

# A-LIVING SMART CITY SERVICES CO., LTD.\* 雅生活智慧城市服務股份有限公司

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

Stock Code: 3319

## LIFELONG CARING FOR YOU, HEARTWARMING SERVICE TO CITY

### 2023 INTERIM REPORT



\*For identification purposes only

## MISSION

Lifelong caring for you,  
heartwarming service to city

## VISION

Become a preeminent quality  
service provider in China

## CORE VALUE

Inclusion and diversity;  
Relentless pursuit of excellence;  
Mutual benefit and common progress;  
Value creation with concerted efforts



## Corporate Profile

A-Living Smart City Services Co., Ltd. (“A-Living” or the “Company”, together with its subsidiaries, collectively, the “Group”) positions itself as a mid- to high-end provider of nationwide comprehensive property management services, ranking the 2nd of the Top 100 Property Management Companies in China published by China Index Academy. The Group dedicates to providing high-quality and full-scenario services to property owners, undertaking the corporate mission of “becoming the preeminent quality service provider in China”. With the continuous business expansion covering the whole industry chain, the Group is proactively innovating and exploring the value-added service ecosystem. Currently, the Group has developed four business lines, namely, property management services, property owners value-added services, city services and extended value-added services, with a nationwide coverage of 31 provinces, municipalities and autonomous regions, and has developed a balanced business portfolio layout covering residential properties, public buildings and commercial and office buildings. As at 30 June 2023, the Group’s total contracted gross floor area (“GFA”) increased to approximately 762.1 million sq.m. and the total GFA under management reached 575.4 million sq.m.

On 9 February 2018, the Group successfully spun off from Agile Group Holdings Limited (雅居樂集團控股有限公司) (“Agile Holdings”, and together with its subsidiaries, “Agile Group”) and became the first property management company in the People’s Republic of China (the “PRC” or “China”) that officially spun off from a red-chip holding company to list on the H-Share market.

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# Corporate Information

## Board of Directors

Mr. Chan Cheuk Hung\* (Co-chairman)  
Mr. Huang Fengchao\* (Co-chairman)  
Mr. Li Dalong\* (President (General Manager) and Chief Executive Officer)  
Mr. Chen Siyang\* (Vice President)  
(appointed on 21 July 2023)  
Mr. Xu Yongping\*\* (appointed on 21 July 2023)  
Mr. Wei Xianzhong\*\* (retired with effect from 21 July 2023)  
Ms. Yue Yuan\*\* (retired with effect from 21 July 2023)  
Mr. Wang Gonghu# (appointed on 21 July 2023)  
Mr. Wan Kam To# (retired with effect from 21 July 2023)  
Mr. Weng Guoqiang#  
Mr. Li Jiahe#

\* Executive Directors

\*\* Non-executive Directors

# Independent Non-executive Directors

## Board Committees

### Audit Committee

Mr. Wang Gonghu (Committee Chairman)  
(appointed on 21 July 2023)  
Mr. Wan Kam To (Committee Chairman)  
(retired with effect from 21 July 2023)  
Mr. Weng Guoqiang  
Mr. Li Jiahe

### Remuneration and Appraisal Committee

Mr. Weng Guoqiang (Committee Chairman)  
Mr. Huang Fengchao  
Mr. Li Dalong  
Mr. Wang Gonghu (appointed on 21 July 2023)  
Mr. Wan Kam To (retired with effect from 21 July 2023)  
Mr. Li Jiahe

### Nomination Committee

Mr. Huang Fengchao (Committee Chairman)  
Mr. Li Dalong  
Mr. Wang Gonghu (appointed on 21 July 2023)  
Mr. Wan Kam To (retired with effect from 21 July 2023)  
Mr. Weng Guoqiang  
Mr. Li Jiahe

## Risk Management Committee

Mr. Huang Fengchao (Committee Chairman)  
Mr. Chan Cheuk Hung  
Mr. Li Dalong  
Mr. Wang Gonghu (appointed on 21 July 2023)  
Mr. Wan Kam To (retired with effect from 21 July 2023)  
Mr. Li Jiahe

## Supervisory Committee

Mr. Liu Jianrong (President of the Supervisory Committee, Employee representative Supervisor)  
Ms. Huang Zhixia (Employee representative Supervisor)  
Ms. Zhang Pingting (Shareholder representative Supervisor)  
(appointed on 21 July 2023)  
Mr. Shi Zhengyu (Shareholder representative Supervisor)  
(retired with effect from 21 July 2023)  
Mr. Zheng Jiancheng (External Supervisor)  
(appointed on 21 July 2023)  
Mr. Wang Gonghu (External Supervisor)  
(retired with effect from 21 July 2023)  
Mr. Wang Shao (External Supervisor)

## Joint Company Secretaries

Mr. Huang Jiayi  
Mr. Li Kin Wai

## Authorised Representatives

Mr. Li Dalong  
Mr. Huang Jiayi

## Auditor

Grant Thornton Hong Kong Limited

## Legal Advisors

### as to Hong Kong law:

Sidley Austin

### as to PRC law:

King & Wood Mallesons

## Principal Bankers

Bank of China, Guangzhou Zhujiang Branch  
Industrial and Commercial Bank of China,  
Zhongshan Sanxiang Wenchang Branch  
Industrial and Commercial Bank of China,  
Lingshui Branch  
Agricultural Bank of China, Sanxiang Branch  
Agricultural Bank of China, Guangzhou Zhujiang Branch  
China Construction Bank, Guangzhou Huacheng Branch

## Principal Place of Office in the PRC

35/F, Agile Center  
26 Huaxia Road  
Zhujiang New Town  
Tianhe District, Guangzhou  
Guangdong Province, PRC  
Postal Code: 510623

## Registered Office in the PRC

Management Building, Xingye Road  
Agile Garden, Sanxiang Town  
Zhongshan  
Guangdong Province, PRC

## Listing Information

### Equity Securities

The Company's ordinary shares include only overseas listed shares (H shares).

Overseas listed shares (stock code: 3319) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

## Despatch of Corporate Communications

This interim report (both Chinese and English versions) will be delivered to shareholders of the Company (the "Shareholders"). This interim report is also published on the Company's website ([www.agileliving.com.cn](http://www.agileliving.com.cn)) and the Hong Kong Stock Exchange's website ([www.hkex.com.hk](http://www.hkex.com.hk)).

For environmental protection reasons, the Company encourages the Shareholders to view this interim report posted on the aforesaid websites where possible.

## Principal Place of Business in Hong Kong

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

## H Share Registrar

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong  
Telephone: (852) 2980 1333  
Facsimile: (852) 2861 1465

## Investor Relations

Investor Relations Department  
E-mail: [ir@agileliving.com.cn](mailto:ir@agileliving.com.cn)  
Telephone: (852) 2740 8921

## Website

[www.agileliving.com.cn](http://www.agileliving.com.cn)

# Financial Summary

## Summary of the Consolidated Income Statement

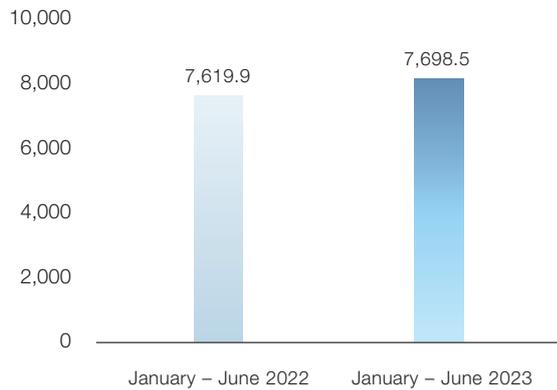
	For the six months ended 30 June	
	2023	2022
Revenue (RMB million)	<b>7,698.5</b>	7,619.9
Gross profit (RMB million)	<b>1,573.6</b>	2,052.6
Gross profit margin	<b>20.4%</b>	26.9%
Net profit (RMB million)	<b>951.5</b>	1,149.5
Net profit margin	<b>12.4%</b>	15.1%
Profit attributable to shareholders of the Company (RMB million)	<b>839.0</b>	1,057.9
Basic earnings per share (RMB)	<b>0.59</b>	0.75

## Summary of the Consolidated Balance Sheet

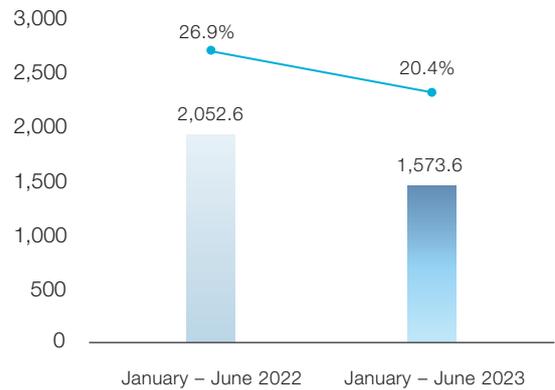
	As at 30 June	As at 31 December
	2023	2022
Total assets (RMB million)	<b>23,670.0</b>	22,701.7
Cash and cash equivalents (RMB million)	<b>3,759.7</b>	3,799.3
Shareholders' equity (RMB million)	<b>14,851.5</b>	14,124.6
Return on shareholders' equity (ROE)*	<b>13.0%</b>	15.6%
Total liabilities/total assets	<b>37.3%</b>	37.8%

\* Profit attributable to shareholders of the Company for the twelve months ended 30 June 2023 is adopted for calculation of ROE as at 30 June 2023.

**Revenue**  
(RMB million)



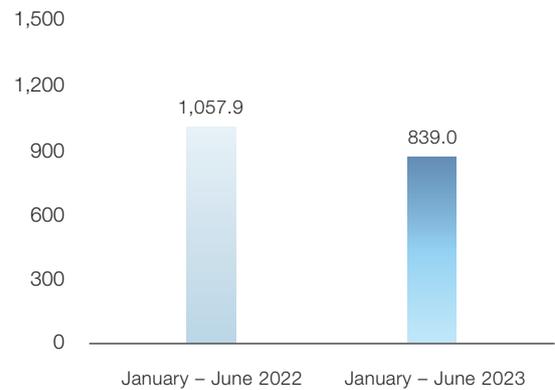
**Gross profit and gross profit margin**  
(RMB million)/%



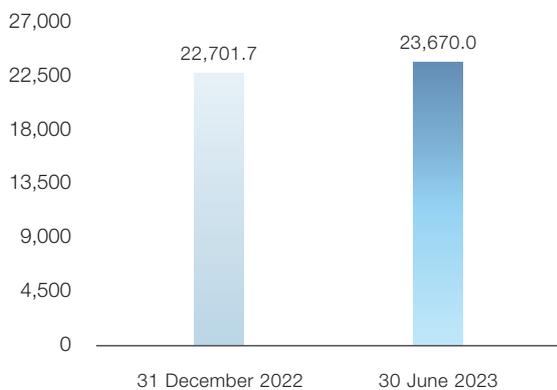
**Net profit and net profit margin**  
(RMB million)/%



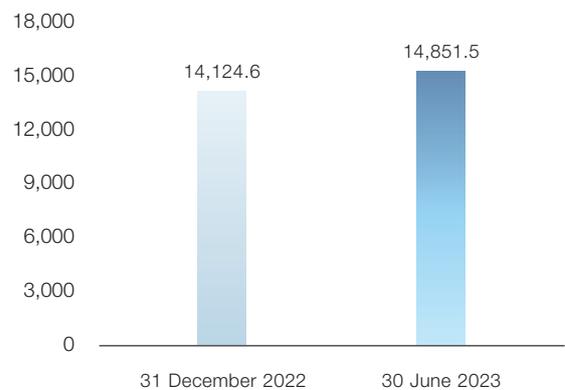
**Profit attributable to the Shareholders of the Company**  
(RMB million)



**Total assets**  
(RMB million)



**Shareholders' equity**  
(RMB million)



# Major Recognition and Awards



## Major Recognition and Awards

- 1 • The 2nd of the “2023 Top 100 Property Management Companies in China”
- 2 • The 1st of the “2023 Listed Property Management Companies in China for Market Expansion Capability”
- 3 • The 2nd of the “2023 Top 100 Property Management Companies in terms of Business Performance in China”
- 4 • The 2nd of the “2023 Top 100 Leading Property Management Companies in terms of Growth Potential in China”
- 5 • The 3rd of the “2023 Top 100 Property Management Companies in terms of Business Scale in China”
- 6 • 2023 Excellent Property Management Companies in ESG Development in China
- 7 • 2023 Leading Companies in Technology Empowerment Capability for Property Management in China
- 8 • 2023 Listed Innovative Property Management Companies in terms of Intelligent Energy Saving in China
- 9 • The 1st of the “2023 Leading Property Management Companies for Industrial Parks in China”
- 10 • 2023 Excellent Companies in terms of Office Property Management
- 11 • 2023 Leading Smart City Service Companies in China
- 12 • 2023 Leading Specialized Property Management Companies in terms of Community Commercial Service in China

# Chairman's Statement

**Chan Cheuk Hung**

*Co-chairman of the Board*

**Huang Fengchao**

*Co-chairman of the Board*



Dear Shareholders,

We are pleased to present the unaudited consolidated results of the Group for the six months ended 30 June 2023 (the "Period").

In the first half of 2023, daily life of residents in China gradually returned to normal as the pandemic was brought under control. However, the economic recovery was still moderate as it was affected by the global political and economic environment. The real estate market has undergone a profound adjustment, downshifting from rapid development to stable development. After a spurt of the release of the pent-up housing demand amid the easing of the pandemic control in the first quarter, the relationship between supply and demand returned to a balance.

However, the overall property development and sales were still sluggish and cash flow of real estate companies was still tight. As a result, the overall recovery in the property market fell short of expectations. Although the growth rate of property management companies has slowed down in the era of a property market dominated by housing inventory, the industry is in consolidation and keeps developing. Branded property management companies have been building up their presence in the markets for non-residential properties and existing residential properties, and have been refocusing themselves on their original aspiration to provide good service to property owners, and enhancing their service capabilities in order to maintain the advantage of economies of scale in the fiercely competitive market.

### Business Review

In the first half of 2023, the Group continued to leverage its first-mover advantage in market-oriented development and further developed the markets for non-residential properties and existing residential properties. The Group maintained its leading position in the industry in terms of market expansion of the third-party projects and ranked second among the Top 100 Property Management Companies in China for 2023. During the Period, the Group enhanced its capability to provide quality service and further built up its presence throughout the entire value chain of the property management industry. It also focused on improving operational efficiency and strengthening cash flow management while expanding its business scale, with the aim of achieving quality growth.

During the Period, the revenue of the Group was RMB7,698.5 million, representing an increase of 1.0% as compared with the corresponding period of last year. Gross profit was RMB1,573.6 million and gross profit margin was 20.4%. Net profit was RMB951.5 million and net profit margin was 12.4%. Profit attributable to the Shareholders was RMB839.0 million and the basic earnings per share were RMB0.59. Although the growth rate of certain businesses was affected by the macro-economic environment and the cycle of the real estate sector, the Group strategically focused on business segments that were capable of sustaining growth. Of such business segments, property management services, value-added services to property owners and city services recorded year-on-year growth of 7.2% in revenue for the Period.

