 30)	–	–	–	–	(326,424)	(326,424)
Balance at 30 June 2021 (Unaudited) (Restated)	–	5,938,308	56,982	5,995,290	748,103	6,743,393
Balance at 1 January 2022 (Audited)	(13,281)	5,679,480	134,562	5,800,761	1,203,396	7,004,157
Profit for the period	–	–	–	–	357,233	357,233
Acquisition of additional interests in subsidiaries	–	(867)	–	(867)	–	(867)
Dividends declared to owners of the Company (Note 30)	–	–	–	–	(424,351)	(424,351)
Purchase of shares in connection with share award scheme (Note(a))	(75,353)	–	–	(75,353)	–	(75,353)
Balance at 30 June 2022 (Unaudited)	(88,634)	5,678,613	134,562	5,724,541	1,136,278	6,860,819

- (a) The Board of the Company adopted the Share Award Scheme on 9 September 2021. The Board has appointed a trustee to purchase shares of the Company on the Stock Exchange out of the Company's resources. As at 30 June 2022, no major terms of the Share Award Scheme have been determined and approved. The purchase was made in advance such that the shares purchased could be awarded to the selected participant of the Share Award Scheme as soon as it is adopted.

As of 30 June 2022, the trustee has purchased 4,692,490 shares of the Company which unit price at HK\$19.14 to HK\$41.90, totalling HK\$105,045,000 (equivalent to approximately RMB88,634,000), under the Share Award Scheme and no shares have been granted to any employee.

NOTES TO THE INTERIM FINANCIAL INFORMATION

27 TRADE AND BILL AND OTHER PAYABLES

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Trade payables (Note (b))		
– Related parties (Note 32(d))	6,043	4,052
– Third parties	<u>678,378</u>	<u>582,889</u>
	<u>684,421</u>	<u>586,941</u>
Bill payables		
– Third parties	<u>26,565</u>	<u>23,219</u>
Other payables		
– Related parties (Note 32(d))	87,095	249,409
– Third parties	<u>828,318</u>	<u>691,064</u>
	<u>915,413</u>	<u>940,473</u>
Accrued payroll	37,596	92,482
Other taxes payables	90,699	82,120
Dividends payables	<u>–</u>	<u>245</u>
	<u>128,295</u>	<u>174,847</u>
	<u><u>1,754,694</u></u>	<u><u>1,725,480</u></u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

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

- (a) As at 30 June 2022 and 31 December 2021, the carrying amounts of trade and bill and other payables approximated their fair values.
- (b) As at 30 June 2022 and 31 December 2021, the ageing analysis of the trade payables based on invoice date were as follows:

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Up to 1 year	663,749	582,279
1 to 2 years	16,759	2,997
2 to 3 years	1,485	1,082
Over 3 years	2,428	583
	<u>684,421</u>	<u>586,941</u>

28 CONTRACT LIABILITIES

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

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Space property management services	598,970	571,398
Community value-added services	8,873	9,130
Local catering services	7,777	890
Smart living technology solutions	2,646	4,774
	<u>618,266</u>	<u>586,192</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

29 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

	As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
Financial liabilities at amortized cost		
Financial instruments issued to investors	<u>42,233</u>	<u>–</u>

In January 2022, Tianqi Technology entered into agreements with employee investors and institutional investors and issued financial instruments of Tianqi Technology with preference rights (“Tianqi Technology Financial Instruments”).

The primary preference rights of Tianqi Technology Financial Instruments are as follows:

Redemption Rights

If Tianqi Technology fails to complete an initial public offering before 31 December 2027, any investor of Tianqi Technology Financial Instruments may require Tianqi Technology to redeem any or all of the then outstanding equity interests held by such investor at the redemption price which represent the purchase price, plus an interest at an annual rate of 5% calculating from the issuance date to the payment date, less any retained profits collected by such investor.

