

JINMAO 金茂服务

金茂物業服務發展股份有限公司
Jinmao Property Services Co., Limited

(Incorporated in Hong Kong with limited liability)
(在香港註冊成立之有限公司)

Stock Code 股份代號 : 00816



以恒心 致恒长
Think Far Grow Further

中期報告 Interim Report 2023

以恒心 致恒长

Think Far Grow Further



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CORPORATE OVERVIEW

We are a fast-growing upscale property management and city operation service provider in China. According to China Index Academy, we are an industry-leading company in terms of multiple indicators in the three dimensions of scope of service, service standards and service fees. We were ranked the 15th among the “Top 100 Property Management Companies in China” (“中國物業服務百強企業”) by overall strength, and were recognised as a “Leading Enterprise in High-end Property Service in China” (“中國高端物業服務領先企業”) and a “Leading Enterprise in Smart City Services in China” (“中國智慧城市服務領先企業”). We were ranked first in terms of growth rate of listed property enterprise in 2023 (2023 中國上市物企增長速度第一名) and in terms of growth potential of listed property management companies in China in 2023 (中國物業服務上市公司成長潛力第一名), according to China Property Think Tank (中物智庫) and China Index Academy.





Our history can be traced back to 1993 when we were established as a subsidiary of Sinochem Group Co., Ltd (“**Sinochem Group**”) to provide property management services in Beijing, the PRC for properties developed by the predecessor of China Jinmao Holdings Group Limited (“**China Jinmao**”) and its subsidiaries (“**Jinmao Group**”). China Jinmao, our controlling shareholder, is a leading comprehensive property developer in China, and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”, stock code: 00817). Over the years, we provide a full spectrum of property management services to a broad range of properties, and we have established a nationwide business in China, with a strong focus on high-end properties in core cities. As of 30 June 2023, our total contracted gross floor area (the “**GFA**”) reached approximately 94.5 million sq.m., covering 75 cities across 23 provinces, municipalities and autonomous regions in China, and we managed 443 properties in China with a total GFA under management of approximately 71.0 million sq.m., including 276 residential communities and 167 non-residential properties.

Our property management services cover a wide range of property types, including residential communities, commercial and office properties primarily comprising office buildings and shopping malls, as well as public properties such as schools, government facilities and other public spaces. In addition to property management services, we also provide value-added services to non-property owners, including sales assistance services to property developers, consultancy, smart park, household repair and other value-added services. We also provide community value-added services mainly to property owners and residents of our managed properties to address their daily lifestyle needs, which mainly consist of platform services for interior decoration, community living services, community space operation services, and real estate brokerage services.



CORPORATE INFORMATION

Legal Name of the Company

Jinmao Property Services Co., Limited

Stock Code

00816

Date of Listing

10 March 2022

Principal Place of Business In the PRC

6F, YouAn International Tower
Unit 2, Xitieying Middle Ave
Fengtai
Beijing
the PRC

Registered Office

Rm 4702-03, 47/F
Office Tower Convention Plaza
1 Harbour Road, Wanchai
Hong Kong

Executive Directors

Mr. Xie Wei (*Chief Executive Officer*)
Ms. Zhou Liye

Non-executive Directors

Mr. Song Liuyi (*Chairman*)
Ms. Qiao Xiaojie
Mr. Gan Yong

Independent Non-executive Directors

Dr. Chen Jieping
Dr. Han Jian
Mr. Sincere Wong

Audit Committee

Dr. Chen Jieping (*Chairman*)
Mr. Sincere Wong
Ms. Qiao Xiaojie

Remuneration and Nomination Committee

Dr. Han Jian (*Chairman*)
Dr. Chen Jieping
Mr. Gan Yong

Strategy and ESG Committee

Mr. Song Liuyi (*Chairman*)
Mr. Xie Wei
Ms. Zhou Liye
Mr. Sincere Wong

Company Secretary

Ms. Ho Wing Tsz Wendy

Authorised Representatives

Ms. Zhou Liye
Ms. Ho Wing Tsz Wendy

Hong Kong Share Registrar and Transfer Office

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Shops 1712-1716, 17/F Hopewell Centre
183 Queen's Road East
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Auditor

Ernst & Young
Registered Public Interest Entity Auditor
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Quarry Bay
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Legal Adviser

Latham & Watkins LLP
18/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

Compliance Adviser

First Shanghai Capital Limited
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Principal Banks

DBS Bank Ltd., Hong Kong Branch
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FINANCIAL HIGHLIGHTS

Consolidated Results

For the six months ended 30 June

	2023	2022	Changes
	RMB'000	RMB'000	
Revenue	1,353,342	1,096,888	23.4%
Gross profit	357,355	356,036	0.4%
Gross profit margin (%)	26.4%	32.5%	-6.1 pts
Profit for the period	148,520	170,525	-12.9%
Net profit margin (%)	11.0%	15.5%	-4.5 pts
Profit attributable to owners of the parent	145,829	169,153	-13.8%
Basic and diluted earnings per share (RMB)	0.16	0.20	-20.0%

Consolidated Financial Position

	30 June 2023	31 December 2022	Changes
	RMB'000	RMB'000	
Total assets	3,491,255	3,003,528	16.2%
Total equity	1,369,967	1,360,226	0.7%
Equity attributable to owners of the parent	1,350,223	1,343,173	0.5%
Cash resources ¹	1,076,673	1,020,607	5.5%
Gearing ratio ²	–	–	–
Current ratio (times)	1.46	1.59	-8.7%

Note :

1. Including the restricted cash.
2. Interest-bearing borrowings (excluding lease liabilities) divided by total equity, multiplied by 100%.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the “**Directors**”) of the Company (the “**Board**”), I hereby present the business review for the first half of 2023 and future business outlook of Jinmao Property Services Co., Limited (“**Jinmao Services**” or the “**Company**” or “**our Company**”) and its subsidiaries (collectively referred to as the “**Group**”, “**our Group**” or “**we**”).

REVIEW OF THE FIRST HALF OF 2023

In the first half of 2023, government departments actively guided the development of the industry, mainly covering quality improvement, standard guidance, smart property, community operation, etc. At the same time, the real estate market remained sluggish, the growth rate of the industry scale was slowing down, and property companies were switching from high-speed growth to high-quality development and started to focus on the essence of service again. Moreover, after three years' pandemic, property enterprises have become an integral part of grassroots governance. The Ministry of Housing and Urban-Rural Development emphasised that property management is an important area for implementing the concept of “30% of construction and 70% of management in cities”, and more market opportunities related to urban service business are emerging. We adhere to the customer-centric approach, continuously improve service quality, innovate operation and management, and continue to build ourselves as a benchmark enterprise for high-end property management and urban operation services.

Adhering to the customer-centric principle, the Company continued to consolidate its quality-first market image. In the first half of 2023, Jinmao Service continuously optimised the quality control system, strengthened supervision over the implementation of project management requirements, and ensured the stability of service quality. In terms of customer experience, we enhanced our VOC customer voice collection path, key collection points such as customer experience officer, feedback after use and service improvement verification, which have played an important role in optimising our service design and accurately engaging our services. The Company established a cross-department and cross-business unit service product R&D mechanism to form a complete closed-loop service product R&D. The Company continued to carry out high-quality community operation activities, increased the depth and frequency of interaction between properties and customers in the aspects of living art, child growth, health and wellness and public welfare, etc, which effectively promoted the improvement of customer satisfaction and the development of our new business.

We stayed focus on our strategic objectives and strive for a quality growth. In the first half of 2023, Jinmao Services continued to strengthen the construction of market-oriented expansion capabilities, and deepened our development strategy of our city operation service, resulting in a further strengthening of our four types of business expansion. During the first half of the year, we obtained the landmark projects of several core cities, and the core development in our sector such as super high-rise office buildings, industrial parks, IFM service projects and high-end residences were further enriched, and the industrial resources of Sinochem Group accelerated the collaboration. We further improved the threshold of the project, adhered to the principle of “100% success rate for each of our project”, with both service quality and operating performance of our expansion projects were up to standard as scheduled, and the operational performance of merger and acquisition projects in 2022 exceeded the forecast of the investment model. We will continue to adhere to the principle of “quality growth” in the future, provide high-quality services to our customers consistently, and ensure our high-quality development.