As at 30 June 2023, the GFA under management and contracted GFA of the Group reached 575.4 million sq.m. and 762.1 million sq.m. respectively. The scale of third-party projects increased rapidly through the Group's market expansion, with the contracted GFA reaching 614.3 million sq.m., and newly obtained contracted GFA exceeding 30.0 million sq.m., which represented an increase of 5.3% compared with that as at 31 December 2022 and accounted for 80.6% of the total contracted GFA. Third-party projects were the main source of growth in the Group's management scale.

Property management enterprises have shifted from expanding their business scale rapidly through mergers and acquisitions in the previous several years to achieving growth with branding, service quality and distinctive service features. As the development and delivery of new residential properties slowed down, property management companies were inclined to look for development opportunities in the markets of non-residential properties and existing residential properties as well as by extending the scope of their services to city services. Although the market sentiment has become more rational, competition is still intense. To cope with the new competitive landscape, the Group's market development centre flexibly adjusted its strategy by conducting city classification and implementing product branding strategy, taking into account both the growth in business scale and profitability. It also identified market opportunities by conducting research with precision. During the Period, more than 70% of the newly acquired projects were located in the selected key cities. In the first half of the Year, the Group achieved remarkable results in market expansion and ranked among the top property management companies in terms of the newly-added GFA and the corresponding contract value generated from third-party property projects for consecutive months. In the first half of the Year, the Group successively obtained property management projects such as Guangzhou Library, Shenzhen Honggang Park (深圳紅崗公園), Wenzhou University of Technology, Chengyang Campus of Qingdao Agricultural University and the Affiliated Chaohu Hospital of Anhui Medical University by consistently manifesting its advantages in providing services to public buildings and by leveraging the resources and experience of its member companies. The Group continued to refine its services to commercial and enterprise properties and office buildings to provide high-standard and customised services for the property owners. During the Period, the Group won the bids for a number of tenders in several phases for property management service to China Mobile Limited and those for the property management projects from large-scale enterprises such as the Tianjin Branch of CNOOC China Limited, and obtained property management projects for such properties as Lingang Building and Sanhang Technology Building of CRCC. Leveraging its experience



in providing property management services for public buildings, the Group continued to consolidate the presence of its city services business and obtained a number of high-quality city services projects in Guangdong, Shanxi, Hebei and Inner Mongolia under the asset-light business model. After obtaining the city service project in Henggang Sub-district of Longgang District, the Group also won the bid for another city service project in Yuanshan Sub-district of Longgang District during the Period, thereby attaining synergy in this district and consolidating its advantages in the Shenzhen market.

During the Period, the Group adhered to the “platform plus ecosystem” strategy, optimized its market coverage of its value-added services to property owners, improved the business systems of its property management services to government, enterprises and communities, and provided professional value-added service solutions for various service scenarios. According to its insights into the changes in customer needs, the Group adjusted its business priorities and strategies, optimized the supply chain, and focused on living services such as housekeeping, repair and maintenance as well as retail services which have been experiencing rapid growth in demand after the pandemic and have been less affected by the economy or the real estate industry. Specifically, the orders received and stored-value at its 51 Home Service, a housekeeping service platform, reached a record high in the first half of the Year. In addition, the Group launched such services as the group catering for institutional clients. This resulted in an increase in the scale and the enhancement of the brand influence of such businesses. The Group's group catering business began to take shape by establishing Lemeishan (樂美膳), a professional group catering business platform, aiming at building a number of benchmark projects of running canteens for institutions, such as Guangzhou Baiyun Yiyun Technology Park (廣州白雲益雲科技園), a national high-tech zone. The Group plans to start with group catering service as an entry point for the establishment of integrated value-added services to institutional customers through its coordination with the Group's basic property management service capabilities.

Quality is the lifeblood of the Group and the foundation of development, while refined and informatized operation is a key to sustainable development. During the Period, the Group improved the systems for quality management and business management through its operation management centre, covering all business units thoroughly, achieving integrated management of quality, business operation and the post-acquisition integration. After the pandemic, property owners have higher expectations about the refinement and quality standards of property management, and the quality and reputation of the service are also important driving forces behind the expansion of the existing market. Through systematic management and control measures, including reviewing, early-stage warning, inspection, and closed-loop rectification, the Group focused on strictly preventing security incident, and achieved improvement in the fundamentals of its service. During the Period, the satisfaction rate of property owners increased, and the complaint rate decreased year on year. In terms of quality management, the Group upgraded the quality control mechanism, issued the “Four-level Quality Management Inspection System” (《四級品質管理巡查制度》) and the “Red and Yellow Card Assessment System for Quality Control” (《品質管控紅黃牌考核制度》), and effectively urged the rectification of on-site problems by conducting inspection on projects across the country. The Group also continuously refined the system for standards of service, established a “service classification system” for different types of projects, and set corresponding service standards. It continued to pilot the national-level advanced standard system for residential property management as a model of the industry. At present, the competition in the property management industry is intensifying and, therefore, the Group emphasizes on the operational efficiency and cash flow at its property management projects. During the Period, the Group stepped up the management of its suppliers as well as the standardization of business operation and management, and concentrated on tracking projects with abnormal management fee collection rate, satisfaction level and other operating indicators to ensure service quality and the standards of its business operation and management.



Intelligentization and informatization can effectively improve the Group's operational efficiency and ensure service quality. During the Period, the Group continued to build up its information technology platform, which allows the whole organization to share information and resources throughout the entire business process in order to conduct efficient and coordinated management and control across organizations and to promote the integration of organizations and businesses. During the Period, the Group's master data system continued to cover the businesses of property management and city services, and the Group promoted the application of various systems for contract management, financial management and business operation to raise the level of operation refinement, intelligentization and business management efficiency. During the Period, the Group upgraded the system for processing customer orders, improved the closed-loop system for services and strengthened its management of customer satisfaction by conducting customer reviews. Such efforts significantly improved the efficiency of customer service response rate by 25%. The Group deepened its cooperation with DingTalk (China) in terms of organizational management and market management to enable the joint operations of business units of the Group as well as the management of each business unit individually. Thus, it effectively improved the efficiency of both the outsourced employee management and of the response rate of customer service.

### Prospect

The current macroeconomic environment and market conditions are changing rapidly while challenging. The property management companies have gradually shifted from the strategy of rapid scale expansion and extending the scope of business along the industry value chain to the strategy of refocusing themselves on their original aspiration to serve property owners and provide good

service, and driving quality growth with the quality and standards of service. In the past five years, the Group has refined the scope of its business throughout the industry value chain, and capitalized on the consolidation of the industry by rapidly scaling up its business. As a result, the Group maintains its leading position in the industry in terms of its overall strength. In the future, the Group will strategically focus resources on developing business segments with emphasis on profitability and high cash flow to achieve high-quality and sustainable development.

Quality is the lifeblood and the first priority of business operation. The Group understands that the satisfaction level of property owners and reputation are the cornerstones of development. The property management projects are the smallest business units of the Group. The long-term development of an enterprise hinges on the operation of each project and the service to each property owner. The Group will continue to enhance the quality of its service and further refine the property management at each project. It will also continue to build up its service standard system, provide better service for property owners and customers so as to effectively raise the level of property owners' satisfaction. In the second half of the year, the Group will continue to conduct various types of inspections to ensure regulatory compliance in business operation, investigate and rectify any outstanding problems in project operation and management, focus on the cash collection rate and operational efficiency at each project, and eliminate safety and operational risks. In terms of informatization and intelligentization of service and management, the Group will increase investment with precision to ensure the smooth operation of information technology tools at each project, drive the standardization of the service through informatization, and create featured services through intelligentization.

Market expansion is the main driving force behind the Group's scale growth. Although the overall market for property management is still growing steadily, it is more difficult to expand the market of existing properties due to the limited supply of new properties and the changes in the competitive landscape. The Group will continue to focus on "horizontally broadening the variety of properties and vertically extending the scope of its services", optimize its market coverage in both the density and depth, attain economies of scale with the professional business capabilities of providing "diverse, full-lifecycle services for all types of properties", and keep building up its brands. In terms of developing its business presence in regional markets, the Group will press on with its "city-specific business strategies", and continue to increase the proportion of projects in strategically important cities and cities which the Group has earmarked for further business development. As to the development of the market of existing properties, the Group will pay more attention to profitability and cash collection rate, and strike a balance between risks and returns. In addition, the Group will deeply explore the market potential of customer needs, focus on strengthening the management of major customers, and cultivate long-term customers with a flexible cooperation model. In the field of city services, A-Living will launch the "A-Living City Blooming Plan", continue to give full play to the advantages of its business presence in tier-1 and tier-2 cities, and seek to provide a comprehensive range of city services in the regions where the Group has a competitive advantage so as to build benchmark projects of providing comprehensive city services and to have economies of scale.

In the past few years, property management companies have been actively exploring the possibilities of value-added services to property owners and have been building up their presence in that market accordingly. However, they have encountered bottlenecks such as slowdown in business growth and insufficient coordination among their various business segments. With the changes in economic environment, the real estate market downturn, the pandemic and other factors that have affected consumption habits as well as upgrading demands, the models of developing value-added services to property owners have gradually become differentiated. In the future, the Group will adhere to the professional and market-oriented concept when developing value-added services, and shift from the "all-inclusive" service model to concentrate resources on the vertical development of "specialized and professional" services with high potential in development. In the second half of the year, the Group will focus on fostering the key businesses, and accelerate the development of specialized services such as community living services, energy-saving renovation and group catering with flexible and diverse forms of cooperation and business models. Meanwhile, the Group will attach importance to operational efficiency, and the balance between investment of resources and economic benefits of business, and will raise the standards of the operation and management of its value-added services through digitalization so as to create long-term value.



In terms of management and operation, the Group will continue to focus on the four key performance indicators, namely those of “service quality, management scale, economic benefits and cash collection”. It will take effort to safeguard the bottom line, and improve both the quality and efficiency. The Group also attaches importance to regulatory compliance and integrity at its business operation so it will also ensure integrity and good governance, improve the mechanisms for business operation, optimize the cost management, strengthen its supervision of the suppliers, and reduce operational risks. Property management is a business with an asset-light model and sufficient cash flow. The Group will pay close attention to cash collection at its property management projects, and improve both the management fee collection rate and cash flow. In terms of organization and team building, the Group will continue to optimize organizational management, step up its support for the front-line staff with resources, and solve the problem of uneven development of its various regional offices. Meanwhile, the Group will focus on team building of talents, talent training system and the talent reserve, and establish a fair and competitive system of career development and remuneration for employees. The Group will uphold the business philosophy of “mutually beneficial cooperation”, continue to improve the operational efficiency of all member companies, enhance the integration and management of member companies, and attach importance to the quality and efficiency of cooperation. In addition, the Group will bolster team cohesion and cultivate the spirit of a unified and down-to-earth team.

The Group will stay true to its original aspiration, adhere to the market-oriented, customer-oriented approach and focus on providing quality service to property owners, thus firmly reinforcing the fundamentals of its business. It will also take a perspective of longtermism while taking into account short-term economic benefits. Stamina can only be proven after a long period of tests. Through the implementation of its strategic plan, which can be summed up by the phrase “building up brand through word-of-mouth, aiming for stable development, enhancing capabilities, and facilitating organizational integration”, the Group will strive to achieve high-quality, sustainable growth in business scale, enhance its profitability and create long-term value for the society, customers, shareholders, employees and business partners.

### Acknowledgement

On behalf of the board (the “Board”) of directors (the “Directors”) of the Company, we would like to extend our heartfelt gratitude to the enormous support from our Shareholders and customers, as well as the dedicated efforts of all our staff members, all of which greatly contributed to the growth of the Group.

**Chan Cheuk Hung/Huang Fengchao**

*Co-Chairman of the Board*

Hong Kong, 28 August 2023

## Business Review

In the first half of 2023, the domestic macro-economy gradually recovered. However, amid the global economic downturn, the foundation for economic recovery was not yet stable, and property sales remained sluggish. The property management industry continued to face various risks and challenges. The Group focused on the opportunities arising from the economic recovery, while adhering to its market-oriented strategy and maintaining its market-leading expansion capability. It consistently prioritised service quality and consolidated professional service capabilities in an effort to enhance its overall development quality. The Group further explored the business of value-added services, refined the quality of its products and services, and expanded the scope of services. During the Period, the Group came second in the “2023 Top 100 Property Management Companies in China”, ranking top in the industry.

During the Period, revenue of the Group amounted to RMB7,698.5 million, representing an increase of 1.0% from RMB7,619.9 million in the corresponding period of 2022. Profit attributable to shareholders of the Company was RMB839.0 million, representing a decrease of 20.7% from RMB1,057.9 million in the corresponding period of 2022. As at 30 June 2023, the GFA under management and contracted GFA of the Group reached 575.4 million sq.m. and 762.1 million sq.m., respectively.

## Financial Review

### Revenue

The Group’s revenue was derived from four major business lines: (i) property management services; (ii) property owners value-added services; (iii) city services; and (iv) extended value-added services.

For the six months ended 30 June 2023, the Group’s revenue amounted to RMB7,698.5 million (the corresponding period of 2022: RMB7,619.9 million), representing an increase of 1.0% as compared with the corresponding period of last year. Among which, revenue from property management services, property owners value-added services and city services businesses of the Group totalled RMB7,108.4 million, representing a year-on-year increase of 7.2% and accounting for 92.3% of the Group’s total revenue.

	For the six months ended 30 June				
	2023	Percentage	2022	Percentage	Growth rate
	(RMB million)	of revenue %	(RMB million)	of revenue %	
Property management	5,267.3	68.4%	4,904.1	64.4%	7.4%
– Residential property projects	2,172.2	28.2%	2,063.9	27.1%	5.2%
– Non-residential property projects	3,095.1	40.2%	2,840.2	37.3%	9.0%
Property owners value-added services	1,167.2	15.2%	1,084.1	14.2%	7.7%
City services	673.9	8.7%	641.7	8.4%	5.0%
Subtotal:	7,108.4	92.3%	6,629.9	87.0%	7.2%
Extended value-added services	590.1	7.7%	990.0	13.0%	-40.4%
– Sales centre property management services	226.4	3.0%	381.7	5.0%	-40.7%
– Other extended value-added services	363.7	4.7%	608.3	8.0%	-40.2%
Total	7,698.5	100.0%	7,619.9	100.0%	1.0%

### Property management services

Property management services, which include security, cleaning, greening, gardening, repair and maintenance, etc., are the Group's main source of revenue.

During the Period, revenue from property management services amounted to RMB5,267.3 million (the corresponding period of 2022: RMB4,904.1 million), representing an increase of 7.4% as compared with the corresponding period of last year. Among which, revenue from residential property projects amounted to RMB2,172.2 million (the corresponding period of 2022: RMB2,063.9 million), representing an increase of 5.2% as compared with the corresponding period of last year. Revenue from non-residential property projects amounted to RMB3,095.1 million (the corresponding period of 2022: RMB2,840.2 million), representing an increase of 9.0% as compared with the corresponding period of last year.

### The breakdown of the Group's total GFA under management

As at 30 June 2023, the Group's total GFA under management was 575.4 million sq.m., representing an increase of 29.6 million sq.m. or a growth rate of 5.4% as compared with 545.8 million sq.m. as at 31 December 2022. Among which, the GFA under management from third-party projects was approximately 479.5 million sq.m., accounting for more than 83.3% of the total GFA under management, and third-party projects accounted for the majority of the Group's GFA under management. The GFA under management from Agile Group and Greenland Holdings Group Company Limited (綠地控股集團股份有限公司) ("Greenland Holdings") was approximately 95.9 million sq.m.. During the Period, the newly increased GFA under management converted from third-party projects was approximately 26.6 million sq.m..