Liquidation Preferences

In the event of any (i) liquidation; (ii) dissolution; (iii) winding up or termination of business of Tianqi Technology, (iv) any merge and acquisition, reorganization, equity transferring or other transaction of Tianqi Technology, with any person or any corporate, in which leads Jinke Services to loss control of Tianqi Technology immediately after such transaction, whether voluntary or involuntary; (v) a sale, lease, transfer, or other disposition, in a single transaction or series of transactions, of all or substantially all of the assets of the Tianqi Technology (including sale licence to any third party), whether voluntary or involuntary, distributions to shareholders of Tianqi Technology shall be made in the following manner (after satisfaction of all creditors' claims and claims that may be preferred by law):

NOTES TO THE INTERIM FINANCIAL INFORMATION

29 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS *(Continued)*

Liquidation Preferences *(Continued)*

If the assets and funds available for distribution is sufficient, each institutional investor and employee investor of Tianqi Technology Financial Instruments shall be entitled to receive the amount equal to 100% of the applicable purchase price of such Tianqi Technology Financial Instruments, plus the corresponding share of retained profits of Tianqi Technology, prior and in preference to any distribution of any of the assets or surplus funds of Tianqi Technology to Jinke Services, the holders of ordinary equity interests.

If the assets and funds available for distribution shall be insufficient to permit the payment to such investors of the full preferred preference amount, the liquidation preference amount will be distributed ratably to the institutional investors of Tianqi Technology Financial Instruments in accordance with their relative shareholding.

After distributing or paying in full the liquidation preference amount to all of the institutional investors of Tianqi Technology Financial Instruments, the remaining assets of Tianqi Technology available for distribution, if any, shall be distributed all of the employee investors, based on their relative shareholding on a pro-rata basis. Finally, residual assets and funds will be distributed to Jinke Services.

The effective interest rate of the liability component is 4.32%. The movements of the liability component of Tianqi Technology Financial Instruments are set out as below:

	From issuance date to 30 June 2022 RMB'000
Carrying amount at the issuance date	41,341
Accrued interest	<u>892</u>
Carrying amount at 30 June 2022	<u><u>42,233</u></u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

30 DIVIDENDS

	Six months ended 30 June	
	2022 <i>RMB'000</i> <i>(Unaudited)</i>	2021 <i>RMB'000</i> <i>(Unaudited)</i>
Dividends declared	<u>424,351</u>	<u>326,424</u>

Pursuant to the approval at the annual general meeting of shareholders of the Company on 9 June 2022, a dividend of RMB0.65 per ordinary share, amounting to RMB424,351,265 was declared out of the Company's retained earnings.

The Board resolved not to declare any interim dividend for the period (for the six months ended 30 June 2021: nil).

31 BUSINESS COMBINATIONS

During the period, the Group acquired 100% equity interests in Ruide Services, 80% equity interests in Gaoke Services, 51% equity interests in Qingyun Services, 80% equity interests in Easton Elevator and 57% equity interests in Yunhan Catering at an aggregated consideration of RMB318,005,000. The total identifiable net assets of these entities acquired as at their respective acquisition date amounted to RMB119,065,000.

Goodwill of RMB221,417,000 primarily arose from the expected future development of these companies' business, improvement on market coverage, enrichment of the service portfolio, integration of value-added services, and improvement on management efficiency, etc.

NOTES TO THE INTERIM FINANCIAL INFORMATION

31 BUSINESS COMBINATIONS *(Continued)*

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

	Total RMB'000
Purchase Consideration	
– Cash paid	191,931
– Acquisition prepayments	92,774
– Consideration payable	<u>33,300</u>
Total purchase consideration	<u>318,005</u>
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	59,414
Property, plant and equipment (Note 15)	11,780
Right-of-use assets (Note 15)	1,063
Other intangibles (excluding customer relationship) (Note 17)	666
Customer relationship (Note 17)	69,429
Deferred income tax assets	660
Trade and other receivables and prepayments	131,883
Inventories	1,370
Borrowings	(2,400)
Trade and other payables	(122,898)
Lease liabilities	(1,052)
Contract liabilities	(11,553)
Current income tax liabilities	(4,119)
Deferred income tax liabilities	<u>(15,178)</u>
Total identifiable net assets	119,065
Less: non-controlling interests	(22,477)
Identifiable net assets attributable to the Company	<u>96,588</u>
Goodwill (Note 17)	<u><u>221,417</u></u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

31 BUSINESS COMBINATIONS *(Continued)*

- (i) Net cash outflow arising from the acquisitions during the period ended 30 June 2022:

	<i>RMB'000</i>
Cash considerations paid in the period	191,931
Cash and cash equivalents acquired on the acquisition date	<u>(59,414)</u>
Net cash outflow on acquisitions	<u><u>132,517</u></u>

- (ii) Revenue and profit contribution

The acquired businesses contributed revenue of RMB61,073,000 and net profit of RMB4,382,000 to the Group for the period from their respective acquisition dates to 30 June 2022.