The Company upheld the solid foundation of management and continued to improve the level of operation and management. In the first half of 2023, the Company initiated the construction of an excellent operating system, made great efforts to improve the rolling forecast and the possibility of success, strengthened the construction of cost control and operation scale system, improved the investment expansion, appraisals and incentives, management of supply chains and risk control management system, and continued to implement our digitalization, which empowered business operations to improve quality and efficiency. We have iteratively upgraded digital and information applications such as budget system, cost control system, financial hub platform, value-added service platform and customer relationship management platform, which effectively enhanced business and functional management capabilities and improved company management efficiency.

OUTLOOK

Facing the ever-changing market condition and the continuous improvement of policies, the property industry is shifting from high-speed growth of scale to high-quality growth. The ability in sustainable high-quality service will definitely become the long term core competitiveness of property enterprises. The Group will adhere to its strategy of “High, Comprehensive, Innovative and Fast”, actively operate in the market, adhere to our initial strategic objectives, maintain our high-quality development, and provide best customer service, in order to “Think Far Grow Further”.

Jinmao Property Services Co., Limited
Chairman and Non-executive Director
Song Liuyi

CHIEF EXECUTIVE'S STATEMENT

Dear Shareholders,

I am pleased to present the Group's interim results for the six months ended 30 June 2023 and outlook for the second half of the year to our shareholders.

2023 INTERIM RESULTS

The Group adheres to the development strategy of "High, Comprehensive, Innovative and Fast", emphasis on the long-term principle, promotes long-term value growth, and is committed to becoming a benchmark enterprise of high-end property management and urban operation services. During the Reporting Period, the Company maintained a high level of customer satisfaction and achieved rapid growth in management scale and operating results.

For the six months ended 30 June 2023, the Group achieved revenue of approximately RMB1,353.3 million, representing a year-on-year increase of 23.4%, and gross profit of approximately RMB357.4 million. Profit for the period was approximately RMB148.5 million in the first half of the year. In the first half of the year, profit attributable to owners of the parent was approximately RMB145.8 million and basic earnings per share was RMB0.16.

As at 30 June 2023, the Group's GFA under management and contracted GFA were approximately 71.0 million sq.m. and 94.5 million sq.m., respectively, representing an increase of 56.0% and 35.8%, respectively, as compared to 30 June 2022, covering 75 cities across 23 provinces, municipalities and autonomous regions in China. As at 30 June 2023, the GFA under management from third parties reached 33.91 million sq.m., and the proportion of GFA under management from third parties increased from 37.7% at the end of 2022 to 47.8%.

In terms of customer service, we resolutely implemented the core strategy of "quality first". On the basis of improving the efficiency of service resource allocation, we also focused on service research and quality improvement, maintained a high level of customer reputation and satisfaction, and further strengthen our brand in the high-end property services sector. This consolidated our market expansion and value-added business development effectively.

In terms of market expansion, the newly signed contracts during the period exceeded RMB300 million and the area converted was over 12 million sq.m., both representing a significant year-on-year increase. Such increase was mainly due to the single project expansion brought by the well-established public reputation, and the re-negotiation of urban operation service and the collaboration of industrial resources of Sinochem Group also led to our steady growth. Among the newly expanded projects, the aggregate annual contract amount of first-tier, new first-tier and second-tier cities accounted for over 80%. Our project density, service capability, teamwork and reputation in core cities have been further enhanced.

In terms of value-added services, we continued to focus on customer needs and SKU selection optimisation, establishment of supply chain and reverse service flow optimisation, and the penetration rate of value-added services of various customers and projects was further improved. We have extended our value-added service from community to office buildings, industrial parks, enterprises, governments and other types of business, customers and conditions. Progress has been made in community building and research and development of community service products, which will provide more market potential for the long-term growth of value-added services. In the first half of 2023, the revenue and gross profit of our community value-added services increased by 54.5% and 28.2% respectively as compared to the same period of last year.

In terms of organisational capacity building, we further integrated the local companies and management centers, trimmed down the functional platform and reduced the administrative expenses, streamlined the organization and improved the functional arrangement, resulting in a year-on-year decrease of management fee rate. In the first half of the year, we made iterative optimization in the talent supply and training system and also the evaluation system on values, and put more efforts in setting up corporate culture. As for digitalization work, we focus on the front-line job empowerment and the establishment of an effective management system, and the increase in recruitment of talents also enhanced the organizational efficiency.

Outlook for the Second Half of 2023

Along with the significant adjustment of the industry, property service industry is entering into a new phase in high speed. The growing demand of customers for high quality services and the structural imbalance between the overall over-supply of and the excess demand of high-quality services will be the main contradiction in the new phase. With customers becoming mature, together with favorable policies, the existing market space will be significantly released, and quality leadership and brand reputation will be the most critical competitiveness in the new phase. In this process, the competition pattern and industry valuation logic will be gradually reshaped. We will strengthen our customer research and customer service capabilities, and keep securing and improving our brand image in the high-end property services and urban operation services sectors. High quality and high satisfaction rate will be the firm purpose of the Company. We will put more effort in customer research, quality enhancement, staff training and the set-up of digitalisation. In the long-run, we firmly believe that showing kindness to customers and staff and paying respect to market and professionalism shall bring us a long-term growth of our performance and a stable shareholder return.

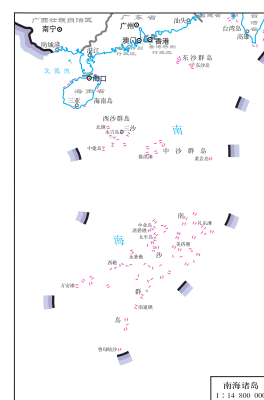
Jinmao Property Services Co., Limited
Executive Director and Chief Executive Officer
Xie Wei

GEOGRAPHIC COVERAGE



The table below illustrates the geographic coverage of properties under management in terms of (i) GFA under management and (ii) the contracted GFA as of 30 June 2023, and the cities in China where our contracted properties and properties under management are located:

Eastern region		Northern region		Southern region		Central region		Western region	
Chuzhou city	Zhenjiang city	Beijing city	Linyi city	Fuzhou city	Ezhou city	Lanzhou city			
Hefei city	Shanghai city	Baoding city	Qingdao city	Quanzhou city	Wuhan city	Guiyang city			
Changzhou city	Hangzhou city	Handan city	Weihai city	Xiamen city	Huaihua city	Xi'an city			
Lianyungang city	Huzhou city	Langfang city	Weifang city	Zhuhai city	Yongzhou city	Chengdu city			
Nanjing city	Jiaxing city	Shijiazhuang city	Yantai city	Dongguan city	Yueyang city	Guang'an city			
Nantong city	Jinhua city	Tangshan city	Zaozhuang city	Foshan city	Changsha city	Kunming city			
Suzhou city	Ningbo city	Zhangjiakou city	Zibo city	Guangzhou city	Zhuzhou city	Lijiang city			
Taizhou city	Shaoxing city	Zhengzhou city	Taiyuan city	Shantou city	Fuzhou city	Chongqing city			
Wuxi city	Taizhou city	Shenyang city	Yuncheng city	Shenzhen city	Ganzhou city				
Xuzhou city	Wenzhou city	Jinan city	Tianjin city	Beihai city	Jiujiang city				
Yancheng city	Zhoushan city			Nanning city	Nanchang city				
				Sanya city	Shangrao city				
				Wanning city					



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MANAGEMENT DISCUSSION AND ANALYSIS

A discussion and analysis of the Group for the six months ended 30 June 2023 is set out below:

BUSINESS REVIEW

Business overview

We are engaged in three business lines, namely property management services, value-added services to non-property owners, and community value-added services. We also provide city operation services, the scope of which spans across our three business lines.

Property management services

We provide a range of property management services to property owners and residents, as well as property developers, including, among others, security, cleaning, greening, gardening and repair and maintenance services for the operation of common area facilities.



Our property management portfolio covers residential properties, in particular, high-end ones, and a wide range of non-residential properties, including commercial properties, such as office buildings and shopping malls, and public and other properties, such as schools, government facilities and other public spaces.

For the six months ended 30 June 2023, we charged property management fees for property management services substantially on a lump sum basis, with a small portion charged on a commission basis.



Value-added services to non-property owners

We provide value-added services to non-property owners, including sales assistance services to property developers to assist with their sales and marketing activities at property sales venues and display units, and consultancy and other value-added services such as pre-delivery and consultancy services, mainly to property developers.

Community value-added services

We provide community value-added services mainly to property owners and residents of our managed properties to address their daily lifestyle needs, which mainly consist of platform services for interior decoration, community living services such as housekeeping, new retail and catering services, community space operation services such as elevator advertising services and car park space management services, and real estate brokerage services.