### *The project portfolio for GFA under management*

The Group has established a diversified and balanced business portfolio layout, capitalising on its first-mover advantages in niche markets such as residential property, public buildings and commercial and office buildings, etc. As at 30 June 2023, residential projects accounted for 42.7% (as at 31 December 2022, 43.6%) of the Group's GFA under management in terms of business portfolio, and non-residential projects accounted for 57.3% (as at 31 December 2022, 56.4%) (public buildings: 45.5%; commercial buildings and others: 11.8%).

### *The geographic coverage for GFA under management*

As at 30 June 2023, the number of Group's projects under management reached 4,625, covering 31 provinces, municipalities and autonomous regions and 222 cities nationwide.

By region, 33.9% of the Group's GFA under management was located in the Yangtze River Delta region, 18.8% in the Guangdong-Hong Kong-Macao Greater Bay Area, 9.2% in the Shandong Peninsula city cluster, 8.7% in the Chengdu-Chongqing city cluster, while the remaining spread across other regions in the PRC.

### *The charging mode*

The lump sum contract basis the Group primarily adopted is conducive to improving service quality and operational efficiency.

### **The breakdown of the Group's total contracted GFA**

The contracted GFA, which is defined by the Group as areas agreed in the contracts signed with property developers or property owners for providing property management services, includes delivered and to-be-delivered GFA, and the to-be-delivered contracted (reserved) GFA will become the Group's GFA under management and enlarge the source of the Group's revenue in the future.

As at 30 June 2023, the contracted GFA reached 762.1 million sq.m.. Among which, the contracted GFA from third-party projects was approximately 614.3 million sq.m., accounting for more than 80.6% of the total contracted GFA. The contracted GFA from Agile Group and Greenland Holdings was approximately 147.8 million sq.m.. During the Period, the newly increased contracted GFA obtained by the Group through market expansion was over 30.0 million sq.m..

### **Property owners value-added services**

Property owners value-added services mainly include living and comprehensive services, home improvement services, community space operation and other services, as well as value-added services to institutions and enterprises, which focus on improving the work and living experience of property owners and residents at the properties under management and preserving and increasing the value of their properties.

During the Period, revenue from property owners value-added services amounted to RMB1,167.2 million, representing an increase of 7.7% as compared with RMB1,084.1 million in the corresponding period of 2022, and accounting for approximately 15.2% of the total revenue. The growth in property owners value-added services was mainly due to the growth in revenue from living and comprehensive services and value-added services to institutions and enterprises, as the Group capitalised on the opportunities arising from the post-pandemic demand by further developing its living services and fully promoting its group catering business.

Living and comprehensive services include property maintenance, housekeeping services, courtyard gardening, community group buying, express delivery, tourism, community second-hand leasing and sales services, comprehensive consulting services, etc. During the Period, the Group focused on strengthening its in-depth operational capabilities in housekeeping and cleaning, maintenance, tourism, etc. the monthly top-up amount of its housekeeping service brand, “51 HOME SERVICE” (51家庭管家), consistently reached record highs, resulting in a year-on-year growth in total top-up amount in the first half of the year. In the retail business, the Group continued to discover more good products a variety of featured products, such as festival gifts and wine, and launched the “Local Specialities Pavilion” to delve deeper into local high-quality products and enhance the stickiness of property owners. In addition, the Group entered into the intelligent energy-saving transformation business by establishing a joint venture to build up its capabilities in comprehensive energy management. During the Period, revenue from living and comprehensive services amounted to approximately RMB574.5 million, representing an increase of 37.3% as compared with RMB418.4 million in the corresponding period of 2022, and accounting for approximately 49.2% of revenue from property owners value-added services. The increase of revenue from living and comprehensive services was primarily due to increasing demands of value-added services in communities after the pandemic, a significant year-on-year increase of housekeeping, retail services, etc., and the growth brought by new businesses.

Home improvement services primarily include decoration, turnkey furnishing and community renewal services, etc. During the Period, revenue from home improvement services amounted to approximately RMB95.9 million, representing a decrease of 48.6% as compared with RMB186.6 million in the corresponding period of 2022 and accounting for approximately 8.2% of revenue from property owners value-added services. The decline was mainly due to the downturn in the real estate industry and the decrease in the delivery of new houses, resulting in a weak demand for home decoration and a decline in business scale.

Community space and other services primarily include club house operation services, property operation services, community-based advertising operation, parking lot management services and community asset operation, etc. During the Period, revenue from community space and other services amounted to approximately RMB296.0 million, representing a decrease of 1.6% as compared with RMB300.8 million in the corresponding period of 2022, and accounting for approximately 25.4% of revenue from property owners value-added services.

Value-added services to institutions and enterprises include featured value-added services for public buildings, such as catering, commuting services and material procurement services, as well as featured value-added services for commercial and office buildings, such as customized services for enterprises, conferencing services, centralised procurement and retailing for enterprises, etc. During the Period, the Group set up a group meal company “Lemeishan” (樂美膳) and equipped itself with the necessary expansion capabilities to enter the market. Revenue from value-added services to institutions and enterprises amounted to approximately RMB200.8 million, representing an increase of 12.6% as compared with RMB178.3 million in the corresponding period of 2022, and accounting for approximately 17.2% of revenue from property owners value-added services. The increase of revenue from value-added services to institutions and enterprises was mainly due to new business of group catering with market-oriented development and a year-on-year increase of demands of other value-added services after the pandemic.

### **City services**

City services mainly include street cleaning and maintenance, domestic refuse collection and transportation, refuse classification, landscaping and gardening maintenance, municipal facility maintenance, urban space operation, community coordination and governance, smart city management solutions, etc. Currently, the Group’s city service projects are mainly divided into single project contracting model and integrated sanitation services, etc.

The Group’s city services business segment focuses on the exploration of comprehensive services including urban space management, urban resource operation, community coordination and governance, and construction of smart city service system, aiming to build a comprehensive city service system covering developed cities, emerging urban and townships, thus establishing a leading all-scenario smart city service platform. During the Period, the Group seized the opportunities arising from the concentrated recovery of market expansion after the pandemic, made efforts in market expansion, and actively ventured into untapped markets. Notably, the Group won the bid for the city steward service project in Yuanshan Street, Longgang District, Shenzhen City, with an annualised contract value exceeding RMB100 million. The Group also obtained large-scale comprehensive city services projects, including the city services project for properties in Nanlang Street, Cuiheng New District, Zhongshan City, and the urban-rural waste integration project in Mengcun Hui Autonomous County, Cangzhou City, Hebei Province. According to Huanjing Sinan (環境司南), the Group ranked among the Top 10 in the industry both in terms of contract value and annualised contract value of city service projects obtained through market expansion in the first half of the year.

During the Period, revenue from city services reached RMB673.9 million, representing an increase of 5.0% as compared with RMB641.7 million in the corresponding period of 2022, and accounting for approximately 8.7% of the total revenue.

### Extended value-added services

Extended value-added services primarily include sales centre property management services and other extended value-added services for property developers.

During the Period, the Group recorded revenue from extended value-added services of RMB590.1 million (the corresponding period of 2022: RMB990.0 million), representing a decrease of 40.4% from last year, and accounting for approximately 7.7% of the total revenue. The revenue from extended value-added services includes:

- (1) Sales centre property management services (accounting for 38.4% of the revenue from the extended value-added services): the revenue for the Period amounted to RMB226.4 million, representing a decrease of 40.7% as compared with RMB381.7 million in the corresponding period of 2022. The decrease of revenue from sales centre property management services was primarily due to the decrease in demand for sales centre services as a result of the continuous decline in home sales and limited incremental supply in real estate market.
- (2) Other extended value-added services (accounting for 61.6% of the revenue from the extended value-added services): include property agency services and housing inspection services, etc. The revenue for the Period amounted to RMB363.7 million, representing a decrease of 40.2% as compared with RMB608.3 million in the corresponding period of 2022, mainly due to the decrease in demand for related services as a result of the limited new home deliveries from developers and the sluggish sales of new properties.

### Cost of sales

The Group's cost of sales primarily consists of employee salaries and benefit expenses, cleaning expenses, security charges, maintenance costs, utilities, greening and gardening expenses, cost of consumables, depreciation and amortisation charges and others.

During the Period, the Group's cost of sales was RMB6,125.0 million (the corresponding period of 2022: RMB5,567.2 million), representing a year-on-year increase of 10.0%. The increase was primarily due to the increase in labour costs as a result of service quality enhancement, and the increase in various inputs from the active expansion in business layout along the industry chain as well as market-oriented development. Overall, the Group's growth of the cost of sales was higher than that of revenue, primarily because of the change in revenue structure and the decrease in the proportion of business with higher gross profit margin.

## Gross profit and gross profit margin

	For the six months ended 30 June				
	2023		2022		Growth rate %
	Gross profit (RMB million)	Gross profit margin %	Gross profit (RMB million)	Gross profit margin %	
Property management services	993.1	18.9%	1,044.6	21.3%	-4.9%
Property owners value-added services	321.8	27.6%	522.8	48.2%	-38.4%
City services	142.2	21.1%	129.7	20.2%	9.6%
Subtotal:	1,457.1	20.5%	1,697.1	25.6%	-14.1%
Extended value-added services	116.5	19.7%	355.5	35.9%	-67.2%
Total	1,573.6	20.4%	2,052.6	26.9%	-23.3%

During the Period, the Group's gross profit amounted to RMB1,573.6 million, representing an decrease of 23.3% as compared with RMB2,052.6 million in the corresponding period of 2022. Gross profit margin decreased by 6.5 percentage points to 20.4% from 26.9% in the corresponding period of 2022.

Excluding the impact from extended value-added service businesses, the total gross profit of property management services, property owners value-added services and city services was RMB1,457.1 million, representing a year-on-year decrease of 14.1% as compared with RMB1,697.1 million in the corresponding period of 2022. The gross profit from these three businesses increased to 92.6% of the Group's total gross profit from 82.7% in the corresponding period of 2022.

- The gross profit margin of property management services was 18.9% (the corresponding period of 2022: 21.3%), representing an decrease of 2.4 percentage point as compared with that of the corresponding period of 2022, which was mainly due to (1) the increase in scale driven by third-party expansion and the higher proportion of public buildings projects; (2) the increase in the input and labour costs to improve the service quality of property projects under management. Excluding the effect of amortization of intangible assets due to the merger and acquisition, the gross profit was RMB1,070.0 million and the gross profit margin was 20.3%.
- The gross profit margin of property owners value-added services was 27.6% (the corresponding period of 2022: 48.2%), representing an decrease of 20.6 percentage points as compared with that of the corresponding period of 2022, which was mainly due to (1) the impact of the downturn of the real estate industry to the development of some businesses; (2) the increase in input to improve industrial chain layout.

- The gross profit margin of city services was 21.1% (the corresponding period of 2022: 20.2%), representing an increase of 0.9 percentage point as compared with that of the corresponding period of 2022, which was mainly due to (1) the effect of economies of scale; (2) refined project management.
- The gross profit margin of extended value-added services was 19.7% (the corresponding period of 2022: 35.9%), representing an decrease of 16.2 percentage points as compared with that of the corresponding period of 2022, which was mainly due to the decrease in demands and business scale due to the downturn of the real estate industry as well as relative high costs.

### **Selling and marketing expenses**

During the Period, the Group's selling and marketing expenses amounted to RMB52.7 million (the corresponding period of 2022: RMB29.4 million), accounting for 0.7% of the revenue, representing an increase of 0.3 percentage point as compared with that of the corresponding period of last year, which was mainly due to the increase in expenses and related incentives as a result of the increase in market expansion activities after the pandemic.

### **Administrative expenses**

During the Period, the Group's administrative expenses amounted to RMB383.2 million, representing an decrease of 3.9% as compared with RMB398.7 million in the corresponding period of 2022, and accounting for 5.0% of the revenue, representing an decrease of 0.2 percentage point as compared with that of the corresponding period of 2022.

### **Other income**

During the Period, other income of the Group amounted to RMB99.8 million (the corresponding period of 2022: RMB86.9 million), representing an increase of 14.8% as compared with that of the corresponding period of last year, which was mainly due to the increase in interest income.

### **Income tax**

During the Period, the Group's income tax expense was RMB253.6 million (the corresponding period of 2022: RMB307.8 million). The income tax rate was 21.0% (the corresponding period of 2022: 21.1%). The income tax rate for the Period decreased 0.1 percentage points year on year, which remained stable.

## Profit

During the Period, the Group's net profit was RMB951.5 million, representing an decrease of 17.2% as compared with RMB1,149.5 million in the corresponding period of 2022, which was mainly attributable to the adjustment of business structure, the year-on-year decrease in revenue and profit of extended value-added services, the increase in the proportion of non-cyclical business and the increase in related costs. Net profit margin was 12.4%, representing an decrease of 2.7 percentage points as compared with 15.1% in the corresponding period of 2022. Excluding the effect of the amortization of intangible assets and depreciation of appraisal appreciation of fixed assets due to the merger and acquisition, the net profit margin was 13.4%. Profit attributable to the Shareholders of the Company for the Period was RMB839.0 million, representing an decrease of 20.7% as compared with RMB1,057.9 million in the corresponding period of last year. Basic earnings per share was RMB0.59, representing an decrease of 21.3% as compared with the corresponding period of last year.

	For the six months ended 30 June				
	2023	2022		Growth rate	
	Net profit (RMB million)	Net profit margin %	Net profit (RMB million)		Net profit margin %
Property management services	535.9	10.2%	550.8	11.2%	-2.7%
Property owners value-added services	219.7	18.8%	317.9	29.3%	-30.9%
City services	83.7	12.4%	85.7	13.4%	-2.3%
Subtotal:	839.3	11.8%	954.4	14.4%	-12.1%
Extended value-added services	112.2	19.0%	195.1	19.7%	-42.5%
Total	951.5	12.4%	1,149.5	15.1%	-17.2%

Excluding the impact from extended value-added service businesses, net profit from property management services, property owners value-added services and city services was RMB839.3 million, representing a year-on-year decrease of 12.1% as compared with RMB954.4 million in the corresponding period of 2022. The net profit from these three businesses increased to 88.2% of the Group's total net profit from 83.0% in the corresponding period of 2022. The corresponding net profit margin was 11.8%, representing a year-on-year decrease of 2.6 percentage points.

- The net profit margin for property management services was 10.2% (the corresponding period of 2022: 11.2%), representing an decrease of 1.0 percentage points as compared with that of the corresponding period of 2022.
- The net profit margin for property owners value-added services was 18.8% (the corresponding period of 2022: 29.3%), representing an decrease of 10.5 percentage points as compared with that of the corresponding period of 2022.
- The net profit margin for city services was 12.4% (the corresponding period of 2022: 13.4%), representing an decrease of 1.0 percentage points as compared with that of the corresponding period of 2022.
- The net profit margin for extended value-added services was 19.0% (the corresponding period of 2022: 19.7%), representing an decrease of 0.7 percentage points as compared with that of the corresponding period of 2022.