If the acquisitions had occurred on 1 January 2022, the consolidated statements of comprehensive income for the period ended 30 June 2022 would show pro-forma revenue of RMB2,691,244,000 and net profit of RMB379,226,000.

No contingent liability has been recognized for the business combination.

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name	Relationship
Jinke Property Group	Ultimate holding company and its subsidiaries
Chongqing Jinjiahe Property Development Co., Ltd.* 重慶金佳禾房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Kunxiang Yutang Property Development Co., Ltd.* 重慶昆翔譽棠房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Pinjinyue Property Development Co., Ltd.* 重慶品錦悅房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Xidao Property Development Co., Ltd.* 重慶西道房地產開發有限公司	Joint ventures/associates of Jinke Property
Henan Jinshangbaishi Enterprises Co., Ltd.* 河南金上百世置業有限公司	Joint ventures/associates of Jinke Property
Henan Zhongjian Jinlun Enterprises Co., Ltd.* 河南中建錦倫置業有限公司	Joint ventures/associates of Jinke Property
Henan Zhongshu Enterprises Co., Ltd.* 河南中書置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Xilianjin Property Development Co., Ltd.* 重慶西聯錦房地產開發有限公司	Joint ventures/associates of Jinke Property
Anqing Jinshixiang Property Development Co., Ltd.* 安慶金世祥房地產開發有限公司	Joint ventures/associates of Jinke Property
Linquan County Jiarun Property Development Co., Ltd.* 臨泉縣嘉潤房地產開發有限公司	Joint ventures/associates of Jinke Property
Lanxi Zhonglianglong Enterprises Co., Ltd.* 蘭溪中梁龍置業有限公司	Joint ventures/associates of Jinke Property
Lanxi Hongke Enterprises Co., Ltd.* 蘭溪鴻科置業有限公司	Joint ventures/associates of Jinke Property
Jian Jincheng Property Development Co., Ltd.* 吉安金晨房地產開發有限公司	Joint ventures/associates of Jinke Property
Xuchang Jinyao Property Co., Ltd.* 許昌金耀房地產有限公司	Joint ventures/associates of Jinke Property
Suzhou Xincheng Jinyue Property Development Co., Ltd.* 宿州新城金悅房地產開發有限公司	Joint ventures/associates of Jinke Property
Shijiazhuang Jinke Property Development Co., Ltd.* 石家莊金科房地產開發有限公司	Joint ventures/associates of Jinke Property

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

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

Name	Relationship
Hebei Guokong Lancheng Property Development Co., Ltd.* 河北國控藍城房地產開發有限公司	Joint ventures/associates of Jinke Property
Changzhou Jinke Property Development Co., Ltd.* 常州金科房地產開發有限公司	Joint ventures/associates of Jinke Property
Fujian Hilton Holiday Hotel Co., Ltd.* 福建希爾頓假日大酒店有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinke Junzhi Property Development Co., Ltd.* 重慶市金科駿志房地產開發有限公司	Joint ventures/associates of Jinke Property
Dalian Hongkun Enterprises Co., Ltd.* 大連弘坤實業有限公司	Joint ventures/associates of Jinke Property
Shijiazhuang Jinke Tianyao Property Development Co., Ltd.* 石家莊金科天耀房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Meike Property Development Co., Ltd.* 重慶美科房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Bijiyi Property Development Co., Ltd.* 重慶市碧嘉逸房地產開發有限公司	Joint ventures/associates of Jinke Property
Yunnan Jinke Xinhaihui Enterprises Co., Ltd.* 雲南金科鑫海匯置業有限公司	Joint ventures/associates of Jinke Property
Changzhou Baijun Property Development Co., Ltd.* 常州百俊房地產開發有限公司	Joint ventures/associates of Jinke Property
Nanjing Yuhong Property Development Co., Ltd.* 南京裕鴻房地產開發有限公司	Joint ventures/associates of Jinke Property
Changde Dingye Property Development Co., Ltd.* 常德市鼎業房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Bijinhui Property Development Co., Ltd.* 重慶市碧金輝房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinjianglian Property Development Co., Ltd.* 重慶金江聯房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Meichengjin Property Development Co., Ltd.* 重慶美城金房地產開發有限公司	Joint ventures/associates of Jinke Property
Hengyang Dingheng Property Development Co., Ltd.* 衡陽市鼎衡房地產開發有限公司	Joint ventures/associates of Jinke Property