Additionally, we provide city operation services in multiple forms to assist governments and enterprises in the optimisation, innovation and distribution of urban resources and the delivery of value-added public services to citizens. The service scope of our city operation services spans across our three business lines.



Property management services

We insist on rapid development to achieve rapid growth of contracted GFA and GFA under management. As of 30 June 2023, our contracted GFA was approximately 94.5 million sq.m., and GFA under management was approximately 71.0 million sq.m., representing an increase of approximately 35.8% and approximately 56.0%, respectively, as compared to 30 June 2022. Our undelivered GFA, as the main source of the GFA under management, was approximately 23.5 million sq.m., laying a solid foundation for the stable growth of the Group.

We focus on diversified business lines in first-tier, new first-tier and second-tier cities with prominent advantages of high-end commercial properties. Our diversified property management portfolio extends to an increasing variety of office buildings and shopping malls, industrial parks and public properties such as government facilities, international schools and other public spaces. Our all-inclusive property portfolio maximises synergies across different property types under our management, and enhances the vitality of our multi-dimensional service offerings. In particular, we have gained rich property management experience in the field of high-end commercial and office buildings and major infrastructure, such as the service experience in benchmark projects including Shanghai Jinmao Tower (Shanghai), Chemsunny World Trade Center (Beijing), Xicheng Jinmao Centre (Beijing), Asia-Europe International Building (Lanzhou), Jinmao ICC (Changsha), National Tennis Centre, etc.



The table below sets forth the breakdown of our GFA under management on the dates indicated and revenue from property management services by property type for the six months ended 30 June 2023 and 2022:

	As at 30 June or for the six months ended 30 June					
	2023			2022		
	GFA under management '000 sq.m.	Revenue RMB'000	%	GFA under management '000 sq.m.	Revenue RMB'000	%
Residential properties	45,079	482,323	64.3	29,418	330,639	61.2
Non-residential properties	25,903	267,517	35.7	16,065	210,028	38.8
Total	70,982	749,840	100.0	45,483	540,667	100.0

We explore new projects based on our existing projects, and continue to tap into the potential scale of independent markets. While receiving strong support from China Jinmao and Sinochem Holdings Corporation Ltd. (the ultimate controlling shareholder of China Jinmao, "Sinochem Holdings"), we are also actively working towards the open market in diversified ways. We will take the projects we have already obtained as the starting point and continue to penetrate into the local regions, so as to achieve the expansion of the scale of GFA under management and the density increase in the local cities.

At the same time, we will continue to explore potential opportunities for investment, mergers and acquisitions and actively track the high-quality targets. On 17 June 2022, we acquired 100% equity interest in Beijing Capital Property Services Limited (“**Beijing Capital Services**”) at a consideration of RMB450 million, thereby obtaining 53 contracts and locked-in projects including residential properties, outlet commercial complexes and urban core complexes, which further consolidated the competitive advantages of Jinmao Services in the field of upscale property services and effectively supplemented the Company’s business scale and management capabilities. For details of the acquisition, please refer to the announcement of the Company dated 17 June 2022.

The table below sets forth the breakdown of our GFA under management on the dates indicated and revenue from property management services by the source of the projects for the six months ended 30 June 2023 and 2022:

	As at 30 June or for the six months ended 30 June							
	2023				2022			
	GFA under management	%	Revenue	%	GFA under management	%	Revenue	%
'000 sq.m.		RMB'000		'000 sq.m.		RMB'000		
Properties developed by Jinmao Group as well as Sinochem Holdings and its subsidiaries (and their respective joint ventures and associates)	37,070	52.2	593,290	79.1	27,597	60.7	478,170	88.4
Properties developed by independent third parties	33,912	47.8	156,550	20.9	17,886	39.3	62,497	11.6
Total	70,982	100.0	749,840	100.0	45,483	100.0	540,667	100.0

As a pioneer in city operation service sector in China, we have rapidly scale up and further diversify our city operation property portfolio and service offerings. Leveraging our solid property management and customer service capabilities, we step beyond traditional property management services to provide specialised, standardised and digital city operation solutions for customers from all walks of life. Our well-rounded capabilities and deep-rooted connection with Jinmao Group have enabled us to continuously capitalise on Jinmao Group’s strong project pipeline in the city operation sector. As of 30 June 2023, we had entered into preliminary property management contracts for 84 city operation projects of Jinmao Group, representing a diverse portfolio of office building complexes, new towns, cultural towns and smart cities in Shanghai, Changsha, Lijiang, Qingdao, Nanjing, Sanya, Wenzhou, Tianjin, Wuxi, Ningbo etc., among which 73 projects were in operation.

City operation has high entry barriers in terms of technology and experience due to the scope and complexity of services involved. As the upscale property management arm of Jinmao Group, and benefiting from our extensive experience in multi-format and premium-grade city operation services, we believe we are well positioned to capitalise on future market opportunities from independent third parties in the city operation service sector by expanding our management scale and diversifying our city operation portfolio and service offerings. We typically seek to enter into strategic cooperation agreements with government authorities and state-owned enterprises, optimise the allocation of social resources, and have built a multi-dimensional management mechanism for city operation services.

Our projects cover 75 cities across 23 provinces, municipalities and autonomous regions in China as of 30 June 2023, with a strong focus on high-end properties in core cities, and the share of GFA under management in the first-tier, new first-tier and second-tier cities reached 88.1%. We have significant advantages in Eastern region and Northern region and established a nationwide business in China. GFA under management of Eastern region, Northern region, Central region, Western region and Southern region accounted for 46.6%, 27.0%, 9.7%, 9.1% and 7.6% of our total GFA under management as at 30 June 2023.

The table below sets forth a breakdown of our GFA under management by geographic location on the dates indicated and revenue generated from property management services for the six months ended 30 June 2023 and 2022 respectively:

	As at 30 June or the six months ended 30 June					
	2023			2022		
	GFA under management '000 sq.m.	Revenue RMB'000	%	GFA under management '000 sq.m.	Revenue RMB'000	%
Eastern region ⁽¹⁾	33,076	267,792	35.7	23,133	215,403	39.8
Northern region ⁽²⁾	19,143	262,312	35.0	10,430	192,879	35.7
Central region ⁽³⁾	6,900	89,156	11.9	4,940	69,639	12.9
Western region ⁽⁴⁾	6,432	75,657	10.1	3,522	36,807	6.8
Southern region ⁽⁵⁾	5,431	54,923	7.3	3,458	25,939	4.8
Total	70,982	749,840	100.0	45,483	540,667	100.0

Notes:

- (1) "Eastern region" refers to Shanghai, Zhejiang Province, Jiangsu Province and Anhui Province;
- (2) "Northern region" refers to Beijing, Tianjin, Shanxi Province, Hebei Province, Shandong Province, Henan Province and Liaoning Province;
- (3) "Central region" refers to Hubei Province, Jiangxi Province and Hunan Province;
- (4) "Western region" refers to Chongqing, Sichuan Province, Shaanxi Province, Guizhou Province, Yunnan Province and Gansu Province;
- (5) "Southern region" refers to Fujian Province, Guangxi Zhuang autonomous region, Guangdong Province and Hainan Province.

According to the city classification by China Business Network in 2023, the table below sets out the GFA under management in different city-tiers where our projects are mainly located as at 30 June 2023:

	GFA under management '000 sq.m.	%
First-tier cities ¹	10,144	14.3
New first-tier cities ²	34,588	48.7
Second-tier cities ³	17,832	25.1
Other cities	8,418	11.9
Total	70,982	100.0

Notes:

- 1 First-tier cities include Shanghai, Beijing, Guangzhou and Shenzhen.
- 2 New first-tier cities include Chengdu, Chongqing, Hangzhou, Wuhan, Suzhou, Xi'an, Nanjing, Changsha, Tianjin, Zhengzhou, Dongguan, Qingdao, Kunming, Ningbo and Hefei.
- 3 Second-tier cities include Foshan, Shenyang, Wuxi, Ji'nan, Xiamen, Fuzhou, Wenzhou, Harbin, Shijiazhuang, Dalian, Nanning, Quanzhou, Jinhua, Guiyang, Changzhou, Changchun, Nanchang, Nantong, Jiaxing, Xuzhou, Huizhou, Taiyuan, Taizhou, Shaoxing, Baoding, Zhongshan, Weifang, Linyi, Zhuhai and Yantai.