### Current assets, reserve and capital structure

During the Period, the Group maintained a sound financial position. As at 30 June 2023, current assets amounted to RMB15,788.5 million, representing an increase of 3.2% from RMB15,300.9 million as at 31 December 2022. As at 30 June 2023, cash and cash equivalents of the Group amounted to RMB3,759.7 million, representing a decrease of 1.0% as compared with RMB3,799.3 million as at 31 December 2022. As at 30 June 2023, the Group's cash and cash equivalents were held in Renminbi, Hong Kong dollars and United States dollars.

As at 30 June 2023, the Group's total equity was RMB14,851.5 million, representing an increase of RMB726.9 million or 5.1% as compared with RMB14,124.6 million as at 31 December 2022, which was primarily due to the contributions from the realised profits in the Period.

### Property, plant and equipment

The Group's property, plant and equipment mainly comprise buildings, office equipment, machinery equipment and other fixed assets. As at 30 June 2023, the net value of the Group's property, plant and equipment amounted to RMB579.5 million, representing a decrease of 3.8% as compared with RMB602.5 million as at 31 December 2022.

### Other intangible assets

As at 30 June 2023, the book value of other intangible assets of the Group was RMB1,267.9 million, representing a decrease of 7.6% as compared with RMB1,372.2 million as at 31 December 2022. Intangible assets of the Group mainly included (i) RMB63.3 million from the trademark value of acquired companies; (ii) RMB1,824.1 million generated from customer relationship and backlogs attributable to acquired companies; (iii) the software developed and purchased by the Group; and (iv) partially offset by amortization of trademarks, customer relationships and software. Trademarks, customer relationship and software had a specific validity period and were carried at cost less accumulated amortization.

### Goodwill

As at 30 June 2023, the Group recorded goodwill of RMB3,314.9 million. The goodwill was primarily derived from the expected future business developments of the acquired companies, expansion of market coverage, diversification of service portfolio, integration of value-added services and improvement of management efficiency.

There was no significant goodwill impairment risk as at 30 June 2023.

### Financial assets at fair value through profit or loss (“FVPL”)

As at 30 June 2023, the Group’s financial assets at FVPL amounted to RMB2,003.1 million, representing an increase of 91.4% as compared with RMB1,046.8 million as at 31 December 2022, which was mainly due to the Group’s purchase of several financial assets to increase the return on its fund.

### Trade and other receivables and prepayments

As at 30 June 2023, trade and other receivables and prepayments (including current and non-current portions) amounted to RMB10,828.6 million, representing an increase of 1.1% from RMB10,715.6 million as at 31 December 2022. Among which, trade receivables amounted to RMB7,617.5 million, representing an increase of 9.9% as compared with RMB6,929.3 million as at 31 December 2022, which was mainly due to the slowdown in the overall collection of receivables as a result of the downward market environment. Other receivables amounted to RMB2,863.1 million, representing a decrease of 26.3% from RMB3,885.4 million as at 31 December 2022, which was mainly due to the recovery of receivables from third parties.

### Trade and other payables

As at 30 June 2023, trade and other payables (including current and non-current portions) amounted to RMB6,231.2 million, representing an increase of 3.4% as compared with RMB6,028.8 million as at 31 December 2022, which was primarily attributable to an increase in the cost of materials procurement, labor outsourcing and energy consumption resulting from the business expansion of the Group.

### Borrowings

As at 30 June 2023, the Group had long-term borrowings of RMB97.9 million, among which RMB26.3 million will be repayable within one year. The Group also had short-term borrowings of RMB49.8 million with maturities of less than one year.

### Gearing ratio

The gearing ratio is calculated as total borrowings divided by total equity, which is the sum of long-term and short-term interest-bearing bank loans and other loans as at the corresponding date divided by the total equity as at the same date. As at 30 June 2023, the gearing ratio was 1.0%.

### Current and deferred income tax liabilities

As at 30 June 2023, the current income tax liabilities of the Group amounted to RMB435.5 million, representing a decrease of 22.4% as compared with RMB561.4 million as at 31 December 2022, which was mainly because of the settlement of the enterprise income tax payable for 2022 during the Period. Deferred income tax liabilities increased to RMB337.0 million from RMB325.5 million as at 31 December 2022.

### Pledge of assets

As at 30 June 2023, the long-term bank loans and other borrowings amounting to RMB26.1 million and the short-term bank loans to RMB4.0 million were secured by certain property, plant and equipment and trade receivables of the Group. Details of the Group’s pledge of assets as at 30 June 2023 are set out in note 13 and note 17 to the interim financial information contained in this report.

### **Significant investment held, material acquisitions and disposals of subsidiaries, associates and joint ventures**

There was no significant investment held, no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the Period.

### **Future plans for material investments or capital assets**

Save as disclosed in this report, the Group has no other future plans for material investments and capital assets as at 30 June 2023.

### **Contingent liabilities**

As at 30 June 2023, the Group had no significant contingent liabilities.

### **Key risk factors and uncertainties**

The following content lists out the key risks and uncertainties confronted by the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas outlined below.

#### **Industry risk**

The Group's operations are subject to the economy of the PRC and changes in the macro environment of the real estate industry, as well as the regulatory environment and measures affecting the property management industry in the PRC. In particular, the Group's business performance primarily depends on the total contracted and revenue-bearing GFA, level of fees and the number of properties the Group manages, but the Group's business growth is, and will likely continue to be, subject to factors of macro development of the industry and the upstream industries.

#### **Business risk**

The Group's ability to maintain or improve the current level of profitability depends on the Group's ability to control operating costs (including labour costs), and the Group's profit margins and results of operations may be adversely affected by the increase in labour or other operating costs; should the Group be unable to procure new property management service contracts or renew existing management service contracts as planned or at desirable pace or price, the Group's revenue may also be adversely affected; should the Group be unable to collect property management fees from customers on time, it may incur impairment losses on receivables; the above may also affect the assessment and impairment risk of goodwill, the performance of operating cash flows and adversely affect the Group's financial position and results of operations.

#### **Foreign exchange risk**

The Group's businesses were principally located in the PRC. Except for bank deposits and financial assets at FVPL denominated in HK\$ and US\$, the Group was not subject to any other material risk directly relating to foreign exchange fluctuations. The management will continue to monitor the foreign exchange exposure, take prudent measures and develop hedging strategy as appropriate to reduce foreign exchange risks.

### Employees and remuneration policies

As at 30 June 2023, the Group had 95,733 employees (as at 31 December 2022: 95,102). During the Period, total staff costs amounted to RMB3,060.0 million.

The compensation plan of the Group is determined with reference to the market levels as well as employees' performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides employees with a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training programs appropriate to the employees' needs.

Apart from taking into account the advice from the remuneration and appraisal committee of the Board and the market levels, the Company also considers the competency, contributions and the responsibilities towards the Company in determining the level of remuneration for the Directors. Appropriate benefit schemes are in place for the Directors.

### Significant Events After Reporting Period

As at the date of this report, the Group did not have any significant event subsequent to 30 June 2023.

# Corporate Governance

## Corporate Governance Practices

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board currently comprises eight members, with four executive Directors, one non-executive Director and three independent non-executive Directors. Each of the independent non-executive Directors either possesses professional qualifications or experiences in various areas of financial accounting or property management. The Board holds at least four physical Board meetings every year. The Board will review the corporate governance practices of the Group from time to time with an aim to meet international best practices.

The Company has been reporting the business performance and latest development of the Group to its Shareholders and investors through various channels and platforms and a briefing on the businesses of the Company and the question and answer session are available in the annual general meeting of the Company allowing the Shareholders to have a better understanding of the Group's strategies and goals.

## Review of interim results

The audit committee of the Company (the "Audit Committee") has reviewed the financial statements of the Group for the six months ended 30 June 2023. The review included discussions with management of the accounting principles and practices adopted by the Group, internal controls and financial reporting matters, and the significant judgments made by management.

The Audit Committee comprises Mr. Wang Gonghu, Mr. Weng Guoqiang and Mr. Li Jiahe who are independent non-executive Directors.

The unaudited interim financial information have been approved and authorised for issue by the Board on 28 August 2023.

## Compliance with the Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted a code for securities transactions by the Directors and a code for securities transactions by supervisors of the Company (the "Supervisors") as its own codes of conduct governing Directors' and Supervisors' dealings in the Company's securities (the "Securities Dealing Codes") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Specific enquiry has been made to all the Directors and Supervisors and they have confirmed that they had complied with the Securities Dealing Codes during the six months ended 30 June 2023.

The Company has also established written guidelines (the “Employees Written Guidelines”) on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company during the six months ended 30 June 2023.

### **Compliance with the Corporate Governance Code**

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix 14 to the Listing Rules.

The Board reviewed the Company’s corporate governance practices and is satisfied that the Company has been in full compliance with all the applicable code provisions set out in the CG Code during the six months ended 30 June 2023.

## Other Information

### Directors', Supervisors' and the Chief Executives' Interests and/or Short Positions in Shares, Underlying Shares or Debentures of the Company or any of its Associated Corporations

As of 30 June 2023, the interests and short positions of the Directors, the Supervisors and chief executives 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 Securities and Futures Ordinance ("SFO")), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Codes, were as follows:

#### (i) Interest in Shares of the Company

Name of Director	Nature of Interest	Class of Shares	Number of Shares <sup>(1)</sup>	Approximate Percentage of the Company's Issued Share Capital
Mr. Chan Cheuk Hung <sup>(2)</sup>	Beneficiary of a trust	H Shares	582,100,521 (L)	40.99%
			91,556,229 (S)	6.45%
Mr. Huang Fengchao <sup>(3)</sup>	Interest of a controlled corporation	H Shares	19,122,646 (L)	1.35%
Mr. Li Dalong <sup>(4)</sup>	Interest of a controlled corporation	H Shares	19,122,646 (L)	1.35%
	Spouse	H Shares	200,000 (L)	0.01%

#### Notes:

- (1) The letter "L" denotes the person's long position in the shares, while the letter "S" denotes the person's short position in the shares.
- (2) Mr. Chan Cheuk Hung is the beneficiary of a family trust ("Chen's Family Trust", which is deemed to be interested in 582,100,521 long position and 91,556,229 short position in H shares of the Company). Therefore, Mr. Chan Cheuk Hung is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.

- (3) Mr. Huang Fengchao is a limited partner of and owns 99.9% interest in Tianjin Fengxin Commercial Center (Limited Partnership)\* 天津奉欣商業中心（有限合夥）（“Tianjin Fengxin”）。Tianjin Fengxin is a limited partner of and respectively owns 94.96% and 95% interest in Shanghai Baoya Business Consultancy Limited Partnership\* 上海葆雅商務諮詢合夥企業（有限合夥）（“Shanghai Baoya”） and Shanghai Bingya Business Consultancy Limited Partnership\* 上海秉雅商務諮詢合夥企業（有限合夥）（“Shanghai Bingya”）。Mr. Huang is also a general partner of Shanghai Baoya and Shanghai Bingya respectively, and has full control over Shanghai Baoya and Shanghai Bingya. Shanghai Baoya is a general partner of Shanghai Yongya Business Consultancy Limited Partnership\* 上海詠雅商務諮詢合夥企業（有限合夥）（“Shanghai Yongya”） and has full control over Shanghai Yongya. Shanghai Bingya is a limited partner of and owns 50% interest in Shanghai Yongya. Shanghai Yongya is a limited partner of and owns 45% interest in Gongqingcheng A-Living Investment Management Limited Partnership\* 共青城雅生活投資管理合夥企業（有限合夥）（“Gongqingcheng Investment”） which owns 19,122,646 H shares of the Company. Mr. Huang is a limited partner of and owns 4.99% interest in Gongqingcheng Investment. Hence, Mr. Huang Fengchao is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.
- (4) Mr. Li Dalong is a limited partner of and owns 99.9% interest in Tianjin Chaotai Commercial Center (Limited Partnership)\* 天津朝泰商業中心（有限合夥）（“Tianjin Chaotai”）。Tianjin Chaotai is a limited partner of and owns 47.5% interest in Shanghai Yanya Business Consultancy Limited Partnership\* 上海焰雅商務諮詢合夥企業（有限合夥）（“Shanghai Yanya”） and Shanghai Chengya Business Consultancy Limited Partnership\* 上海澄雅商務諮詢合夥企業（有限合夥）（“Shanghai Chengya”） respectively. Mr. Li is also a general partner of and owns 2.5% interest in Shanghai Yanya and Shanghai Chengya respectively, and has full control over Shanghai Yanya and Shanghai Chengya. Shanghai Yanya is a limited partner of and owns 50% interest in Shanghai Yeya Business Consultancy Limited Partnership\* 上海燁雅商務諮詢合夥企業（有限合夥）（“Shanghai Yeya”）。Shanghai Chengya is a general partner of Shanghai Yeya and has full control over Shanghai Yeya. Shanghai Yeya is a limited partner of and owns 45% interest in Gongqingcheng Investment. Mr. Li is a general partner of Tianjin Fengxin and has full control over Tianjin Fengxin. Tianjin Fengxin is a limited partner of and owns 94.96% interest in Shanghai Baoya. Tianjin Fengxin is a limited partner of and owns 95% interest in Shanghai Bingya. Shanghai Baoya is a general partner of Shanghai Yongya and has full control over Shanghai Yongya. Shanghai Bingya is a limited partner of and owns 50% interest in Shanghai Yongya. Shanghai Yongya is a limited partner of and owns 45% interest in Gongqingcheng Investment which owns 19,122,646 H shares of the Company. Mr. Li is a limited partner of and owns 2.5% interest in Gongqingcheng Investment. Hence, Mr. Li Dalong is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment. By virtue of the SFO, Mr. Li Dalong is deemed to be interested in the shares of the Company held by his spouse, Ms. Fei Fan.

\* for identification purposes only

## (ii) Interest in Shares of Associated Corporation of the Company

Name of Director	Name of Associated Corporation	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding Interest
Mr. Chan Cheuk Hung	Agile Group Holdings Limited	Beneficiary of a trust	2,453,096,250 (L)	52.19%
Mr. Huang Fengchao	Agile Group Holdings Limited	Beneficial owner	1,400,000 (L)	0.03%
Ms. Yue Yuan	Agile Group Holdings Limited	Beneficial owner	42,000 (L)	0.00%

Note: The letter “L” denotes the person’s long position in the shares.

Save as disclosed above, as of 30 June 2023, neither any of the Directors, the Supervisors nor the chief executives had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Securities Dealing Codes.