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

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

Name	Relationship
Shangrao Yuesheng Property Development Co., Ltd.* 上饒市悅盛房地產開發有限公司	Joint ventures/associates of Jinke Property
Yidu Jiaotou Jinwei Property Development Co., Ltd.* 宜都交投金緯房地產開發有限公司	Joint ventures/associates of Jinke Property
Yiwu Lianxiang Enterprises Co., Ltd.* 義烏市聯祥置業有限公司	Joint ventures/associates of Jinke Property
Shenyang Junyu Property Development Co., Ltd.* 瀋陽駿宇房地產開發有限公司	Joint ventures/associates of Jinke Property
Shanghai Longjun Property Development Co., Ltd.* 上海瓏竣房地產開發有限公司	Joint ventures/associates of Jinke Property
Guangxi Tangpeng Investment Co., Ltd.* 廣西唐鵬投資有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinnan Shengtang Property Development Co., Ltd.* 重慶金南盛唐房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinyonghe Property Development Co., Ltd.* 重慶金永禾房地產開發有限公司	Joint ventures/associates of Jinke Property
Dalian Runyu Property Development Co., Ltd.* 大連潤譽房地產開發有限公司	Joint ventures/associates of Jinke Property
Zhengzhou Xinyinke Enterprises Co., Ltd.* 鄭州新銀科置業有限公司	Joint ventures/associates of Jinke Property
Wenzhou Kaiyi Enterprises Co., Ltd.* 溫州市凱壹置業有限公司	Joint ventures/associates of Jinke Property
Dalian Fengmao Enterprises Co., Ltd.* 大連豐茂置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Taijun Property Development Co., Ltd.* 重慶泰駿房地產開發有限公司	Joint ventures/associates of Jinke Property
Hubei Jiaotou Hailujing Suizhou Enterprises Co., Ltd.* 湖北交投海陸景隨州置業開發有限公司	Joint ventures/associates of Jinke Property
Qingdao Hengmei Enterprises Co., Ltd.* 青島恒美置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Wisler Construction Co., Ltd.* 重慶威斯勒建設有限公司	Joint ventures/associates of Jinke Property

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

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

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

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

Name	Relationship
Suzhou Pingtai Real Estate Co., Ltd.* 蘇州平泰置業有限公司	Joint ventures/associates of Jinke Property
Suzhou Xiaojun Real Estate Development Co., Ltd.* 蘇州驍竣房地產開發有限公司	Joint ventures/associates of Jinke Property
Suzhou Zhuojun Real Estate Development Co., Ltd.* 蘇州卓竣房地產開發有限公司	Joint ventures/associates of Jinke Property
Hai'an Baijun Real Estate Development Co., Ltd.* 海安市百俊房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinmeiyuan Real Estate Development Co., Ltd.* 重慶金美園房地產開發有限公司	Joint ventures/associates of Jinke Property
Yuxi Jinke Junhui Real Estate Development Co., Ltd.* 玉溪金科駿輝房地產開發有限公司	Joint ventures/associates of Jinke Property
Yunnan Jinjia Real Estate Development Co., Ltd.* 雲南金嘉房地產開發有限公司	Joint ventures/associates of Jinke Property
Yuxi Zhangtai Real Estate Development Co., Ltd.* 玉溪彰泰房地產開發有限公司	Joint ventures/associates of Jinke Property
Xinmi Shouli Real Estate Co., Ltd.* 新密首利置業有限公司	Joint ventures/associates of Jinke Property
Xinyang Jinshao Real Estate Co., Ltd.* 信陽金紹置業有限公司	Joint ventures/associates of Jinke Property
Hangzhou Dexin Chaoyang Real Estate Co., Ltd.* 杭州德信朝陽置業有限公司	Joint ventures/associates of Jinke Property
Tianjin Sunshine City Jinke Real Estate Development Co., Ltd.* 天津陽光城金科房地產開發有限公司	Joint ventures/associates of Jinke Property
Handan Liangrui Real Estate Development Co., Ltd.* 邯鄲梁瑞房地產開發有限公司	Joint ventures/associates of Jinke Property
Wuhan Fanxiu Real Estate Development Co., Ltd.* 武漢市藩秀房地產開發有限公司	Joint ventures/associates of Jinke Property
Xiaogan Chenhui Real Estate Development Co., Ltd.* 孝感宸輝房地產開發有限公司	Joint ventures/associates of Jinke Property
Nanjing Jinjun Real Estate Development Co., Ltd.* 南京金俊房地產開發有限公司	Joint ventures/associates of Jinke Property