We seek growth with both quality and efficiency, and maintain a high charging rates. While we are growing rapidly, we keep following the overall high-quality development standards by continuously optimising our projects under management. As of 30 June 2023, our overall average property management fees were approximately RMB3.90/sq.m./month, the average property management fees for residential projects under management were approximately RMB3.22/sq.m./month, while the average property management fees for non-residential projects under management were approximately RMB16.53/sq.m./month.

In the first half of 2023, the Group has focused on the high-quality services based on the needs of owners, and continued to improve the loyalty and satisfaction of owners. According to FG Consulting, an independent researcher focusing on real estate customer relationship, our overall customer satisfaction rate was 91% as of 30 June 2023, which was higher than the industry average. At the same time, the Group adhered to the management concept of price matching quality, and raised the prices for some projects during the year to improve the sustainable development capabilities of existing projects. In terms of third-party expansion, the Group has made active efforts to enter first-tier, new first-tier and second-tier key cities with bright development prospects to develop diverse projects.

Value-added services to non-property owners

In the first half of 2023, Jinmao Services has standardized its service model from the dimensions of organization team, service process and product standards to continuously improve its service level. Our revenue from value-added services to non-property owners for the six months year ended 30 June 2023 was approximately RMB223.6 million, a decrease of approximately 28.0% as compared to the same period in last year, accounting for approximately 16.5% of the Group's total revenue.

	For the six months ended 30 June			
	2023		2022	
	RMB'000	%	RMB'000	%
Sales assistance services	131,360	58.8	116,605	37.6
Consultancy and other value-added services to non-property owners	92,211	41.2	193,770	62.4
Total	223,571	100.0	310,375	100.0

Community value-added services

In the first half of 2023, Jinmao Services continued to improve the community value-added service team, continuously optimized service products and established a standardized service system. As a result, the revenue from core business continued to increase. Our revenue from community value-added services for the six months ended 30 June 2023 was approximately RMB379.9 million, an increase of approximately 54.5% as compared to the same period in last year, accounting for approximately 28.1% of the Group's total revenue, which increased by approximately 5.7 percentage points as compared to the same period in last year.

	For the six months ended 30 June			
	2023		2022	
	RMB'000	%	RMB'000	%
Community space operation services ¹	117,765	31.0	85,709	34.9
Platform services for interior decoration	103,005	27.1	48,156	19.6
Real estate brokerage services	85,401	22.5	46,891	19.0
Community living services	73,760	19.4	65,090	26.5
Total	379,931	100.0	245,846	100.0

Note:

- 1 Includes rental income from investment properties operating leases.



FUTURE OUTLOOK

In the second half of 2023, it is expected that the macroeconomic policies will further strengthen the economic recovery, and the demand for high-quality property management and comprehensive facility services from market players such as society, residents and enterprises will also grow steadily. The property management industry will shift from the development logic of scale first to the sustainable development of pursuing long-term value. The structural contradiction between excess supply and insufficient high-quality supply in the industry will bring sustainable development opportunities for the Group, which has been focusing on its long-term quality-leading strategy. The Company will firmly adhere to its strategy and insist on excellent quality, quality growth, high efficiency and market recognition as our development approach.

First of all, we will adhere to the customer-centric approach, continue to consolidate the customer experience management system and quality management system, increase service innovation and R&D, and maintain our leading role in high-end property management and urban operation services sector. Secondly, we will further develop high-quality communities, commercial and office projects and government and enterprise customers in core cities, and continue to expand the market by our service quality and reputation influence; further expand the scope

and speed of Sinochem Holdings' industrial ancillary services; and continued to explore the range of urban operation services, and promote the revenue growth of urban operation service projects under management through "re-negotiation". Thirdly, we will continue to improve the demand analysis models and types of service for residents, enterprises and urban service customers, strengthen the research and development capabilities of value-added service products and supply chain management, and create more sustainable and competitive service products. Fourthly, we will firmly invest in digitalisation. With our data sharing and mature technology, we will continue to promote resource sharing, company platform and service intelligence, and further delegation to front-line staff, enhance the delivery of customer service and company management to improve efficiency. Fifthly, we will establish an excellent operation system. On the basis of sufficient market benchmarking, we will review and refine our operation standard, business process, system documents and supporting tools, improve the rolling forecast and enhance the possibility of success as to improve our quality and efficiency. Sixthly, we will take advantage of our ESG management, fulfil its commitment to energy conservation, emission reduction and community friendliness, while protecting the good life and career development of the Company and customers with high-level security management.

FINANCIAL REVIEW

Revenue

Our Group's revenue was generated from three business lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

The following table sets out the breakdown of our total revenue by business lines for the six months ended 30 June 2023 and 2022, respectively:

	For the six months ended 30 June				
	2023		2022		Changes
	RMB'000	%	RMB'000	%	
Property management services	749,840	55.4	540,667	49.3	38.7
Value-added services to non-property owners	223,571	16.5	310,375	28.3	-28.0
Community value-added services ⁽¹⁾	379,931	28.1	245,846	22.4	54.5
Total	1,353,342	100.0	1,096,888	100.0	23.4

Note:

(1) Includes gross rental income from investment properties operating leases.

Revenue from property management services increased by approximately 38.7% to approximately RMB749.8 million for the six months ended 30 June 2023 from approximately RMB540.7 million for the six months ended 30 June 2022. This increase was mainly attributable to an increase in our GFA under management, which increased to approximately 71.0 million sq.m. as of 30 June 2023 from approximately 45.5 million sq.m. as of 30 June 2022, as a result of our business expansion.

Revenue from value-added services to non-property owners decreased by approximately 28.0% to approximately RMB223.6 million for the six months ended 30 June 2023 from approximately RMB310.4 million for the six months ended 30 June 2022. The decrease was primarily due to the decrease in revenue from the preliminary planning and design services and post-delivery services.

Revenue from community value-added services increased by approximately 54.5% to approximately RMB379.9 million for the six months ended 30 June 2023 from approximately RMB245.8 million for the six months ended 30 June 2022. This increase was primarily due to (i) the increase in revenue from platform services for interior decoration by approximately 113.7% from approximately RMB48.2 million for the six months ended 30 June 2022 to approximately RMB103.0 million for the six months ended 30 June 2023 as a result of our efforts in expanding the service team of platform services for interior decoration to explore existing businesses and expand various product types regarding platform services for interior decoration during the period; (ii) the increased revenue from real estate brokerage services, which increased from approximately RMB46.9 million for the six months ended 30 June 2022 to approximately RMB85.4 million for the six months ended 30 June 2023, representing a rise of 82.1%; and (iii) an increase in the number of properties under our management as a result of our expansion of business scale, with revenue from community space operation services increased by approximately 37.5% to RMB117.8 million for the six months ended 30 June 2023 from approximately RMB85.7 million for the six months ended 30 June 2022.

Cost of sales

Cost of sales increased by approximately 34.4% to approximately RMB996.0 million for the six months ended 30 June 2023 from approximately RMB740.9 million for the six months ended 30 June 2022. Such increase was in line with our growth in revenue for the period and was primarily due to the increase in the number of properties under our management.

Gross profit and gross profit margin

Gross profit increased by approximately 0.4% to approximately RMB357.4 million for the six months ended 30 June 2023 from approximately RMB356.0 million for the six months ended 30 June 2022. For the six months ended 30 June 2023, the gross profit margin decreased by approximately 6.1 percentage points to approximately 26.4% for the six months ended 30 June 2023 from approximately 32.5% for the six months ended 30 June 2022, due to the decrease in revenue in the preliminary planning and design services and post-delivery services with higher gross profit margin.

Gross profit and gross profit margin of the Group by business lines were as follows:

	For the six months ended 30 June			
	2023		2022	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Property management services	125,156	16.7	92,782	17.2
Value-added services to non-property owners	84,957	38.0	148,367	47.8
Community value-added services ⁽¹⁾	147,242	38.8	114,887	46.7
	357,355	26.4	356,036	32.5

Note:

(1) Includes gross rental income from investment properties operating leases.

Gross profit margin for property management services was approximately 17.2% and 16.7%, respectively, for the six months ended 30 June 2022 and 30 June 2023, and such decrease was primarily due to the increase of cleaning, greening and maintenance costs in order to enhance our service quality during the period.

Gross profit margin from value-added services to non-property owners decreased to approximately 38.0% for the six months ended 30 June 2023 from approximately 47.8% for the six months ended 30 June 2022, primarily due to the decrease in revenue from the preliminary planning and design services and post-delivery services, which generally resulted in higher profit margins as compared to other value-added services we provided to the non-property owners.