### Substantial Shareholders' Interests and Short Positions in Shares or Underlying Shares of the Company

So far as known to any Director or chief executives of the Company, as of 30 June 2023, the persons (other than Directors, Supervisors or chief executives of the Company) or corporations who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares <sup>(1)</sup>	Approximate Percentage of the Company's Issued Share Capital
Zhongshan A-Living Enterprises Management Services Co., Ltd.* (中山雅生活企業管理服務有限公司)	Beneficial owner	H shares	574,900,521 (L)	40.49%
			40,299,479 (S)	2.84%
Deluxe Star International Limited <sup>(2)</sup>	Interest of a controlled corporation	H shares	574,900,521 (L)	40.49%
			40,299,479 (S)	2.84%
Makel International (BVI) Limited <sup>(3)</sup>	Interest of a controlled corporation	H shares	7,200,000 (L)	0.50%
			582,100,521 (L)	40.99%
Genesis Global Development (BVI) Limited <sup>(4)</sup>	Interest of a controlled corporation	H shares	40,299,479 (S)	2.84%
			582,100,521 (L)	40.99%
Eastern Supreme Group Holdings Limited <sup>(5)</sup>	Interest of a controlled corporation	H shares	40,299,479 (S)	2.84%
			582,100,521 (L)	40.99%
Agile Group Holdings Limited <sup>(6)</sup>	Interest of a controlled corporation	H shares	91,556,229 (S)	6.45%
			582,100,521 (L)	40.99%
Full Choice Investments Limited <sup>(7)</sup>	Trustee of a trust	H shares	91,556,229 (S)	6.45%
			582,100,521 (L)	40.99%
Top Coast Investment Limited <sup>(8)</sup>	Interest of a controlled corporation	H shares	91,556,229 (S)	6.45%
			582,100,521 (L)	40.99%

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares <sup>(1)</sup>	Approximate Percentage of the Company's Issued Share Capital
Mr. Chen Zhuo Lin <sup>(9)</sup>	Beneficiary of a trust	H shares	582,100,521 (L)	40.99%
			91,556,229 (S)	6.45%
Mr. Chan Cheuk Yin <sup>(9)</sup>	Beneficiary of a trust	H shares	582,100,521 (L)	40.99%
			91,556,229 (S)	6.45%
Ms. Luk Sin Fong, Fion <sup>(9)</sup>	Beneficiary of a trust	H shares	582,100,521 (L)	40.99%
			91,556,229 (S)	6.45%
Mr. Chan Cheuk Hei <sup>(9)</sup>	Beneficiary of a trust	H shares	582,100,521 (L)	40.99%
			91,556,229 (S)	6.45%
Mr. Chan Cheuk Nam <sup>(9)</sup>	Beneficiary of a trust	H shares	582,100,521 (L)	40.99%
			91,556,229 (S)	6.45%
Ms. Zheng Huiqiong <sup>(10)</sup>	Spouse	H shares	582,100,521 (L)	40.99%
			91,556,229 (S)	6.45%
Ms. Lu Liqing <sup>(11)</sup>	Spouse	H shares	582,100,521 (L)	40.99%
			91,556,229 (S)	6.45%
Ms. Lu Yanping <sup>(12)</sup>	Spouse	H shares	582,100,521 (L)	40.99%
			91,556,229 (S)	6.45%
Ms. Chan Siu Na <sup>(13)</sup>	Spouse	H shares	582,100,521 (L)	40.99%
			91,556,229 (S)	6.45%
Lazard Asset Management LLC	Investment manager	H shares	84,042,250 (L)	5.92%
Mr. Liang Hong	Interest of a controlled corporation	H shares	99,534,250 (L)	7.01%
海南希瓦私募基金管理有限責任公司	Investment manager	H shares	85,744,750 (L)	6.04%

\* for identification purpose only

*Notes:*

- (1) The letters "L" denotes the person's/corporation's long position in the shares, while the letter "S" denotes the person's/corporation's short position in the shares.
- (2) Zhongshan A-Living Enterprises Management Services Co., Ltd.\* is wholly-owned by Deluxe Star International Limited and Deluxe Star International Limited is deemed under the SFO to be interested in the shares of the Company held by Zhongshan A-Living Enterprises Management Services Co., Ltd.\*.
- (3) Deluxe Star International Limited is wholly-owned by Makel International (BVI) Limited and Makel International (BVI) Limited is deemed under the SFO to be interested in the shares of the Company held by Deluxe Star International Limited.

- (4) Makel International (BVI) Limited is wholly-owned by Genesis Global Development (BVI) Limited and Genesis Global Development (BVI) Limited is deemed under the SFO to be interested in the shares of the Company held by Makel International (BVI) Limited.
- (5) Genesis Global Development (BVI) Limited is wholly-owned by Eastern Supreme Group Holdings Limited and Eastern Supreme Group Holdings Limited is deemed under the SFO to be interested in the shares of the Company held by Genesis Global Development (BVI) Limited.
- (6) Eastern Supreme Group Holdings Limited is wholly-owned by Agile Group Holdings Limited and Agile Group Holdings Limited is deemed under the SFO to be interested in the shares of the Company held by Eastern Supreme Group Holdings Limited.
- (7) Full Choice Investments Limited is the trustee of Chen's Family Trust, therefore, Full Choice Investments Limited is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.
- (8) Top Coast Investment Limited is the settlor of Chen's Family Trust, therefore, Top Coast Investment Limited is deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust.
- (9) Each of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam is the beneficiary of Chen's Family Trust, therefore, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are deemed under the SFO to be interested in the shares of the Company held by Chen's Family Trust. In addition, by virtue of the SFO, Ms. Luk Sin Fong, Fion is deemed to be interested in the shares of the Company held by her spouse, Mr. Chen Zhuo Lin.
- (10) By virtue of the SFO, Ms. Zheng Huiqiong is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Yin.
- (11) By virtue of the SFO, Ms. Lu Liqing is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Hung.
- (12) By virtue of the SFO, Ms. Lu Yanping is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Hei.
- (13) By virtue of the SFO, Ms. Chan Siu Na is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Nam.

Save as disclosed above, as of 30 June 2023, the Directors, the Supervisors and the chief executives of the Company are not aware of any other person or corporation having an interest or short position in the shares and underlying shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## Changes in Board Composition

1. Mr. Chen Siyang has been appointed as an executive Director since 21 July 2023.
2. Mr. Xu Yongping has been appointed as a non-executive Director since 21 July 2023.
3. Mr. Wei Xianzhong has retired as a non-executive Director with effect from 21 July 2023.
4. Ms. Yue Yuan has retired as a non-executive Director with effect from 21 July 2023.
5. Mr. Wang Gonghu has been appointed as an independent non-executive Director since 21 July 2023. He is also the chairman of the audit committee, a member of each of the remuneration and appraisal committee, the nomination committee and the risk management committee of the Board.
6. Mr. Wan Kam To has retired as an independent non-executive Director with effect from 21 July 2023.

## Changes in Information of Directors, Supervisors and Chief Executives of the Company

There has been no change in information of Directors, Supervisors and chief executives of the Company which is required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

## Interim Dividend

The Board proposed the distribution of an interim dividend of RMB0.025 per share (before tax) for the six months ended 30 June 2023 ("Interim Dividend"). The dividend payout ratio will be equivalent to approximately 4.2%, and the amount of which will be subject to the approval of the Shareholders at the forthcoming extraordinary general meeting of the Company (the "EGM"). Interim Dividend payable to the shareholders of domestic shares of the Company will be paid in Renminbi, whereas Interim Dividend payable to the shareholders of H Shares will be declared in Renminbi and paid in Hong Kong dollars (except for the holders of H Shares who became Shareholders through the Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets and the Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets, whose Interim Dividend will be paid in Renminbi), the exchange rate of which will be calculated based on the average exchange rate of RMB against Hong Kong dollars published by The People's Bank of China five business days prior to the EGM. Subject to the approval of the EGM, the Interim Dividend will be paid on or about Thursday, 18 January 2024.

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) which came into effect on 1 January 2008, and was amended on 24 February 2017 and 29 December 2018, the Provision for Implementation of Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) which took effect on 1 January 2008, and the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on 6 November 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from 1 January 2008 to non-resident enterprise shareholders, it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the Interim Dividend as enterprise income tax, distribute the Interim Dividend to non-resident enterprise shareholders whose names appear on the H Shares register of members of the Company, i.e. any shareholders who hold H Shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or shareholders of H Shares registered in the name of other organizations and groups. After receiving dividends, the non-resident enterprise shareholders may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such taxation treaties (arrangement). After the tax authorities have verified that there is no error, it shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant taxation treaties (arrangement).

In accordance with requirement of the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) which was promulgated by the Ministry of Finance and the State Administration of Taxation and came into effect on 13 May 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises. Therefore, as a foreign-invested enterprise, the Company will not withhold PRC individual income tax on behalf of overseas individual shareholders whose names appear on the H Shares register of members of the Company when the Company distributes the dividends.

### **Interim Dividend for Investors of Southbound Trading**

For investors (including enterprises and individuals) investing in the H Shares listed on the Hong Kong Stock Exchange through Shanghai Stock Exchange and Shenzhen Stock Exchange (collectively the "Southbound Trading"), the Company has entered into the Agreement on Distribution of Cash Dividends of H shares for Southbound Trading with China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited or the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the investors for Southbound Trading, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of Southbound Trading through its depository and clearing system. The cash dividends of the investors of Southbound Trading will be distributed in Renminbi.

According to the provisions of the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Interconnected Mechanism for Trading on the Shanghai and Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014] 81號)) and the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016] 127號)), the income tax implications on dividends and bonuses received by Mainland individual investors, Mainland securities investment funds and Mainland enterprise investors are as follows:

- (i) for Mainland individual investors, H share companies shall withhold the individual income tax for these investors at the tax rate of 20% on dividends and bonuses received by them from investing in H Shares listed on the Hong Kong Stock Exchange via Southbound Trading;
- (ii) for dividends and bonuses received by Mainland securities investment funds from investing in shares listed on the Hong Kong Stock Exchange via Southbound Trading, the individual income tax shall be levied in accordance with the above provisions; and
- (iii) for dividends and bonuses received by Mainland enterprise investors from investing in shares listed on the Hong Kong Stock Exchange via Southbound Trading, the income tax on the Mainland enterprises shall not be withheld by the H share companies. The tax payable shall be declared and paid by the enterprises.

For dividends and bonuses received by the Mainland resident enterprises after holding the H shares for 12 months continuously, the enterprise income tax will be exempted according to laws.

The record date and the date of distribution of cash dividends and other time arrangements for the investors of Southbound Trading will be the same as those for the shareholders of H Shares.

### **Closure of Register of Members for the Entitlement of Interim Dividend**

Upon obtaining approval of the Shareholders at the EGM, the Interim Dividend will be payable to the Shareholders whose names appear on the register of members of the Company as at the close of business on Tuesday, 19 December 2023. For the purpose of determining the entitlement of shareholders of H Shares to the Interim Dividend, the H Share register of members of the Company will be closed from Thursday, 14 December 2023 to Tuesday, 19 December 2023, both days inclusive, during which period no transfer of H Shares will be registered. In order for shareholders of H Shares to qualify for the proposed Interim Dividend, all properly completed share transfer forms together with the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 13 December 2023.

# Interim Condensed Consolidated Income Statement

	Notes	Six months ended 30 June	
		2023	2022
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
<b>Revenue</b>	5	<b>7,698,512</b>	7,619,866
Cost of sales	6	<b>(6,124,953)</b>	(5,567,238)
<b>Gross profit</b>		<b>1,573,559</b>	2,052,628
Selling and marketing expenses	6	<b>(52,728)</b>	(29,416)
Administrative expenses	6	<b>(383,170)</b>	(398,742)
Net impairment losses on financial assets		<b>(45,605)</b>	(274,514)
Other income	8	<b>99,753</b>	86,901
Other gains – net	9	<b>13,646</b>	197
<b>Operating profit</b>		<b>1,205,455</b>	1,437,054
Finance costs	10	<b>(11,593)</b>	(9,536)
Share of post-tax profits of joint ventures and associates	16	<b>11,243</b>	29,807
<b>Profit before income tax</b>		<b>1,205,105</b>	1,457,325
Income tax expenses	11	<b>(253,599)</b>	(307,830)
<b>Profit for the period</b>		<b>951,506</b>	1,149,495
<b>Profit attributable to:</b>			
– Shareholders of the Company		<b>838,952</b>	1,057,908
– Non-controlling interests		<b>112,554</b>	91,587
		<b>951,506</b>	1,149,495
<b>Earnings per share (expressed in RMB per share)</b>			
– Basic and diluted earnings per share	12	<b>0.59</b>	0.75

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

# Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Profit for the period</b>	<b>951,506</b>	1,149,495
<b>Other comprehensive income</b>		
Item that will not be reclassified to profit or loss		
– changes in fair value of financial assets at fair value through other comprehensive income, net of tax	–	(2,338)
<b>Total comprehensive income for the period</b>	<b>951,506</b>	1,147,157
<b>Attributable to:</b>		
– Shareholders of the Company	<b>838,952</b>	1,056,505
– Non-controlling interests	<b>112,554</b>	90,652
	<b>951,506</b>	1,147,157

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

# Interim Condensed Consolidated Balance Sheet

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment ("PPE")	13	579,541	602,543
Right-of-use assets	13	92,837	51,716
Investment properties	14	273,220	252,796
Other intangible assets	15	1,267,887	1,372,249
Goodwill	15	3,314,901	3,314,901
Deferred income tax assets		267,034	258,961
Investments accounted for using the equity method	16	1,177,199	1,169,571
Prepayments	17	893,044	362,280
Financial assets at fair value through other comprehensive income ("FVOCI")	18	12,593	12,593
Financial assets at fair value through profit or loss ("FVPL")	18	3,238	3,238
		<b>7,881,494</b>	7,400,848
<b>Current assets</b>			
Trade and other receivables and prepayments	17	9,935,529	10,353,331
Inventories		50,331	46,968
Financial assets at fair value through profit or loss	18	1,999,905	1,043,514
Restricted cash		42,987	57,791
Cash and cash equivalents		3,759,711	3,799,262
		<b>15,788,463</b>	15,300,866
<b>Total assets</b>		<b>23,669,957</b>	22,701,714
<b>Equity</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital	19	1,420,001	1,420,001
Other reserves	20	5,626,972	5,687,588
Retained earnings		6,178,717	5,356,798
		<b>13,225,690</b>	12,464,387
<b>Non-controlling interests</b>		<b>1,625,815</b>	1,660,207
<b>Total equity</b>		<b>14,851,505</b>	14,124,594

## Interim Condensed Consolidated Balance Sheet (continued)

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other payables	22	82	6,672
Contract liabilities		54,490	19,727
Borrowings	21	71,629	11,749
Lease liabilities		52,331	25,298
Deferred income tax liabilities		337,040	325,539
		<b>515,572</b>	388,985
<b>Current liabilities</b>			
Trade and other payables	22	6,231,099	6,022,128
Contract liabilities		1,520,426	1,340,277
Current income tax liabilities		435,540	561,434
Borrowings	21	76,085	93,071
Lease liabilities		39,730	26,892
Financial liabilities for put options	18	–	144,333
		<b>8,302,880</b>	8,188,135
<b>Total liabilities</b>		<b>8,818,452</b>	8,577,120
<b>Total equity and liabilities</b>		<b>23,669,957</b>	22,701,714

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

The condensed consolidated financial statements on pages 36 to 70 were approved by the Board of Directors on 28 August 2023 and were signed on its behalf.