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

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

Name	Relationship
Chongqing Jinyuyang Real Estate Development Co., Ltd.* 重慶金宇洋房地產開發有限公司	Joint ventures/associates of Jinke Property
Guizhou Changsa Real Estate Development Co., Ltd.* 貴州昌薩房地產開發有限公司	Joint ventures/associates of Jinke Property
Taicang Xingyu Real Estate Co., Ltd.* 太倉興裕置業有限公司	Joint ventures/associates of Jinke Property
Shenyang Junhan Real Estate Development Co., Ltd.* 瀋陽駿瀚房地產開發有限公司	Joint ventures/associates of Jinke Property
Shenyang Liangming Real Estate Development Co., Ltd.* 瀋陽梁銘房地產開發有限公司	Joint ventures/associates of Jinke Property
Dalian Jinke Jiuli Real Estate Development Co., Ltd.* 大連金科九裡房地產開發有限公司	Joint ventures/associates of Jinke Property
Zhuzhou Jingke Real Estate Co., Ltd.* 株洲景科置業有限公司	Joint ventures/associates of Jinke Property
Guangzhou Jingyu Real Estate Development Co., Ltd.* 廣州景譽房地產開發有限公司	Joint ventures/associates of Jinke Property
Suqian Tongjinhong Real Estate Co., Ltd.* 宿遷市通金弘置業有限公司	Joint ventures/associates of Jinke Property
Suqian Liangyue Real Estate Co., Ltd.* 宿遷梁悅置業有限公司	Joint ventures/associates of Jinke Property
Wenzhou Jingrong Real Estate Co., Ltd.* 溫州景容置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Weicheng Real Estate Co., Ltd.* 重慶韋成置業有限公司	Joint ventures/associates of Jinke Property
Sishui Jinmengquan Real Estate Development Co., Ltd.* 泗水金孟泉房地產開發有限公司	Joint ventures/associates of Jinke Property
Guangxi Yuanshan Investment Co., Ltd.* 廣西元善投資有限公司	Joint ventures/associates of Jinke Property
Taizhou Shimao New Milestone Real Estate Co., Ltd.* 台州世茂新里程置業有限公司	Joint ventures/associates of Jinke Property

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

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

Name	Relationship
Guizhou Longli Tianchen Real Estate Development Co., Ltd.* 貴州龍裡天宸房地產開發有限公司	Joint ventures/associates of Jinke Property
Hunan Jinke Jingchao Industry Development Co., Ltd.* 湖南金科景朝產業發展有限公司	Joint ventures/associates of Jinke Property
Foshan Jinji Real Estate Development Co., Ltd.* 佛山市金集房地產開發有限公司	Joint ventures/associates of Jinke Property
Jinxiao Real Estate Development Co., Ltd.* 茂名市茂南區金驍房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Zhongliang Yongsheng Real Estate Development Co., Ltd.* 重慶中梁永昇房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jincheng Jinyu Real Estate Development Co., Ltd.* 重慶金宸錦宇房地產開發有限公司	Joint ventures/associates of Jinke Property
Wuhan Yejin Real Estate Development Co., Ltd.* 武漢業錦房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Shuchen Real Estate Development Co., Ltd.* 重慶蜀宸房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Supin Real Estate Development Co., Ltd.* 重慶肅品房地產開發有限公司	Joint ventures/associates of Jinke Property
Changzhou Jincheng Real Estate Development Co., Ltd.* 常州金宸房地產開發有限公司	Joint ventures/associates of Jinke Property
Dalian Jinheng Yaohui Real Estate Development Co., Ltd.* 大連金恒輝輝房地產開發有限公司	Joint ventures/associates of Jinke Property
Tianjin Junye Gongchuang Real Estate Co., Ltd.* 天津駿業共創置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinghuanjin Real Estate Co., Ltd.* 重慶景煥金置業有限公司	Joint ventures/associates of Jinke Property
Wuhan Yeshuo Real Estate Development Co., Ltd.* 武漢業碩房地產開發有限公司	Joint ventures/associates of Jinke Property
Guangxi Huixian Real Estate Co., Ltd.* 廣西匯賢置業有限公司	Joint ventures/associates of Jinke Property