Gross profit margin for community value-added services decreased to approximately 38.8% for the six months ended 30 June 2023 from approximately 46.7% for the six months ended 30 June 2022, primarily due to the significant expansion in scale of community value-added services during the period, which resulted in the increase in staffing and resources expenditures.

Other income and gains

Other income and gains include (i) bank interest income; (ii) gain on fair value changes; (iii) tax incentives on value-added tax; (iv) government grants; and (v) others such as late fees charged to customers who failed to make timely payments. Our other income and gains increased by approximately RMB4.3 million or 48.3% from approximately RMB8.9 million for the six months ended 30 June 2022 to approximately RMB13.2 million for the six months ended 30 June 2023. Such increase was mainly due to the increase of bank interest income and gains on fair value changes generated from the appraised appreciation of the investment properties during the period.

Selling and distribution expenses

Selling and distribution expenses increased by approximately 32.4% to approximately RMB23.7 million for the six months ended 30 June 2023 from approximately RMB17.9 million for the six months ended 30 June 2022. The increase was mainly due to: (i) the vigorous development of external business and the continuous increase in the number of properties developed by third parties under management during the period, and the increase in the scale of the market development department which resulted in a significant increase in relevant labour costs; and (ii) the significant increase in the revenue from community value-added services during the period, resulting in an increase in promotion expenses for property owners.

Administrative expenses

Administrative expenses increased by approximately 15.7% to approximately RMB135.2 million for the six months ended 30 June 2023 from approximately RMB116.9 million for the six months ended 30 June 2022. This increase was mainly attributable to an increase in staff costs as a result of our business expansion.

Finance costs

Finance costs increased by approximately 250.0% to approximately RMB2.1 million for the six months ended 30 June 2023 from approximately RMB0.6 million for the six months ended 30 June 2022. This increase was primarily due to the increase in interest expenses arising from lease liabilities.

Income tax expenses

Income tax expenses decreased by approximately 5.0% to approximately RMB49.1 million for the six months ended 30 June 2023 from approximately RMB51.7 million for the six months ended 30 June 2022. This decrease was primarily attributable to a decrease in pre-tax profit to approximately RMB197.6 million for the six months ended 30 June 2023 from approximately RMB222.3 million for the six months ended 30 June 2022.

Profit for the period

As a result of the foregoing, our profit for the period decreased by approximately 12.9% to approximately RMB148.5 million for the six months ended 30 June 2023 from approximately RMB170.5 million for the six months ended 30 June 2022 and net profit margin decreased to approximately 11.0% for the six months ended 30 June 2023 from approximately 15.5% for the six months ended 30 June 2022.

Property, plant and equipment

Property, plant and equipment mainly consists of electronic equipment, leasehold improvements, and furniture and office equipment. Our property, plant and equipment amounted to approximately RMB90.9 million and RMB90.5 million as of 30 June 2023 and 31 December 2022, respectively.

Investment properties

Our investment properties consist of car park spaces owned by our wholly-owned subsidiary Nanjing Ninggao International Property Consultancy Co., Ltd. (“**Nanjing Ninggao**”) and commercial properties owned by our non-wholly owned subsidiary Nanjing Xinmao Asset Management Co., Ltd. (“**Nanjing Xinmao**”). Our investment properties increased from approximately RMB94.2 million as of 31 December 2022 to approximately RMB96.2 million as of 30 June 2023 mainly due to (i) the increase of fair value of the commercial properties of Nanjing Xinmao during the period, and (ii) the decreased fair value of the investment properties as the remaining term of the lease agreement of Nanjing Ninggao was shortened over a period of time.



Right-of-use assets

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by us. Assets arising from a lease are initially measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use asset is depreciated over the shorter of the estimated asset's useful life and the lease term on a straight-line basis. Our right-of-use assets decreased from approximately RMB28.3 million as of 31 December 2022 to approximately RMB24.4 million as of 30 June 2023, mainly due to the depreciation of the right-of-use assets during the period.

Intangible assets

Our intangible assets mainly comprise the property management contracts of the acquirees and the software, information technology infrastructure and other smart management systems for properties under our management. Our intangible assets amounted to approximately RMB88.3 million and approximately RMB91.7 million as of 30 June 2023 and 31 December 2022, respectively, and such decrease was mainly due to the amortisation of property management contracts during the period.

Inventories

Our inventories mainly comprise consumables, spare parts and general merchandise. Our inventories amounted to approximately RMB4.8 million and approximately RMB4.4 million as of 30 June 2023 and 31 December 2022, respectively.

Trade receivables

Trade receivables comprise receivables from property management services, community space operation services and sales assistance services. We typically do not grant a credit term to individual customers for our property management services and customers for our community value-added services. We typically grant a credit term of 90 days to 180 days to property developers.

Our trade receivables from related parties are primarily related to value-added services to non-property owners, the balance of which decreased from approximately RMB401.6 million as of 31 December 2022 to approximately RMB377.1 million as of 30 June 2023. Our trade receivables from third parties are primarily related to property management fees and the balance of which increased from approximately RMB393.2 million as of 31 December 2022 to approximately RMB679.3 million as of 30 June 2023. This was mainly attributable to an increase in our property management revenue as we expanded our business with an increase in our GFA under management during the six months ended 30 June 2023.

Prepayments, other receivables and other assets

Prepayments, other receivables and other assets mainly include (i) amounts due from related parties; (ii) prepayments primarily in relation to utility fees and lease payments of short-term and low-value leases; (iii) deposits placed for contract performance, tender and bidding process and leases; (iv) advances to employees; (v) payments on behalf of residents and tenants; and (vi) others.

We had prepayments, other receivables and other assets of approximately RMB612.7 million and approximately RMB809.7 million as of 31 December 2022 and 30 June 2023, respectively. Such increase was primarily attributable to the expansion in scale of carpark sales agency services, which resulted in the increase in the payment of performance guarantees.

Trade payables

Trade payables primarily represent our obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. The increase in trade payables from approximately RMB456.1 million as of 31 December 2022 to approximately RMB594.8 million as of 30 June 2023 was primarily due to the expansion of our business, reflecting an increase in the procurement of security and cleaning services and facilities and equipment maintenance services. Trade payables to related parties were in relation to procurement of information technology services, dining services and other goods and services from related parties.

Other payables and accruals

Other payables and accruals represent (i) amounts due to related parties; (ii) receipts on behalf of residents and tenants; (iii) deposits and temporary receipts primarily in relation to bidding and renovation; (iv) payroll and welfare payables; (v) other tax payables, and (vi) other payables relating to stored value cards that employees use in cafeterias. Our other payables and accruals amounted to approximately RMB753.5 million and RMB664.3 million as at 30 June 2023 and 31 December 2022, respectively.

Contingent liabilities

As at 30 June 2023, we did not have any outstanding guarantees or other material contingent liabilities.

Pledge of assets

As at 30 June 2023, none of the assets of our Group was pledged.

Foreign currency risk

The Group's principal activities are conducted in the PRC. Except for certain net proceeds raised from the listing in March 2022, which are denominated in Hong Kong dollars, the Group is not exposed to any significant risk directly related to foreign exchange fluctuations. Taking into account the potential RMB exchange rate fluctuations, we will continue to monitor our foreign exchange exposure and take prudent measures to reduce our foreign exchange risk. For the six months ended 30 June 2023, the Group did not use any financial instruments for hedging purposes.

Capital commitment and capital expenditure

As at 30 June 2023, the Group did not have any capital commitment.

The Group's capital expenditure for the year ending 31 December 2023 is expected to be funded mainly by proceeds from the Global Offering (as defined below) and working capital generated from the operating activities of the Group.

Liquidity and capital resources, current assets and current ratio

In order to manage the Group's cash, maintain strong and healthy liquidity and ensure that the Group is well positioned to take advantage of future growth opportunities, the Group has adopted comprehensive treasury policies and internal control measures to review and monitor its financial resources and has maintained stable financial condition and sufficient liquidity throughout. As at 30 June 2023, the Group did not have any outstanding borrowings (31 December 2022: nil) or banking facilities (31 December 2022: nil).

As at 30 June 2023, the Group's cash and cash equivalents amounted to RMB1,075.5 million (31 December 2022: RMB1,019.0 million). The increase was mainly attributable to the net cash flows from operating activities. The Group's net cash flows from operating activities decreased to approximately RMB86.3 million for the six months ended 30 June 2023 from approximately RMB116.9 million for the six months ended 30 June 2022. The management believes that the Group has sufficient financial resources and future revenue to support the current working capital requirement and future expansion of the Group.