**Chan Cheuk Hung**  
*Director*

**Huang Fengchao**  
*Director*

# Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company					Non-controlling interests	Total equity
	Notes	Share capital	Other reserves	Retained earnings	Sub-total		
		RMB'000 (Note 19)	RMB'000 (Note 20)	RMB'000	RMB'000		
<b>Balance at 1 January 2023</b>		<b>1,420,001</b>	<b>5,687,588</b>	<b>5,356,798</b>	<b>12,464,387</b>	<b>1,660,207</b>	<b>14,124,594</b>
<i>Comprehensive income:</i>							
Profit for the period		-	-	838,952	838,952	112,554	951,506
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>838,952</b>	<b>838,952</b>	<b>112,554</b>	<b>951,506</b>
<i>Transactions with shareholders of the Company:</i>							
Dividends to non-controlling interests		-	-	-	-	(88,620)	(88,620)
Capital injections from the non-controlling interests		-	-	-	-	13,803	13,803
Appropriation of statutory reserves	20(i)	-	17,033	(17,033)	-	-	-
Other transaction with NCI	20(ii)	-	(77,649)	-	(77,649)	(72,129)	(149,778)
		-	(60,616)	(17,033)	(77,649)	(146,946)	(224,595)
<b>Balance at 30 June 2023 (Unaudited)</b>		<b>1,420,001</b>	<b>5,626,972</b>	<b>6,178,717</b>	<b>13,225,690</b>	<b>1,625,815</b>	<b>14,851,505</b>
<b>Balance at 1 January 2022</b>		<b>1,420,001</b>	<b>5,614,759</b>	<b>4,156,348</b>	<b>11,191,108</b>	<b>1,719,820</b>	<b>12,910,928</b>
<i>Comprehensive income:</i>							
Profit for the period		-	-	1,057,908	1,057,908	91,587	1,149,495
Other comprehensive income, net of tax		-	(1,403)	-	(1,403)	(935)	(2,338)
Total comprehensive income		-	(1,403)	1,057,908	1,056,505	90,652	1,147,157
<i>Transactions with shareholders of the Company:</i>							
Dividends to shareholders of the Company		-	-	(582,200)	(582,200)	-	(582,200)
Dividends to non-controlling interests		-	-	-	-	(65,725)	(65,725)
Acquisitions of subsidiaries		-	-	-	-	2,115	2,115
Capital injections from the non-controlling interests		-	-	-	-	5,349	5,349
Appropriation of statutory reserves	20(i)	-	22,002	(22,002)	-	-	-
		-	22,002	(604,202)	(582,200)	(58,261)	(640,461)
<b>Balance at 30 June 2022 (Unaudited)</b>		<b>1,420,001</b>	<b>5,635,358</b>	<b>4,610,054</b>	<b>11,665,413</b>	<b>1,752,211</b>	<b>13,417,624</b>

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

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations		546,308	(951,140)
Income tax paid		(376,065)	(480,487)
<b>Net cash generated from/(used in) operating activities</b>		<b>170,243</b>	<b>(1,431,627)</b>
<b>Cash flows from investing activities</b>			
Purchases of PPE		(50,182)	(91,204)
Proceeds from disposal of PPE		8,219	7,239
Purchases of investment properties		–	(5,000)
Purchases of intangible assets	15	(530)	(50)
Proceeds from disposal of other intangible assets		1,413	–
Investments in joint ventures and associates	16	(102)	(225)
Loans to related parties		(27,523)	–
Loan repayments from related parties		–	59,638
Loans to third parties		(2,053,500)	(2,860,800)
Loan repayments from third parties		2,004,500	3,156,000
Interest received		12,244	11,141
Purchases of other financial assets at FVPL		(943,000)	(2,577,502)
Proceeds from disposal of financial assets at FVPL		968,433	1,110,338
Acquisition of subsidiaries (net of cash and cash equivalents acquired)		–	36,787
Acquisition of additional interest in a subsidiary		(17,191)	–
Disposals of subsidiaries		–	(1,000,115)
Payments of the deposits for potential acquisition		(6,439)	(644,000)
Repayments of the deposits for potential acquisition		100,000	674,915
Dividends received		3,717	–
Cash advances to related parties		–	(15,336)
Changes in restricted bank deposits		14,804	3,300,200
<b>Net cash generated from investing activities</b>		<b>14,863</b>	<b>1,162,026</b>
<b>Cash flows from financing activities</b>			
Capital injections from non-controlling interests		13,803	5,349
Proceeds from borrowings		118,194	61,103
Repayments of borrowings		(75,300)	(58,468)
Cash advances from related parties		–	46,968
Cash advances from a third party		5,773	6,447
Repayments of cash advances to a third party		(4,298)	(6,856)
Lease payments		(23,709)	(24,276)
Interest paid		(9,486)	(2,558)
Other transaction with NCI		(148,105)	(93,173)
Dividends paid to non-controlling interests		(101,631)	(62,101)
<b>Net cash used in financing activities</b>		<b>(224,759)</b>	<b>(127,565)</b>
<b>Net decrease in cash and cash equivalents</b>			
Net cash and cash equivalents at beginning of the period		3,799,262	4,390,545
Effect of exchange rate changes on cash and cash equivalents		102	3,508
<b>Cash and cash equivalents at end of the period</b>		<b>3,759,711</b>	<b>3,996,887</b>

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

# Notes to the Interim Financial Information

## 1. General information

A-Living Smart City Services Co., Ltd. (the “Company”) was established in the People’s Republic of China (the “PRC”) on 26 June 1997. On 21 July 2017, the Company was converted from a limited liability company into a joint stock company with limited liability. The address of the Company’s registered office is Management Building, Xingye Road, Agile Garden, Sanxiang Town, Zhongshan, Guangdong Province, the PRC.

The Company was listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 9 February 2018.

The Company’s parent company is Zhongshan A-Living Enterprise Management Services Co., Ltd. (“Zhongshan A-Living”), an investment holding company established in the PRC, and its ultimate holding company is Agile Group Holdings Limited (“Agile Holdings”), a company incorporated in the Cayman Islands and its shares are listed on the Hong Kong Stock Exchange.

The Company and its subsidiaries (together the “Group”) are primarily engaged in the provision of property management services, related value-added services and city sanitation and cleaning services in the PRC.

These condensed consolidated financial statements are presented in Renminbi, unless otherwise stated.

The condensed consolidated financial statements have not been audited.

## 2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2023 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

The Interim Financial Information does not include all the notes of the type normally included in an annual financial report. Accordingly, the Interim Financial Information is to be read in conjunction with the annual report of the Group for the year ended 31 December 2022 and any public announcements made by the Company during the interim reporting period.

### 3. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax (see Note 3(a)) and the adoption of new and amended standards as set out below.

#### (a) Income taxes

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

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

A number of new or amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

#### (c) New and amendments to existing standards have been issued but are not effective for the financial year beginning on 1 January 2023 and have not been early adopted by the Group:

		<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5	1 January 2024
Amendments to HKAS 1	Non-current liabilities with Covenants	1 January 2024
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards and amendments. The adoption of these new and amended standards is not expected to have a material impact to the results or financial position of the Group.

#### 4. 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 segments, has been identified as the executive directors of the Company.

During the six months ended 30 June 2023 and 2022, the Group was principally engaged in the provision of (i) property management services; (ii) related value-added services, including pre-delivery services, household assistance services, property agency services and other services; and (iii) city sanitation and cleaning services in the PRC.

All the acquired subsidiaries were principally engaged in the provision of property management services and city sanitation and cleaning services and related value-added services. After acquisition, the management integrated the acquired business with the original business. Management reviews the operating results of the integrated business as a single reporting segment to make decisions about resources to be allocated, as the nature of services, the type of customers for services, the method used to provide their services and the nature of regulatory environment is same in different regions.

For the six months ended 30 June 2023 and 2022, all the operating segments are domiciled in the PRC and all the revenues are derived in the PRC.

As at 30 June 2023 and 31 December 2022, the non-current assets of the Group were located in the PRC.

#### 5. Revenue

Revenue mainly comprises proceeds from property management services, related value-added services and city sanitation and cleaning services. An analysis of the Group’s revenue by category for the six months ended 30 June 2023 and 2022 was as follows:

	Timing of revenue recognition	Six months ended 30 June	
		2023 RMB’000 (Unaudited)	2022 RMB’000 (Unaudited)
Property management services	over time	5,267,285	4,904,086
Value-added services related to property management			
– Other value-added services	over time	1,374,416	1,885,969
– Sales of goods	at a point in time	382,948	188,146
City sanitation and cleaning services	over time	673,863	641,665
		<b>7,698,512</b>	7,619,866

## 6. Expenses by nature

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Employee benefit expenses (note 7)	3,060,042	2,849,956
Cleaning expenses	823,273	846,453
Security charges	797,006	682,941
Maintenance costs	300,987	286,166
Utilities	256,584	237,009
Cost of consumables	210,234	209,524
Depreciation and amortisation charges	188,527	175,898
Cost of goods sold	341,290	152,745
Greening and gardening expenses	156,279	137,661
Travelling and entertainment expenses	47,985	57,972
Consulting fees	26,123	47,060
Transportation expenses and customer service charges	45,151	43,238
Office expenses	36,917	31,604
Taxes and other levies	33,098	33,483
Rental expenses related to short-term and low-value leases	42,426	37,659
Advertising expenses	21,023	23,362
Catering outsourcing fee	12,394	13,462
Others	161,512	129,203
	<b>6,560,851</b>	5,995,396

## 7. Employee benefit expenses

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages and salaries and bonus	2,501,316	2,331,207
Contribution to pension scheme (note)	285,153	245,963
Housing benefits	58,673	59,482
Other employee benefits	214,900	213,304
Total (including emoluments of directors and supervisors)	3,060,042	2,849,956

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

The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

## 8. Other income

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income		
– from deposits and loans to third parties	65,381	23,587
– from loans to related parties	384	3,848
Government grants (note (i))	20,333	31,663
Tax incentives (note (ii))	12,923	24,201
Late payment charges	38	1,690
Rental income	351	692
Miscellaneous	343	1,220
	99,753	86,901

Notes:

- (i) Government grants consisted mainly of financial subsidies granted by the local governments. There are no unfulfilled conditions attached to the government grants recognised during the six months ended 30 June 2023.
- (ii) Tax incentives mainly included additional deduction of input value-added tax in relation to the community services provided by the Company and its certain subsidiaries.

## 9. Other gains – net

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net fair value gains on financial assets at FVPL	14,891	17,843
Gains on disposal on financial assets at FVPL	2,933	–
Losses from disposal of subsidiaries	–	(1,301)
Exchange gains/(losses)	102	(2,484)
Fair value losses on financial liabilities for put options (note 18(b))	–	(31,086)
Fair value (losses)/gains on investment properties (note 14)	(6,036)	15,764
(Losses)/Gains on disposal of PPE	(582)	1,058
Dividend income	921	–
Miscellaneous	1,417	403
	13,646	197

## 10. Finance costs

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expenses of borrowings	9,486	2,558
Unwinding of discount on financial liabilities for put options (note 18(b))	313	5,298
Interest expenses of long-term payables	–	256
Interest and finance charges paid/payable for lease liabilities	1,794	1,424
	11,593	9,536

## 11. Income tax expenses

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax		
– PRC corporate income tax	250,171	409,661
Deferred income tax		
– PRC corporate income tax	3,428	(101,831)
	253,599	307,830

## 11. Income tax expenses (Continued)

### PRC corporate income tax

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

The corporate income tax rate applicable to the group entities located in Mainland China is 25% (six months ended 30 June 2022: 25%) according to the Corporate Income Tax Law of the PRC.

In 2020, Guangzhou Yatian Network Technology Co., Ltd. (“Guangzhou Yatian”) obtained the Certificate of High and New Technology Enterprise with valid period from 2020 to 2022. In April 2021, the Company obtained the Certificate of High and New Technology Enterprise before annual tax filing of 2020 with valid period from 2020 to 2022. According to the Corporate Income Tax Law of the PRC, corporations which obtain the Certificate of High and New Technology Enterprise are entitled to enjoy additional tax deduction for research and development costs and a preferential corporate income tax rate of 15%. As of the date of the issuance of these interim condensed consolidated financial statements, the renewal of the accreditation is in process and management of the Group expects the renewal will be completed before 31 December 2023. As such, the estimated corporate income tax rate of the Company and Guangzhou Yatian for the six months ended 30 June 2023 is 15%.

Certain subsidiaries of the Group in the PRC are located in western cities and subject to a preferential income tax rate of 15% for certain years. Certain of the Group’s subsidiaries enjoy the preferential income tax treatment for Small and Micro Enterprise with the income tax rate of 20% and are eligible to have their tax calculated based 25% (six months ended 30 June 2022: 25%) of their taxable income. Certain subsidiaries of the Group in the PRC are located in Hainan Free Trade Port and subject to a preferential income tax rate of 15% for certain years (six months ended 30 June 2022: 15%).

### Hong Kong income tax

No Hong Kong profits tax was applicable to the Group for the six months ended 30 June 2023 and 2022. There were three subsidiaries incorporated in Hong Kong. No Hong Kong profits tax was provided for those three Hong Kong subsidiaries as there was no estimated taxable profits that was subject to Hong Kong profits tax during six months ended 30 June 2023 and 2022.

## 12. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2023 and 2022.

The Company did not have any potential ordinary shares outstanding during the six months ended 30 June 2023 and 2022. Diluted earnings per share was equal to basic earnings per share.

	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Profit attributable to shareholders of the Company (RMB'000)	838,952	1,057,908
Weighted average number of ordinary shares in issue (in thousands)	1,420,001	1,420,001
Basic earnings per share for profit attributable to the shareholders of the Company during the period (expressed in RMB per share)	0.59	0.75

### 13. Property, plant and equipment and right-of-use assets

	Buildings RMB'000	Transportation equipment RMB'000	Office equipment RMB'000	Machinery RMB'000	Subtotal RMB'000	Right-of-use assets RMB'000	Total RMB'000
<b>As at 1 January 2023</b>							
Cost	165,578	180,700	59,875	413,847	820,000	147,666	967,666
Accumulated depreciation	(34,165)	(48,990)	(28,813)	(105,489)	(217,457)	(95,950)	(313,407)
<b>Net book amount</b>	<b>131,413</b>	<b>131,710</b>	<b>31,062</b>	<b>308,358</b>	<b>602,543</b>	<b>51,716</b>	<b>654,259</b>
<b>Six months ended 30 June 2023 (Unaudited)</b>							
Opening net book amount	131,413	131,710	31,062	308,358	602,543	51,716	654,259
Additions	295	5,098	7,308	37,481	50,182	61,786	111,968
Disposals	-	(6,436)	(377)	(1,988)	(8,801)	-	(8,801)
Depreciation charge	(2,174)	(18,563)	(8,205)	(35,441)	(64,383)	(20,665)	(85,048)
<b>Closing net book amount</b>	<b>129,534</b>	<b>111,809</b>	<b>29,788</b>	<b>308,410</b>	<b>579,541</b>	<b>92,837</b>	<b>672,378</b>
<b>As at 30 June 2023 (Unaudited)</b>							
Cost	162,890	175,431	63,424	443,540	845,285	158,594	1,003,879
Accumulated depreciation	(33,356)	(63,622)	(33,636)	(135,130)	(265,744)	(65,757)	(331,501)
<b>Net book amount</b>	<b>129,534</b>	<b>111,809</b>	<b>29,788</b>	<b>308,410</b>	<b>579,541</b>	<b>92,837</b>	<b>672,378</b>
<b>As at 1 January 2022</b>							
Cost	163,887	121,582	42,353	303,724	631,546	157,479	789,025
Accumulated depreciation	(30,645)	(26,937)	(17,603)	(49,530)	(124,715)	(83,611)	(208,326)
<b>Net book amount</b>	<b>133,242</b>	<b>94,645</b>	<b>24,750</b>	<b>254,194</b>	<b>506,831</b>	<b>73,868</b>	<b>580,699</b>
<b>Six months ended 30 June 2022 (Unaudited)</b>							
Opening net book amount	133,242	94,645	24,750	254,194	506,831	73,868	580,699
Additions	2,982	15,517	2,606	70,099	91,204	2,109	93,313
Acquisition of subsidiaries	-	2,153	729	518	3,400	-	3,400
Disposals	(2,913)	(2,421)	(163)	(684)	(6,181)	-	(6,181)
Depreciation charge	(4,760)	(14,358)	(3,797)	(22,835)	(45,750)	(22,557)	(68,307)
<b>Closing net book amount</b>	<b>128,551</b>	<b>95,536</b>	<b>24,125</b>	<b>301,292</b>	<b>549,504</b>	<b>53,420</b>	<b>602,924</b>
<b>As at 30 June 2022 (Unaudited)</b>							
Cost	163,933	138,997	51,425	368,525	722,880	146,886	869,766
Accumulated depreciation	(35,382)	(43,461)	(27,300)	(67,233)	(173,376)	(93,466)	(266,842)
<b>Net book amount</b>	<b>128,551</b>	<b>95,536</b>	<b>24,125</b>	<b>301,292</b>	<b>549,504</b>	<b>53,420</b>	<b>602,924</b>

As at 30 June 2023, certain self-used PPE with net book value of RMB46,731,000 (31 December 2022: RMB90,706,000) were pledged as collateral for the Group's borrowings (note 21).