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

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

Name	Relationship
Nanning Jinhong Xianghui Real estate Development Co., Ltd.* 南寧金鴻祥輝房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Lanbo Bay Real Estate Co., Ltd.* 重慶藍波灣置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinmeibi Real Estate Development Co., Ltd.* 重慶金美碧房地產開發有限公司	Joint ventures/associates of Jinke Property
Yulin Longhe Country Garden Real Estate Development Co., Ltd.* 玉林市龍河碧桂園房地產開發有限公司	Joint ventures/associates of Jinke Property
Guangxi Tangfeng Investment Co., Ltd.* 廣西唐峰投資有限公司	Joint ventures/associates of Jinke Property
Xiangyang Jinlun Real Estate Development Co., Ltd.* 襄陽金綸房地產開發有限公司	Joint ventures/associates of Jinke Property
Suining Chuanda Real Estate Development Co., Ltd.* 遂甯川達房地產開發有限公司	Joint ventures/associates of Jinke Property
Nanning qingzhou real estate Development Co., Ltd.* 南寧晴洲房地產開發有限公司	Joint ventures/associates of Jinke Property
Kunming Lianghui Real Estate Co. Ltd.* 昆明梁輝置業有限公司	Joint ventures/associates of Jinke Property
Nanyang Jinyao Hengdu Real Estate Co., Ltd.* 南陽金耀恒都置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinke Jiefu Education Technology Co., Ltd.* 重慶市金科傑夫教育科技有限公司	Joint ventures/associates of Jinke Property
Dezhou Baijun Real Estate Development Co., Ltd.* 德州百俊房地產開發有限公司	Joint ventures/associates of Jinke Property
Dalian Jinkun Real Estate Development Co., Ltd.* 大連金坤房地產開發有限公司	Joint ventures/associates of Jinke Property
Suqian Changjun Real Estate Development Co., Ltd.* 宿遷常俊房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Bangtai Rongfeng Real Estate Development Co., Ltd.* 重慶邦泰蓉峰房地產開發有限公司	Joint ventures/associates of Jinke Property
Chongqing Jinjunrui Real Estate Development Co., Ltd.* 重慶金俊瑞房地產開發有限公司	Joint ventures/associates of Jinke Property
Zhengzhou Qianshang Real Estate Co., Ltd.* 鄭州千上置業有限公司	Joint ventures/associates of Jinke Property
Zhumadian City Bisheng Real Estate Co., Ltd.* 駐馬店市碧盛置業有限公司	Joint ventures/associates of Jinke Property