As at 30 June 2023, the Group's current assets amounted to approximately RMB2,931.8 million, representing an increase of approximately 20.0% as compared with approximately RMB2,442.3 million as at 31 December 2022. Current ratio as at 30 June 2023 was 1.46 times, representing a decrease as compared with 1.59 times as at 31 December 2022.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Main Board of the Stock Exchange on 10 March 2022 by way of global offering of ordinary shares of the Company, including a public offering in Hong Kong of 10,142,000 shares and an international offering of 91,269,500 shares, in each case at a price of HK\$8.14 per share (collectively the “**Global Offering**”). On 1 April 2022, the international underwriters of the Global Offering partially exercised the over-allotment option, as a result of which an aggregate of 2,777,500 shares were issued and allotted by the Company at HK\$8.14 per share. After deducting the underwriting fees and relevant expenses, net proceeds from the Global Offering (including the number of shares issued and allotted pursuant to the partial exercise of over-allotment options) amounted to approximately HK\$781.9 million. Such proceeds have been and will continue to be applied in the manner consistent with that in the prospectus of the Company dated 25 February 2022 (the “**Prospectus**”):

Usage	% of total net proceeds	Planned allocation of net proceeds HK\$ million (approximately)	Utilised net proceeds up to the date of this report HK\$ million (approximately)	Unutilised net proceeds up to the date of this report HK\$ million (approximately)	Expected timeline for full utilisation of the balance
(A) Pursue selective strategic investment and acquisition opportunities with companies engaged in property management, city operation services and/or community operations and to expand our business scale and solidify our leading industry position, including:					
(i) Acquire, invest in or cooperate with other property management companies and professional service providers in the upstream and downstream of city operation services which are suitable for and complementary to our business operations and strategies; and	50%	391.0	391.0 ¹	–	Fully utilised ²
(ii) Acquire or invest in companies which provide community products and services complementary to those of ours.	5%	39.1	–	39.1	By the end of 2024
(B) Upgrade our systems for smart management services and for the development of our smart communities and smart city solutions, aiming to offer a higher-quality living experience with more convenience for our property owners and residents and further enhance cost efficiency for our property management and city operation services.	22%	172.0	14.3	157.7	By the end of 2024
(C) Develop our community value-added services in an effort to diversify our service offering and enhance profitability.	13%	101.6	78.1	23.5	By the end of 2024
(D) Working capital and general corporate purpose.	10%	78.2	56.2	22.0	By the end of 2024

The net proceeds are currently held in bank deposits and will continue to be applied in the manner consistent with the proposed allocations in the Prospectus. For further information, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As at the date of this report, there has been no material change in the actual use of the net proceeds from the intended use.

Note 1: Equivalent to RMB315 million.

Note 2: The amount was fully utilised for the acquisition of 100% equity interests in Beijing Capital Services. For details, please refer to the announcement of the Company dated 17 June 2022.

INTERIM DIVIDEND

No dividend was recommended by the Board for the six months ended 30 June 2023.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2023, the Group had 2,225 full-time employees (as at 30 June 2022: 2,674 full-time employees). For the six months ended 30 June 2023, the total staff costs were approximately RMB0.3 billion (for the six months ended 30 June 2022: approximately RMB0.3 billion).

The Group determines and regularly reviews remuneration and benefits of its employees according to its profitability, market practice and the relevant employee's performance. The Group has deepened the reform of the human resource system and explored the possibility of establishing remuneration systems for high-quality personnel and corporate executives that are compatible with competitive selection and recruitment. The Group has implemented motivation plan for different levels of employees with reference to employee performance and contributions. According to the relevant regulations, the Group is required to pay social insurance and housing fund on behalf of its employees.

The Group places a strong emphasis on recruiting high-quality personnel and provides employees with constant training programmes and career development opportunities. The Company strives to provide employees with due respect, trust and growth opportunities, and shares the achievements of corporate development with value creators through an efficient incentive system and a reasonable value distribution system. We continue to improve the T-MACS talent training system to enable employees to grow together with the Company.

The Company will continue to improve the talent management system, offer talent support and mechanism guarantee for the Company's innovation and transformation, and provide our employees with comprehensive career development channels and broad development potential for their growth in an effort to achieve enhancement in both corporate value and employee value.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Since its establishment, the Company has been committed to enhancing the level of its corporate governance. The principles of the Company's corporate governance are to promote effective internal control measures and to enhance the transparency and accountability of the Board to all the shareholders. The Company will continue to improve its corporate governance practices, focusing on maintenance and enhancement of the management quality of the Board, internal control and high transparency to shareholders, so as to increase the confidence of shareholders in the Company. The Company believes that good corporate governance is crucial to maintaining its long-term healthy and sustainable development and is vital for the interests of its shareholders.

The Company has adopted and complied with the principles and code provisions as set out in the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has adopted and complied with the principles and code provisions as set out in the Corporate Governance Code during the six months ended 30 June 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Director of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding Directors' dealings in the securities of the Company. The Company has made specific enquiry to all Directors and all Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2023.

The Company has also established written guidelines for securities transactions by employees who are likely to be in possession of inside information of the Company on terms no less exacting than the Model Code. No incident of non-compliance with such guidelines by relevant employees has been noted by the Company during the six months ended 30 June 2023.

AUDIT COMMITTEE

The Audit Committee currently consists of two independent non-executive Directors, Dr. Chen Jieping (chairman of the Audit Committee) and Mr. Sincere Wong, and one non-executive Director, Ms. Qiao Xiaojie, which is in compliance with Rule 3.21 of the Listing Rules. Dr. Chen Jieping possesses appropriate professional qualifications on accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. None of the Audit Committee members is a member of the previous or existing auditor of the Company.

The terms of reference of our Audit Committee set out its authority, responsibilities, membership and frequency of meetings, which are posted on the Company's website and the Stock Exchange's website and are in compliance with the Corporate Governance Code. The primary duties of the Audit Committee include, among others, (i) assisting the Board in ensuring that our Group has an effective financial reporting, risk management and internal control system in compliance with the Listing Rules; (ii) overseeing the integrity of the financial statements of our Group; (iii) selecting, and assessing the independence and qualifications of, our Company's external auditor; (iv) ensuring effective communication between our Directors and the internal and external auditors of our Company; (v) providing advice and comments to our Board; and (vi) performing other duties and responsibilities as may be assigned by the Board.

The Audit Committee has reviewed, together with the participation of the management, the interim report of the Group for the six months ended 30 June 2023 and the accounting principles and practices adopted by the Group, and discussed, among other things, internal control and risk management matters.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee currently consists of two independent non-executive Directors, Dr. Han Jian (chairman of the Remuneration and Nomination Committee) and Dr. Chen Jieping, and one non-executive Director, Mr. Gan Yong, which is in compliance with Rules 3.25 and 3.27A of the Listing Rules.

The terms of reference of the Remuneration and Nomination Committee set out its authority, responsibilities, membership and frequency of meetings, which are posted on the Company's website and the Stock Exchange's website and are in compliance with the Corporate Governance Code. The primary duties of the Remuneration and Nomination Committee include, among others, (i) establishing, reviewing and providing advice to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of the specific remuneration package of each Director and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time; (iv) reviewing and/or approving the matters in relation to share plans as described in Chapter 17 of the Listing Rules; (v) reviewing the structure, size and composition of our Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of our Board; (vi) identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorship, and ensure the diversity of our Board members; (vii) assessing the independence of our independent non-executive Directors; and (viii) making recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors.

During the six months ended 30 June 2023, the Remuneration and Nomination Committee followed the policies and procedures for nominating Directors and fully considered the selection and recommendation criteria of gender, age, cultural and educational background, professional experience, skills and knowledge when nominating new Directors to the Board.

STRATEGY AND ESG COMMITTEE

The Strategy and ESG Committee currently consists of one non-executive Director, Mr. Song Liuyi (chairman of the Strategy and ESG Committee), one independent non-executive Director, Mr. Sincere Wong and two executive Directors, Mr. Xie Wei and Ms. Zhou Liye.

The primary duties of the Strategy and ESG Committee include: (i) formulating the Group's development strategies, formulating and regularly reviewing the Company's ESG vision, objectives, strategies and policies; (ii) considering investment projects involving the establishment, acquisition and disposal of property management companies and upstream and downstream businesses with substantial businesses; (iii) considering asset-heavy investment projects of value-added business; (iv) considering the matters in relation to the capital expenditure on technology systems regarding intelligent management, and matters with a single expenditure amounting to or exceeding RMB10 million; (v) studying major strategic cooperation projects; (vi) monitoring the Company's ESG risk management, material issues, target progress, and communication with stakeholders; (vii) reviewing the Company's annual ESG report for the Board's consideration, approval and disclosure; and (viii) performing other duties and responsibilities as assigned by the Board.