## 14. Investment properties

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Commercial properties:</b>		
<b>At beginning of the period</b>	<b>252,796</b>	88,916
Additions	26,460	156,292
Revaluation (losses)/gains recognised in profit and loss (note 9)	(6,036)	15,764
Disposals	–	(7,407)
<b>At end of the period</b>	<b>273,220</b>	253,565

Notes:

- (i) Amounts recognised in the condensed consolidated income statement for investment properties:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Rental income (note 8)	351	692

- (ii) As at 30 June 2023, no investment properties (31 December 2022: nil) were pledged as collateral for the Group's borrowings.
- (iii) As at 30 June 2023, the Group had no unprovided contractual obligations for future repairs and maintenance (31 December 2022: nil).
- (iv) **Fair value hierarchy**  
As at 30 June 2023, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuation were arrived at by reference to certain significant unobservable inputs. There were no transfers between level 1, 2 and 3 during the period (31 December 2022: nil).

## 14. Investment properties (Continued)

### (v) Valuation processes and techniques

The Group measures its investment properties at fair value. The investment properties were valued by the management as at 30 June 2023. Methods and key assumptions in determining the fair value of the investment properties as at respective dates are disclosed as follows:

Fair value measurements used significant unobservable inputs (level 3).

Fair values of investment properties are evaluated by using direct comparison approach, which is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

The main level 3 input used by the Group is market price.

### (vi) Valuation inputs and relationships to fair value

Description	Fair value as at 30 June 2023 RMB'000	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Office buildings	273,220	Market price (RMB/square meter)	15,000-54,000	The higher the market price, the higher the fair value

## 15. Other intangible assets and goodwill

	Computer software RMB'000	Trademarks RMB'000	Customer relationship and backlogs RMB'000	Subtotal RMB'000	Goodwill RMB'000	Total RMB'000
<b>As at 1 January 2023</b>						
Cost	52,026	63,342	1,824,143	1,939,511	3,314,901	5,254,412
Accumulated amortisation	(22,220)	(26,153)	(518,889)	(567,262)	-	(567,262)
<b>Net book amount</b>	<b>29,806</b>	<b>37,189</b>	<b>1,305,254</b>	<b>1,372,249</b>	<b>3,314,901</b>	<b>4,687,150</b>
<b>Six months ended 30 June 2023 (Unaudited)</b>						
Opening net book amount	29,806	37,189	1,305,254	1,372,249	3,314,901	4,687,150
Additions	530	-	-	530	-	530
Disposals	(1,413)	-	-	(1,413)	-	(1,413)
Amortisation charges	(2,571)	(1,685)	(99,223)	(103,479)	-	(103,479)
<b>Closing net book amount</b>	<b>26,352</b>	<b>35,504</b>	<b>1,206,031</b>	<b>1,267,887</b>	<b>3,314,901</b>	<b>4,582,788</b>
<b>As at 30 June 2023 (Unaudited)</b>						
Cost	50,050	63,342	1,824,143	1,937,535	3,314,901	5,252,436
Accumulated amortisation	(23,698)	(27,838)	(618,112)	(669,648)	-	(669,648)
<b>Net book amount</b>	<b>26,352</b>	<b>35,504</b>	<b>1,206,031</b>	<b>1,267,887</b>	<b>3,314,901</b>	<b>4,582,788</b>
<b>As at 1 January 2022</b>						
Cost	49,694	63,342	1,592,110	1,705,146	3,123,231	4,828,377
Accumulated amortisation	(17,657)	(20,984)	(315,844)	(354,485)	-	(354,485)
<b>Net book amount</b>	<b>32,037</b>	<b>42,358</b>	<b>1,276,266</b>	<b>1,350,661</b>	<b>3,123,231</b>	<b>4,473,892</b>
<b>Six months ended 30 June 2022 (Unaudited)</b>						
Opening net book amount	32,037	42,358	1,276,266	1,350,661	3,123,231	4,473,892
Additions	50	-	-	50	-	50
Disposals	(32)	-	-	(32)	-	(32)
Acquisition of subsidiaries	-	-	232,033	232,033	191,670	423,703
Amortisation charges	(2,743)	(3,485)	(101,363)	(107,591)	-	(107,591)
<b>Closing net book amount</b>	<b>29,312</b>	<b>38,873</b>	<b>1,406,936</b>	<b>1,475,121</b>	<b>3,314,901</b>	<b>4,790,022</b>
<b>As at 30 June 2022 (Unaudited)</b>						
Cost	48,348	63,342	1,824,143	1,935,833	3,314,901	5,250,734
Accumulated amortisation	(19,036)	(24,469)	(417,207)	(460,712)	-	(460,712)
<b>Net book amount</b>	<b>29,312</b>	<b>38,873</b>	<b>1,406,936</b>	<b>1,475,121</b>	<b>3,314,901</b>	<b>4,790,022</b>

As the result of management assessment, no impairment provision on goodwill was recognised as at 30 June 2023 (31 December 2022: nil).

## 16. Investments accounted for using the equity method

In the opinion of the directors, there is no associate and joint venture individually material to the Group.

The carrying amount of equity-accounted investments has changed as follows in the six months ended 30 June 2023 and 2022:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>At beginning of the period</b>	<b>1,169,571</b>	1,111,141
Additions	102	225
Share of post-tax profits of joint ventures and associates	11,243	29,807
Dividends declared	(3,717)	(1,000)
Disposals	–	(3,147)
<b>At end of the period</b>	<b>1,177,199</b>	1,137,026

## 17. Trade and other receivables and prepayments

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Trade receivables (note (i))		
– Related parties (note 24(d))	<b>3,472,909</b>	3,424,242
– Third parties	<b>4,144,611</b>	3,505,099
	<b>7,617,520</b>	6,929,341
Less: allowance for impairment of trade receivables	<b>(819,233)</b>	(776,135)
	<b>6,798,287</b>	6,153,206
Other receivables		
– Related parties (note (iii) and 24(d))	<b>863,085</b>	896,161
– Third parties (note (iv))	<b>2,000,017</b>	2,989,207
	<b>2,863,102</b>	3,885,368
Less: allowance for impairment of other receivables	<b>(66,535)</b>	(65,703)
	<b>2,796,567</b>	3,819,665
Prepayments		
– Related parties (note 24(d))	<b>840,056</b>	300,125
– Third parties	<b>393,663</b>	442,615
	<b>1,233,719</b>	742,740
Subtotal	<b>10,828,573</b>	10,715,611
Less: non-current portion of prepayments	<b>(893,044)</b>	(362,280)
	<b>9,935,529</b>	10,353,331

## 17. Trade and other receivables and prepayments (Continued)

Notes:

- (i) Trade receivables mainly represented the receivables of outstanding property management service fee and the receivables of value-added service income and city sanitation and cleaning service income.

Property management services income, value-added service income and city sanitation and cleaning service income are received in accordance with the terms of the relevant services agreements, and due for payment upon the issuance of demand note.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

As at 30 June 2023 and 31 December 2022, the aging analysis of the trade receivables based on invoice date were as follows:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Up to 1 year	<b>6,144,671</b>	5,578,486
1 to 2 years	<b>875,630</b>	855,678
2 to 3 years	<b>277,300</b>	247,669
Over 3 years	<b>319,919</b>	247,508
	<b>7,617,520</b>	6,929,341

- (ii) Trade receivables of RMB54,480,000 (31 December 2022: RMB10,000,000) were pledged as collateral for a subsidiary's borrowings. The associated secured borrowings amounted to RMB4,028,000 (31 December 2022: RMB7,092,000) (Note 21).
- (iii) Included in receivables due from related parties as at 30 June 2023, there were (i) deposit of RMB700,000,000 (31 December 2022: RMB700,000,000) paid to Agile Holdings for the parking space leasing and sales agency service which is secured by certain car-parking space of Agile Holdings; (ii) interest-bearing advances to related parties of RMB43,640,000 (31 December 2022: RMB16,117,000), which are unsecured, interest bearing ranging from 0% to 5.0% (31 December 2022: 1.0% to 5.6%) per annum and are repayable within one year or on demand; and (iii) rental deposits which are repayable upon maturity of rental period according to the respective contracts.
- (iv) Other receivables mainly comprised of deposits, advances to third parties, and payments on behalf of residents, included advances to third parties amounting to RMB1,001,000,000 (31 December 2022: RMB1,052,000,000) as at 30 June 2023, with RMB946,000,000 (31 December 2022: RMB870,000,000) bearing interest from 2% to 7% per annum (31 December 2022: 2% to 8% per annum) to be repaid within one year, and the remainder of RMB55,000,000 (31 December 2022: RMB182,000,000) being unsecured, interest-free and repayable on demand.
- (v) As at 30 June 2023 and 31 December 2022, trade and other receivables were denominated in RMB and the fair values of trade and other receivables approximated their carrying amounts.

## 18. Fair value estimation

### (a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements at 30 June 2023	Level 1 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets</b>			
<b>Financial assets at FVPL</b>			
Wealth management products	–	8,000	8,000
Funds and trusts	–	1,990,681	1,990,681
Hong Kong listed equity securities	1,224	–	1,224
Contingent consideration	–	3,238	3,238
	1,224	2,001,919	2,003,143
<b>Financial assets at FVOCI</b>			
Unlisted equity securities	–	12,593	12,593
<b>Total financial assets</b>	<b>1,224</b>	<b>2,014,512</b>	<b>2,015,736</b>

Recurring fair value measurements at 31 December 2022	Level 1 RMB'000	Level 3 RMB'000	Total RMB'000
<b>Financial assets</b>			
<b>Financial assets at FVPL</b>			
Wealth management products	–	1,500	1,500
Funds and trusts	–	1,040,000	1,040,000
Hong Kong listed equity securities	2,014	–	2,014
Contingent consideration	–	3,238	3,238
	2,014	1,044,738	1,046,752
<b>Financial assets at FVOCI</b>			
Unlisted equity securities	–	12,593	12,593
<b>Total financial assets</b>	<b>2,014</b>	<b>1,057,331</b>	<b>1,059,345</b>

## 18. Fair value estimation (Continued)

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

The different levels have been defined as follows:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for some types of wealth management products, structural deposits, contingent consideration and put option liability.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the period. For transfers into and out of level 3 measurements see (b) below.

**18. Fair value estimation (Continued)**

- (b) The Group's financial assets and liabilities at fair values included unlisted equity securities, wealth management products, funds and trusts, contingent consideration and financial liabilities for put options, fair value of which are estimated based on unobservable inputs (level 3). The following table presents the changes in level 3 instruments for six months ended 30 June 2023 and 2022:

	<b>Financial assets at FVPL</b> RMB'000	<b>Financial assets at FVOCI</b> RMB'000	<b>Financial liabilities for put options</b> RMB'000	<b>Total</b> RMB'000
Opening balance as at 1 January 2023	<b>1,044,738</b>	<b>12,593</b>	<b>(144,333)</b>	<b>912,998</b>
Addition	<b>943,000</b>	-	-	<b>943,000</b>
Net fair value gains on FVPL	<b>15,681</b>	-	-	<b>15,681</b>
Finance costs (note 10)	-	-	<b>(313)</b>	<b>(313)</b>
Disposal	<b>(1,500)</b>	-	-	<b>(1,500)</b>
Transfer to other payables upon exercise	-	-	<b>144,646</b>	<b>144,646</b>
Closing balance as at 30 June 2023 (Unaudited)	<b>2,001,919</b>	<b>12,593</b>	-	<b>2,014,512</b>
Including unrealised gains recognised in profit attributable to balances held at 30 June 2023	<b>15,681</b>	-	-	<b>15,681</b>
Opening balance as at 1 January 2022	524,786	23,868	(107,358)	441,296
Addition	2,577,502	-	-	2,577,502
Net fair value gains/(losses) on FVPL	19,920	-	(31,086)	(11,166)
Finance costs (note 10)	-	-	(5,298)	(5,298)
Disposal	(1,110,338)	-	-	(1,110,338)
Losses recognised in other comprehensive income	-	(3,117)	-	(3,117)
Closing balance as at 30 June 2022 (Unaudited)	2,011,870	20,751	(143,742)	1,888,879
Including unrealised gains/(losses) recognised in profit attributable to balances held at 30 June 2022	14,031	2,845	(81,563)	(64,687)

## 18. Fair value estimation (Continued)

(c) Quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as follow:

Description	Fair value at 30 June 2023 RMB'000	Valuation techniques	Unobservable input	Range of inputs	Relationship of unobservable inputs to fair value
Wealth management products	8,000	Discounted cash flow	Expected interest rate per annum	3.16%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB25,000
Trusts	1,990,681	Discounted cash flow	Expected yield rate per annum	4.43%	A change in expected yield rate per annum +/- 10% results in a change in fair value by RMB1,569,000
Contingent consideration	3,238	Discounted cash flow	Expected net profit	RMB414,960,000	A change in expected net profit +/- 10% results in a decrease in fair value by RMB2,914,000
Unlisted equity securities	12,593	Guideline public companies method	Expected net profit	RMB10,487,000	A change in expected net profit +/- 10% results in a change in fair value by RMB756,000

## 19. Share capital

	Number of shares		Share Capital	
	30 June 2023	31 December 2022	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Issued and fully paid	1,420,000,800	1,420,000,800	1,420,001	1,420,001

## 20. Other reserves

	Share premium RMB'000	Statutory reserve RMB'000	Others RMB'000	Total RMB'000
<b>As at 1 January 2023</b>	<b>5,251,083</b>	<b>384,103</b>	<b>52,402</b>	<b>5,687,588</b>
Appropriation of statutory reserves (note (i))	–	17,033	–	17,033
Other transaction with NCI (note (ii))	(77,649)	–	–	(77,649)
<b>As at 30 June 2023 (Unaudited)</b>	<b>5,173,434</b>	<b>401,136</b>	<b>52,402</b>	<b>5,626,972</b>
<b>As at 1 January 2022</b>	5,270,220	327,152	17,387	5,614,759
Revaluation – gross	–	–	(1,871)	(1,871)
Deferred tax	–	–	468	468
Other comprehensive income	–	–	(1,403)	(1,403)
Appropriation of statutory reserves (note (i))	–	22,002	–	22,002
<b>As at 30 June 2022 (Unaudited)</b>	<b>5,270,220</b>	<b>349,154</b>	<b>15,984</b>	<b>5,635,358</b>

Notes:

(i) **PRC statutory reserves**

In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

(ii) **Other transaction with NCI**

During the six months ended 30 June 2023, the Group acquired additional equity interests of certain subsidiaries from the NCI at an aggregate consideration of RMB148,105,000. The difference of RMB77,612,000 between the carrying value of the non-controlling interests and the consideration paid was recorded as other reserve.