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

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

Name	Relationship
Hubei Jiaotou HaiLujing Yandi Real Estate Development Co., Ltd.* 湖北交投海陸景炎帝置業開發有限公司	Joint ventures/associates of Jinke Property
Zunyi Xinzun Real Estate Development Co., Ltd.* 遵義鑫樽房地產開發有限公司	Joint ventures/associates of Jinke Property
Wenzhou Glory Real Estate Co., Ltd.* 溫州榮耀置業有限公司	Joint ventures/associates of Jinke Property
Chongqing Jitai Real Estate Development Co., Ltd.* 重慶基泰房地產開發有限公司	Joint ventures/associates of Jinke Property
Yunnan Jinhongya Real Estate Development Co., Ltd.* 雲南金宏雅房地產開發有限公司	Joint ventures/associates of Jinke Property
Guangxi Yuanjia Investment Co., Ltd.* 廣西元嘉投資有限公司	Joint ventures/associates of Jinke Property
Dalian Jinhongji Real Estate Development Co., Ltd.* 大連金泓基房地產開發有限公司	Joint ventures/associates of Jinke Property
Chenzhou Xiaobu Jinke Real Estate Development Co., Ltd.* 郴州小埠金科房地產開發有限責任公司	Joint ventures/associates of Jinke Property
Nanjing Kechen Real Estate Development Co., Ltd.* 南京科宸房地產開發有限公司	Joint ventures/associates of Jinke Property
Changsha Jinchao Real Estate Co., Ltd.* 長沙金朝置業有限公司	Joint ventures/associates of Jinke Property
Anhui Kejian Property Service Co., Ltd.* 安徽科建物業服務有限公司	Joint ventures/associates of Jinke Services
Neijiang Jincheng Wisdom Property Service Co., Ltd.* 內江市金宸智慧物業服務有限公司	Joint ventures/associates of Jinke Services
Urumqi Tianjierenhe Labor Dispatching Co., Ltd.* 烏魯木齊天潔仁和勞務派遣有限公司	Joint ventures/associates of Jinke Services
Renhuai Chengke Property Service Co., Ltd.* 仁懷市城科物業服務有限公司	Joint ventures/associates of Jinke Services
Beijing Yitu Exit-entry Service Co., Ltd.* 北京壹途因私出入境服務有限公司	Joint ventures/associates of Jinke Services
Chongqing Tianhuitong Technology Co., Ltd.* 重慶天匯通科技有限公司	Joint ventures/associates of Jinke Services
Hunan Baize Property Management Co., Ltd.* 湖南白澤物業管理有限公司	Joint ventures/associates of Jinke Services

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

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

Name	Relationship
Jiangxi Jinke Haimian City Smart Service Co., Ltd.* 江西金科海綿城市智慧服務有限公司	Joint ventures/associates of Jinke Services
Chongqing Changsheng Property Management Co., Ltd.* 重慶常聖物業管理有限公司	Joint ventures/associates of Jinke Services
Chongqing Qiaoyunchang Commercial Management Co., Ltd.* 重慶喬運昌商業管理有限責任公司	Company controlled by the close family member of ultimate beneficial owner of Guangdong Hongmin Enterprise Management Consulting Co., Ltd. which has significant influence over Jinke Property Group
Chongqing Oufei Trade Co., Ltd.* 重慶市甌飛商貿有限公司	Company controlled by the shareholder of Jinke Property
Chongqing Liangjiang New Area Keyi Microfinance Co., Ltd.* 重慶兩江新區科易小額貸款有限公司	Company controlled by the shareholder of Jinke Property

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Transactions with related parties

	Six months ended 30 June	
	2022 RMB'000 <i>(Unaudited)</i>	2021 RMB'000 <i>(Unaudited)</i> <i>(Restated)</i>
Provision of services		
– Jinke Property Group	341,317	551,619
– Joint ventures and associates of Jinke Property	54,689	76,380
– Joint ventures and associates of Jinke Services	5,305	629
	<u>401,311</u>	<u>628,628</u>
Acquisition of properties		
– Jinke Property Group	<u>47,969</u>	–
Purchase of goods and services		
– Jinke Property Group	1,241	39
– Joint ventures and associates of Jinke Services	6,446	3,689
	<u>7,687</u>	<u>3,728</u>
Rental expenses		
– Jinke Property Group	<u>127</u>	<u>86</u>
Interest income from the refundable deposits paid to related parties (Note 9)		
– Jinke Property Group (i)	<u>20,755</u>	–
Interest expense for lease liabilities		
– Jinke Property Group	<u>1,419</u>	–
Payment of lease liabilities		
– Jinke Property Group	<u>2,070</u>	–

- (i) The refundable deposits for proposed acquisition of the entity under common control are unsecured, bearing interest of 11% per annum.

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

The key management of the Group are all directors except Luo Chuansong, who tendered his resignation as an executive director with effect from 27 June 2022, and will remain his position of executive general manager in the Company. There is no compensation for key management other than directors (six months ended 30 June 2021: nil).