During the six months ended 30 June 2023, the Strategy and ESG Committee reviewed the annual ESG report of the Company for consideration, approval and disclosure by the Board.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company is of the view that effective risk management and internal control system are integral and indispensable to the Group's achievement of long term business growth and sustainable development. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Board acknowledges its responsibility for reviewing the effectiveness of the Group's risk management and internal control systems. The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

Risk Management Structure of the Company

The Company adopts multi-layer management for its comprehensive risk management works. Such framework includes the general manager and the functional departments of the Company and its subsidiaries.

Risk Management and Audit Department

The general manager (the decision-making level) guides the Company's comprehensive risk management works and ensures that the Company establishes and maintains suitable and effective risk management and internal control systems. The general manager is held accountable for the effectiveness of the comprehensive risk management.

The functional departments of the Company and its subsidiaries (at the implementation level) are responsible for the identification, evaluation, report analysis and handling integrated risk management. They are responsible for facilitating and implementing specific risk management measures as well as monitoring various risks of the business.

Risk Management and Audit Department (at the supervision level) is responsible for establishing a sound supervision and evaluation system of comprehensive risk management to facilitate supervision and evaluation.



Internal Control

The Company has formulated a complete internal management system. Various departments of the headquarters are responsible for modifying and updating the system. The Company has created the risk assessment criteria applicable to the Company, including qualitative and quantitative considerations in aspects of strategy, finance, personnel etc., and formulated risk maps including risk identification, risk analysis, risk assessment, risk control measures and risk precautionary measures. The Company continued to monitor and manage risks to improve the efficiency and standardisation of risk management.

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

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

DISCLOSURE OF INFORMATION OF DIRECTORS

In accordance with the disclosure requirements under Rule 13.51B(1) of the Listing Rules, during the six months ended 30 June 2023 and up to the date of this report, the information of the Directors of the Company is updated as follows:

- Mr. Jiang Nan resigned as a non-executive Director, chairman of the Board of Directors and chairman of the Strategy and ESG Committee of the Company, and Mr. Song Liuyi was appointed as a non-executive Director, chairman of the Board of Directors and chairman of the Strategy and ESG Committee of the Company, both effective from 28 April 2023.
- Ms. He Yamin resigned as a non-executive Director and a member of the Remuneration and Nomination Committee of the Company, and Mr. Gan Yong was appointed as a non-executive Director and a member of the Remuneration and Nomination Committee of the Company, both effective from 9 June 2023.

REVIEW OF INTERIM FINANCIAL INFORMATION

The interim results for the six months ended 30 June 2023 have not been audited but have been reviewed by Ernst & Young in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants.

SHARE OPTION SCHEME AND SHARE AWARD SCHEME

As at the date of this report, the Company has not adopted any share option scheme and share award scheme.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there were no other significant events that might affect the Group after 30 June 2023 and up to the date of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 June 2023, save as disclosed below, the Directors and the chief executives of the Company did not have any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register to be kept by the Company or which were required, pursuant to the Model Code set out in the Listing Rules, to be notified to the Company and the Stock Exchange.

Interests in our Company

Name of Director/chief executive of our Company	Capacity/Nature of interest	Number of shares held	Approximate % shareholding interest in our Company
Song Liuyi	Beneficial owner	45,317(L)	0.005%

Interests in our associated corporations

Name of Director/chief executive of our Company	Name of associated corporation	Capacity/Nature of Interest	Number of shares held in the associated corporation	Number of underlying shares held in the associated corporation ⁽¹⁾	Approximate % shareholding interest in the associated corporation ⁽²⁾
Song Liuyi	China Jinmao	Beneficial owner	3,500,000(L)	3,500,000(L)	0.053%
Qiao Xiaojie	China Jinmao	Beneficial owner	–	1,334,000(L)	0.010%
Xie Wei	China Jinmao	Beneficial owner	–	2,500,000(L)	0.019%
Zhou Liye	China Jinmao	Beneficial owner	–	1,618,000(L)	0.012%
Gan Yong	China Jinmao	Beneficial owner	–	1,008,000(L)	0.008%

Notes:

The Letter "L" denotes the entity's long position in the shares.

- This refers to underlying shares covered by share options granted pursuant to the share option scheme of China Jinmao, such options being unlisted physically settled equity derivatives.
- This represents the percentage of the aggregate long positions in the shares and underlying shares to the total number of issued shares of China Jinmao as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register which were required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, none of the Directors or their spouses or children under the age of 18 had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such right for the six months ended 30 June 2023.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, so far as is known to the Directors, the following persons, not being a Director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholder	Capacity	Number of shares ⁽¹⁾	Approximate percentage of issued shares ⁽³⁾
China Jinmao	Beneficial owner	608,319,969(L)	67.28%
Sinochem Hong Kong (Group) Company Limited ("Sinochem Hong Kong")	Interest in controlled corporation ⁽²⁾	608,319,969(L)	67.28%
	Beneficial owner	67,616,133(L)	7.48%
Sinochem Corporation ("Sinochem Corporation")	Interest in controlled corporation ⁽²⁾	675,936,102(L)	74.76%
Sinochem Group	Interest in controlled corporation ⁽²⁾	675,936,102(L)	74.76%
Sinochem Holdings	Interest in controlled corporation ⁽²⁾	675,936,102(L)	74.76%

Notes:

- (1) The Letter "L" denotes the entity's long position in the shares.
- (2) Sinochem Holdings held the entire equity interests in Sinochem Group, which in turn held 98% interest in Sinochem Corporation. Sinochem Corporation held the entire equity interests in Sinochem Hong Kong, which in turn held an approximately 36.40% interest in China Jinmao as of 30 June 2023. For the purpose of the SFO, Sinochem Holdings, Sinochem Group, Sinochem Corporation and Sinochem Hong Kong are all deemed to be interested in the shares of the Company beneficially owned by China Jinmao, and Sinochem Holdings, Sinochem Group and Sinochem Corporation are all deemed to be interested in the shares of the Company beneficially owned by Sinochem Hong Kong.
- (3) The calculation is based on the total number of issued shares of the Company (i.e. 904,189,000 shares).

Save as disclosed above, as at 30 June 2023, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no person (not being a Director or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

INDEPENDENT REVIEW REPORT



Ernst & Young
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To the board of directors of Jinmao Property Services Co., Limited

(Incorporated in Hong Kong with limited liabilities)

Introduction

We have reviewed the interim financial information set out on pages 29 to 52, which comprises the condensed consolidated statement of financial position of Jinmao Property Services Co., Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2023 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
28 August 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

		2023	2022
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
REVENUE	5	1,353,342	1,096,888
Cost of sales		(995,987)	(740,852)
Gross profit		357,355	356,036
Other income and gains	5	13,184	8,915
Selling and distribution expenses		(23,680)	(17,930)
Administrative expenses		(135,243)	(116,937)
Other expenses		(11,892)	(7,264)
Finance costs		(2,123)	(565)
PROFIT BEFORE TAX	6	197,601	222,255
Income tax expense	7	(49,081)	(51,730)
PROFIT FOR THE PERIOD		148,520	170,525
Attributable to:			
Owners of the parent		145,829	169,153
Non-controlling interests		2,691	1,372
		148,520	170,525
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	9	RMB0.16	RMB0.20

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	148,520	170,525
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	(2,163)	11,237
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	(2,163)	11,237
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	146,357	181,762
Attributable to:		
Owners of the parent	143,666	180,390
Non-controlling interests	2,691	1,372
	146,357	181,762

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

		30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	10	90,936	90,507
Investment properties		96,216	94,207
Right-of-use assets		24,412	28,330
Goodwill		249,122	249,122
Intangible assets		88,256	91,713
Deferred tax assets		9,274	6,111
Other assets		1,233	1,238
Total non-current assets		559,449	561,228
CURRENT ASSETS			
Inventories		4,832	4,391
Trade receivables	11	1,030,269	778,562
Prepayments, other receivables and other assets		808,483	611,460
Prepaid tax		11,549	27,280
Restricted cash		1,169	1,649
Cash and cash equivalents		1,075,504	1,018,958
Total current assets		2,931,806	2,442,300
CURRENT LIABILITIES			
Trade payables	12	594,803	456,084
Other payables and accruals		753,535	664,286
Contract liabilities		478,369	370,373
Lease liabilities		19,567	15,664
Dividends payable		141,720	–
Tax payable		25,993	26,185
Total current liabilities		2,013,987	1,532,592