During the six months ended 30 June 2023, the Group disposed equity interests of certain subsidiaries from NCI at an aggregate consideration of RMB2,450,000. The difference of RMB37,000 between the carrying value of the non-controlling interests and the consideration paid was recorded as other reserve.

## 21. Borrowings

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
<b>Borrowings included in non-current liabilities:</b>		
Long-term bank borrowings – secured (note (i))	<b>8,898</b>	15,198
Long-term bank borrowings – unsecured (note (ii))	<b>71,268</b>	2,060
Long-term other borrowings – secured (note (i))	<b>17,217</b>	65
Long-term other borrowings – unsecured	<b>534</b>	–
	<b>97,917</b>	17,323
Less: current portion of non-current borrowings	<b>(26,288)</b>	(5,574)
	<b>71,629</b>	11,749
<b>Borrowings included in current liabilities:</b>		
Short-term bank borrowings – secured (Note (iii))	<b>4,028</b>	51,240
Short-term bank borrowings – unsecured (Note (iv))	<b>45,769</b>	–
Short-term other borrowings – unsecured	<b>–</b>	36,257
	<b>49,797</b>	87,497
Current portion of non-current borrowings	<b>26,288</b>	5,574
	<b>76,085</b>	93,071
	<b>147,714</b>	104,820

Notes:

- (i) **Secured long-term bank and other borrowings**  
The secured long-term bank and other borrowings amounting to RMB26,115,000 as at 30 June 2023 were bearing with fixed interest rates of 3.70%-5.70% per annum and secured by certain PPE of the Group (note 13).
- (ii) **Unsecured long-term bank borrowings**  
As at 30 June 2023, the unsecured long-term bank borrowings amounting to RMB71,268,000 were guaranteed by directors and controlling shareholder of a subsidiary.
- (iii) **Secured short term bank borrowings**  
The secured short-term bank borrowings amounting to RMB4,028,000 as at 30 June 2023 were secured by certain trade receivables owned by a subsidiary. The loans were bearing a fixed interest rate of 5.50% per annum.
- (iv) **Unsecured short term bank borrowings**  
As at 30 June 2023, certain unsecured short-term bank borrowings amounting to RMB10,000,000 were guaranteed by directors and controlling shareholder of a subsidiary.
- (v) All the borrowings were denominated in RMB as at 30 June 2023 and 31 December 2022.

## 22. Trade and other payables

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Trade payables (note)		
– Related parties (note 24(d))	76,411	76,942
– Third parties	2,522,449	2,588,139
	<b>2,598,860</b>	2,665,081
Other payables		
– Related parties (note 24(d))	141,448	252,927
– Third parties	2,217,372	1,820,781
	<b>2,358,820</b>	2,073,708
Dividends payables	89,835	117,126
Accrued payroll	1,029,110	1,010,843
Other taxes payables	154,556	162,042
Total trade and other payables	<b>6,231,181</b>	6,028,800
Less: non-current portion of other payables	(82)	(6,672)
Current portion of trade and other payables	<b>6,231,099</b>	6,022,128

Note: As at 30 June 2023 and 31 December 2022, the aging analysis of the trade payables (including amounts due to related parties in trade nature) based on invoice date were as follows:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Up to 1 year	2,364,869	2,492,235
1 to 2 years	179,276	120,633
2 to 3 years	34,009	29,424
Over 3 years	20,706	22,789
	<b>2,598,860</b>	2,665,081

As at 30 June 2023 and 31 December 2022, trade and other payables were all denominated in RMB and the fair values of trade and other payables approximated their carrying amounts.

## 23. Dividends

On 28 August 2023, the board of directors has resolved to declare an interim dividend of RMB0.025 per share (2022: nil), which is payable to shareholders whose names appear on the Company's register of members on 19 December 2023, and the amount of which will be subject to the approval of the shareholders at the forthcoming extraordinary general meeting of the Company. This interim dividend, amounting to RMB35,500,000 (2022: nil), has not been recognised as a liability in the interim condensed consolidated financial statements. It will be recognised in equity in the year ending 31 December 2023.

## 24. Related party transactions

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

Name	Relationship
Agile Holdings and its subsidiaries 雅居樂控股及其附屬公司	Ultimate holding company and its subsidiaries
Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	Founding shareholders of Agile Holdings
Zhongshan A-Living 中山雅生活	Controlling shareholder of the Company
Deluxe Star International Limited 旺紀國際有限公司	Intermediate holding company
Greenland Holdings and its subsidiaries 綠地控股及其附屬公司	A shareholder having significant influence on the Company and its subsidiaries
CMIG Futurelife Holding Group Co., Ltd. * ("CMIG") and its subsidiaries 中民未來控股集團有限公司（「中民」）及其附屬公司	Non-controlling shareholder with significant influence and its subsidiaries
Zhongshan Agile Changjiang Hotel Co., Ltd* 中山雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Zhongshan Changjiang Golf Course* 中山長江高爾夫球場	Controlled by the Founding Shareholders
Hainan Agile Lehan Hotel Management Co., Ltd* 海南雅居樂瀚海酒店管理有限公司	Controlled by the Founding Shareholders

## 24. Related party transactions (Continued)

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

Name	Relationship
Chengdu Xueling Enterprise Management Co., Ltd.* 成都雪瓚企業管理有限公司	Associate of Agile Holdings
Jinzhong Jintianheyi Property Development Co., Ltd.* 晉中錦添合意房地產開發有限公司	Associate of Agile Holdings
Sichuan Yacan Real Estate Development Co., Ltd.* 四川雅燦房地產開發有限公司	Associate of Agile Holdings
Foshan Changzhong Property Development Co., Ltd.* 佛山市昌重房地產開發有限公司	Associate of Agile Holdings
Foshan Sanshui Qingmei Real Estate Co., Ltd.* 佛山市三水區擎美房地產有限公司	Associate of Agile Holdings
Sichuan Yaheng Real Estate Development Co., Ltd.* 四川雅恒房地產開發有限公司	Associate of Agile Holdings
Fuzhou Shengquan Real Estate Development Co., Ltd.* 福州盛全房地產開發有限公司	Associate of Agile Holdings
Guangzhou Zhongjian Longyuetai Real Estate Co., Ltd.* 廣州中建瓏悅臺置業有限公司	Associate of Agile Holdings
Avic Meili urban and Rural Sanitation Group Co., Ltd.* 中航美麗城鄉環衛集團有限公司	Associate of the Group
Chongqing Weishi Property Management Co., Ltd.* 重慶衛士物業管理有限公司	Associate of the Group
Nanjing Haiyue Property Management Co., Ltd.* 南京海玥物業管理有限公司	Associate of the Group
Shanghai Zunrong Security Service Co., Ltd. 上海尊榮保安服務有限公司	Associate of the Group

## 24. Related party transactions (Continued)

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

Name	Relationship
Shenzhen Huilongcheng Property Management Co., Ltd* 深圳市匯龍城物業管理有限公司	Associate of the Group
Square Asset Management Limited.*	Associate of the Group
Tianjin Zhuosen Business Management Co., Ltd.* 天津卓森商業管理有限公司	Associate of the Group
Jianfa A-Living Urban Services Co., Ltd.* 建發雅生活（青島）智慧城市運營服務有限公司	Associate of the Group
Guangzhou Huibang Property Co., Ltd.* 廣州市暉邦置業有限公司	Joint venture of Greenland Holdings
Greenland Hangzhou Shuangta Property Co., Ltd.* 綠地控股集團杭州雙塔置業有限公司	Joint venture of Greenland Holdings
Guangzhou Greenland Baiyun Property Co., Ltd.* 廣州綠地白雲置業有限公司	Joint venture of Greenland Holdings
Huizhou Huiyang Agile Real Estate Development Co., Ltd* 惠州市惠陽雅居樂房地產開發有限公司	Joint venture of Agile Holdings
Beihai Yaguang Property Development Co., Ltd.* 北海雅廣房地產開發有限公司	Joint venture of Agile Holdings
Guangxi Fuya Investments Co., Ltd.* 廣西富雅投資有限公司	Joint venture of Agile Holdings
Henan Yafu Property Co., Ltd.* 河南雅福置業有限公司	Joint venture of Agile Holdings
Huizhou Bailuhu Tour Enterprise Development Co., Ltd.* 惠州白鷺湖旅遊實業開發有限公司	Joint venture of Agile Holdings
Weihai Yalan Investment Development Co., Ltd.* 威海雅藍投資開發有限公司	Joint venture of Agile Holdings

**24. Related party transactions (Continued)****(a) Name and relationship with related parties (Continued)**

<b>Name</b>	<b>Relationship</b>
Zhuhai Yahan Real Estate Development Co., Ltd.* 珠海市雅瀚房地產開發有限公司	Joint venture of Agile Holdings
Zhuhai Yahao Real Estate Development Co., Ltd.* 珠海市雅灝房地產開發有限公司	Joint venture of Agile Holdings
Kaifeng Fenghui Property Co., Ltd.* 開封豐輝置業有限公司	Joint venture of Agile Holdings
Yangzhou Yahao Business Management Co., Ltd.* 揚州雅昊商務管理有限公司	Joint venture of Agile Holdings
Jiangxi Jianda Investment Co., Ltd.* 江西建大投資有限公司	Joint venture of Agile Holdings
Guigang Shenghe Property Service Co., Ltd.* 貴港市盛和物業服務有限公司	Joint venture of the Group
Hangzhou Lvsong Property Services Co., Ltd.* 杭州綠宋物業服務有限公司	Joint venture of the Group
Qingdao Qinglv City Services Co., Ltd.* 青島青旅城市服務有限公司	Joint venture of the Group

The above table lists the principal related parties of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group.

\* 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.

## 24. Related party transactions (Continued)

### (b) Transactions with related parties

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Provision of services</b>		
Entities controlled by Agile Holdings	640,172	1,046,599
Greenland Holdings and entities controlled by Greenland Holdings	82,993	124,395
Joint ventures and associates of Agile Holdings	63,167	122,842
Joint ventures and associates of the Group	4,283	723
Entities controlled by the Founding Shareholders	301	267
Joint ventures of Greenland Holdings	864	123
	<b>791,780</b>	<b>1,294,949</b>
<b>Purchase of goods and services</b>		
Associates of the Group	48,271	9,131
Greenland Holdings and entities controlled by Greenland Holdings	5,066	2,357
Entities controlled by Agile Holdings	5,242	6,007
	<b>58,579</b>	<b>17,495</b>
<b>Interest income on loans due from related parties</b>		
Associates of the Group (note 8)	384	3,848
<b>Rental expenses related to short-term and low-value leases</b>		
Entities controlled by the Founding Shareholders	1,133	1,527
Entities controlled by Agile Holdings	688	1,880
A Founding Shareholder of Agile Holdings	–	223
	<b>1,821</b>	<b>3,630</b>
<b>Interest expense for lease liabilities</b>		
Entities controlled by Agile Holdings	48	91
A Founding Shareholder of Agile Holdings	8	–
	<b>56</b>	<b>91</b>
<b>Payments of lease liabilities</b>		
Entities controlled by Agile Holdings	520	589
A Founding Shareholder of Agile Holdings	220	–
	<b>740</b>	<b>589</b>

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

## 24. Related party transactions (Continued)

### (c) Key management compensation

Compensations for key management including emoluments of directors and supervisors during the period were as follows:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Salaries and other short-term employee benefits	2,085	4,812
Contribution to pension scheme	76	112
	<b>2,161</b>	4,924

### (d) Balances with related parties

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Due from related parties:</b>		
<b>Trade receivables</b>		
Entities controlled by Agile Holdings	2,641,825	2,403,254
Greenland Holdings and entities controlled by Greenland Holdings	328,836	551,768
Joint ventures and associates of Agile Holdings	486,088	455,060
Joint ventures and associates of the Group	13,855	7,343
CMIG and entities controlled by CMIG	–	3,932
Joint ventures of Greenland Holdings	2,305	2,885
	<b>3,472,909</b>	3,424,242
<b>Other receivables (note (i))</b>		
Joint ventures and associates of the Group	45,675	98,509
Entities controlled by Agile Holdings	755,168	726,147
Greenland Holdings and entities controlled by Greenland Holdings	49,798	56,053
Joint ventures and associates of Agile Holdings	8,971	13,337
Entities controlled by the Founding Shareholders	3,473	2,115
	<b>863,085</b>	896,161
<b>Prepayments</b>		
Greenland Holdings and entities controlled by Greenland Holdings (note (ii))	549,481	284,983
Joint ventures and associates of the Group	5,552	13,423
Entities controlled by Agile Holdings (note (ii))	284,597	–
Joint ventures and associates of Agile Holdings	426	1,719
	<b>840,056</b>	300,125
<b>Total receivables due from related parties</b>	<b>5,176,050</b>	4,620,528

## 24. Related party transactions (Continued)

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Due to related parties:</b>		
<b>Trade payables</b>		
Associates of the Group	38,653	55,056
Entities controlled by Agile Holdings	18,577	3,128
CMIG and entities controlled by CMIG	–	1,054
Entities controlled by the Founding Shareholders	1,179	–
Greenland Holdings and entities controlled by Greenland Holdings	17,870	17,704
Joint ventures and associates of Agile Holdings	132	–
	<b>76,411</b>	76,942
<b>Other payables</b>		
Entities controlled by Agile Holdings	107,181	114,903
Associates of the Group	6,565	125,210
Greenland Holdings and entities controlled by Greenland Holdings	26,520	9,098
Joint ventures of Agile Holdings	1,168	3,573
Entities controlled by the Founding Shareholders	14	–
A Founding Shareholder of Agile Holdings	–	143
	<b>141,448</b>	252,927
<b>Contract liabilities</b>		
Entities controlled by Agile Holdings	1,569	227
Greenland Holdings and entities controlled by Greenland Holdings	19,113	–
Entities controlled by the Founding Shareholders	5	–
	<b>20,687</b>	227
<b>Total payable due to related parties</b>	<b>238,546</b>	330,096

Notes:

- (i) Other receivables due from related parties are unsecured and repayable on demand, except for the rental deposits which are repayable upon maturity of rental period according to the respective contracts and the deposits paid for the parking space leasing and sales agency services framework agreement. Part of other receivables due from related parties are interest-bearing, see Note 24(e) below.
- (ii) The balances mainly represent underlying properties developed by Agile Holdings and Greenland Holdings which are expected to be used for settlement of payables due from the Group to third-party suppliers, sales or letting out the properties to third-parties.

**24. Related party transactions (Continued)****(e) Loans and interest receivables due from related parties**

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>As at beginning of the period</b>	<b>16,117</b>	197,243
Addition	<b>27,523</b>	–
Interest income (note 8)	<b>384</b>	3,848
Non-cash changes	–	(120,000)
Repayments from related parties	–	(64,974)
<b>As at end of the period</b>	<b>44,024</b>	16,117

Loans due from related parties bear an interest rate ranging from 0% to 5.0% per annum and are repayable in one year.