(d) Balances with related parties

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Trade receivables		
– Jinke Property Group	531,694	282,744
– Joint ventures and associates of Jinke Property	71,140	77,763
– Joint ventures and associates of Jinke Services	825	213
	<u>603,659</u>	<u>360,720</u>
Bill receivables		
– Jinke Property Group	<u>19,996</u>	<u>7,877</u>
Other receivables		
– Jinke Property Group (i)	957,155	826,458
– Company controlled by the close family member of ultimate beneficial owner of Guangdong Hongmin Enterprise Management Consulting Co., Ltd. which has significant influence over Jinke Property Group (ii)	500,000	500,000
– Joint ventures and associates of Jinke Property	14,589	560
– Joint ventures and associates of Jinke Services	44	544
	<u>1,471,788</u>	<u>1,327,562</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS (Continued)

(d) Balances with related parties (Continued)

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Prepayments for acquisition of properties		
– Jinke Property Group	199,947	–
Trade payables		
– Jinke Property Group	1,225	2,086
– Joint ventures and associates of Jinke Services	4,818	1,856
– Joint ventures and associates of Jinke Property	–	110
	<u>6,043</u>	<u>4,052</u>
Other payables		
– Jinke Property Group	85,982	49,214
– Joint ventures and associates of Jinke Property	942	194
– Joint ventures and associates of Jinke Services	121	1
– Company controlled by the shareholder of Jinke Property	50	200,000
	<u>87,095</u>	<u>249,409</u>
Contract liabilities		
– Jinke Property Group	3,414	3,349
– Joint ventures and associates of Jinke Services	977	3,223
– Joint ventures and associates of Jinke Property	–	1,094
	<u>4,391</u>	<u>7,666</u>

- (i) The balance mainly represented the refundable deposits for proposed acquisition of the entity under common control and for other related party transactions which are trade in nature to Jinke Property Group.
- (ii) The balance represented the refundable deposits for proposed acquisition of equity interests.

NOTES TO THE INTERIM FINANCIAL INFORMATION

32 RELATED PARTY TRANSACTIONS *(Continued)*

(e) Financial guarantees

	As at 30 June 2022 <i>RMB'000</i>	As at 31 December 2021 <i>RMB'000</i>
Guarantees		
– Jinke Property Group (Note 18)	<u>25,000</u>	<u>25,000</u>

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

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

33 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 29 July 2022, Jinke Services entered into a loan agreement with Jinke Property. Pursuant to the loan agreement, Jinke Services will provide long-term loans not exceeding total amount of RMB1,500,000,000 bearing with fixed interest rate 8.6% per annum, secured by certain properties owned by Jinke Property Group. The fair value of collateral has been valued by a professional valuer designated by the Group, and loan-to-value ratio should be equal to or less than 60% according to the agreement. The maturity date of the loan can not be later than 20 December 2024.

GLOSSARY AND DEFINITION

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

“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China
“Company” or “Jinke Services”	Jinke Smart Services Group Co., Ltd.* (金科智慧服務集團股份有限公司), a limited liability company established in the PRC on 18 July 2000 and converted into a joint stock company with limited liability on 28 May 2020, the H Shares of which are listed on the main board of the Stock Exchange (Stock Code: 9666)
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code contained in Part 2 of the Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Documents”	collectively, the Prospectus and the announcements of the Company dated 10 December 2020 and 10 September 2021
“GFA”	gross floor area
“Group” or “we”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the main board of the Stock Exchange
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

GLOSSARY AND DEFINITION

“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates (within the meaning of the Listing Rules)
“Jinke Property”	Jinke Property Group Co., Ltd.* (金科地產集團股份有限公司), a joint stock company with limited liability established in the PRC on 29 March 1994, listed on the Shenzhen Stock Exchange (stock code: 000656.SZ)
“Jinke Property Group”	Jinke Property and its subsidiaries
“Listing”	the listing of the H Shares on the main board of the Stock Exchange
“Listing Date”	17 November 2020, the date on which dealings in the H Shares on the Stock Exchange first commence
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Over-allotment Option”	the option granted by the Company to allot and issue up to 19,936,700 additional H Shares in connection with the global offering of the Company as disclosed in the Prospectus
“Period”	the six months ended 30 June 2022
“Prospectus”	the prospectus of the Company dated 5 November 2020
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

GLOSSARY AND DEFINITION

“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the H Shares only
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“US\$”	United States dollars, the lawful currency in the United States of America
“%”	per cent

* For identification purpose only

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