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2023

		30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
	Notes		
NET CURRENT ASSETS		917,819	909,708
TOTAL ASSETS LESS CURRENT LIABILITIES		1,477,268	1,470,936
NON-CURRENT LIABILITIES			
Lease liabilities		82,081	84,875
Deferred tax liabilities		25,220	25,835
Total non-current liabilities		107,301	110,710
Net assets		1,369,967	1,360,226
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	13	839,529	839,529
Reserves		510,694	503,644
		1,350,223	1,343,173
Non-controlling interests		19,744	17,053
Total equity		1,369,967	1,360,226

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Xie Wei
Director

.....
Zhou Liye
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

Attributable to owners of the parent

	Share capital	Merger reserve*	Other reserve*	PRC		Retained profits*	Total	Non-controlling interests	Total equity
				statutory surplus reserve*	Exchange fluctuation reserve*				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2023	839,529	(76,268)	19,682	45,584	39,834	474,812	1,343,173	17,053	1,360,226
Profit for the period	-	-	-	-	-	145,829	145,829	2,691	148,520
Other comprehensive income for the period:									
Exchange differences on translation of financial statements	-	-	-	-	(2,163)	-	(2,163)	-	(2,163)
Total comprehensive income for the period	-	-	-	-	(2,163)	145,829	143,666	2,691	146,357
Final 2022 dividend declared	-	-	-	-	-	(136,697)	(136,697)	-	(136,697)
Transfer to PRC statutory surplus reserve	-	-	-	15,544	-	(15,544)	-	-	-
Contribution from the immediate holding company (note 16 (1)(a)(i))	-	-	81	-	-	-	81	-	81
At 30 June 2023	839,529	(76,268)	19,763	61,128	37,671	468,400	1,350,223	19,744	1,369,967

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2023

	Attributable to owners of the parent								
	Share capital	Merger reserve	Other reserve	PRC	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
				statutory surplus reserve					
				RMB'000					
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
At 1 January 2022	66,947	(76,268)	20,070	5,400	254	178,994	195,397	8,584	203,981
Profit for the period	-	-	-	-	-	169,153	169,153	1,372	170,525
Other comprehensive income for the period:									
Exchange differences on translation of financial statements	-	-	-	-	11,237	-	11,237	-	11,237
Total comprehensive income for the period	-	-	-	-	11,237	169,153	180,390	1,372	181,762
Issuance of shares (note 13)	684,533	-	-	-	-	-	684,533	-	684,533
Share issue expenses	(13,489)	-	-	-	-	-	(13,489)	-	(13,489)
Capital contribution from the immediate holding company	101,538	-	-	-	-	-	101,538	-	101,538
Transfer to PRC statutory surplus reserve	-	-	-	494	-	(494)	-	-	-
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	3,050	3,050
Contribution from the immediate holding company (note 16 (1)(a)(i) and (ii))	-	-	(380)	-	-	-	(380)	-	(380)
At 30 June 2022	839,529	(76,268)	19,690	5,894	11,491	347,653	1,147,989	13,006	1,160,995

* These reserve accounts comprised the reserves of RMB510,694,000 in the interim condensed consolidated statements of financial position as at 30 June 2023.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

		2023	2022
		(Unaudited)	(Unaudited)
	Note	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		117,519	143,967
Interest received		6,147	4,721
Income tax paid		(37,320)	(31,824)
Net cash flows from operating activities		86,346	116,864
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		(8,987)	(5,384)
Acquisition of a subsidiary	14	–	(289,044)
Other cash flows used in investing activities		(3,080)	(2,765)
Net cash flows used in investing activities		(12,067)	(297,193)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares		–	671,871
Capital contribution from the immediate holding company		–	101,538
Dividend paid		(18,549)	(99,853)
Other cash flows used in financing activities		(2,044)	(3,092)
Net cash flows from/(used in) financing activities		(20,593)	670,464
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the year		1,018,958	553,619
Effect of foreign exchange rate changes, net		2,860	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1,075,504	1,043,754
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash and bank balances as stated in the interim condensed consolidated statement of financial position and statement of cash flows		1,075,504	1,043,754

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

1. CORPORATE INFORMATION

Jinmao Property Services Co., Limited (the “Company”, formerly known as Hanmao Limited and Jinmao Property Development Co., Limited) is a limited liability company incorporated in Hong Kong on 14 September 2020. The registered office of the Company is located at Rooms 4702-03, 47/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. During the period, the Company and its subsidiaries (collectively the “Group”) were involved in the provision of property management services and value-added services to non-property owners and community value-added services in the People’s Republic of China (the “PRC”).

The Company’s shares became listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 March 2022 (the “Listing”).

In the opinion of the Company’s directors, the immediate holding company of the Company is China Jinmao Holdings Group Limited (“China Jinmao”), a company incorporated in Hong Kong and its shares are listed on the Stock Exchange. The ultimate holding company of the Company is Sinochem Holdings Corporation Ltd. (“Sinochem Holdings”), a company established in the PRC and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission in the PRC.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

The financial information relating to the year ended 31 December 2022 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company’s auditors have reported on the financial statements for the year ended 31 December 2022. The auditor’s report was unqualified; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial information.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

NOTES TO INTERIM CONDENSED CONDENSED FINANCIAL INFORMATION
For the six months ended 30 June 2023

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information.
- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

The Group's revenue from customers is derived solely from its operations and services rendered in Mainland China, and the non-current assets of the Group are located in Mainland China.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
For the six months ended 30 June 2023

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<i>Revenue from contracts with customers</i>	1,347,053	1,093,856
<i>Revenue from other sources</i>		
Gross rental income from investment properties operating leases:		
Fixed lease payments	6,289	3,032
	1,353,342	1,096,888

Revenue from contracts with customers

Disaggregated revenue information

	For the six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Types of services		
Property management services	749,840	540,667
Value-added services to non-property owners	223,571	310,375
Community value-added services	373,642	242,814
Total revenue from contracts with customers	1,347,053	1,093,856
Timing of revenue recognition		
Revenue from contracts with customers recognised over time	1,072,193	949,152
Revenue from contracts with customers recognised at a point in time	274,860	144,704
Total	1,347,053	1,093,856

NOTES TO INTERIM CONDENSED CONDENSED FINANCIAL INFORMATION
For the six months ended 30 June 2023

5. REVENUE, OTHER INCOME AND GAINS (Continued)

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income and gains		
Bank interest income	6,147	4,721
Fair value gain on investment properties	2,009	–
Tax incentives on value-added tax	2,919	2,032
Government grants	1,956	1,527
Others	153	635
	13,184	8,915

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Cost of services provided	893,264	695,059
Cost of goods sold	102,723	45,793
Depreciation of property, plant and equipment	7,383	7,566
Depreciation of right-of-use assets	4,948	5,122
Amortisation of intangible assets	6,466	2,611
Listing expenses	–	12,644
Fair value loss/(gain) on investment properties	(2,009)	436
Loss on disposal of items of property, plant and equipment, net	31	51
Impairment losses of financial assets:		
– Trade receivables	9,909	657
– Other receivables	225	1,136
Exchange difference, net	865	1,361
Rental expense		
– Short-term leases and low-value leases	5,963	6,083

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
For the six months ended 30 June 2023

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2022: Nil).

Except for one (2022: One) PRC subsidiary which operates in several western cities of Mainland China and is subject to a preferential income tax rate of 15%, the income tax provision of the Group in respect of its operation in Mainland China was calculated at the tax rates of 25% (2022: 25%) on the assessable profits for the reporting period, if applicable, based on the existing legislation, interpretations and practice in respect thereof.

	For the six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current	52,859	51,840
Deferred	(3,778)	(110)
Total tax charge for the period	49,081	51,730

8. DIVIDENDS

Pursuant to the board of directors' resolution, the board did not recommend the payment of an interim dividend for the six-month period ended 30 June 2023 (six months ended 30 June 2022: Nil).

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 904,189,000 (six months ended 30 June 2022: 864,489,239) in issue during the six months ended 30 June 2023.

The weighted average number of ordinary shares during the six months ended 30 June 2022 was adjusted to reflect those 799,999,998 ordinary shares of the Company issued under the bonus issue occurred on 9 March 2022 (note 13(b)), as if the issuance of these additional shares under the bonus issue had been completed throughout the six months ended 30 June 2022.

	For the six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	145,829	169,153

NOTES TO INTERIM CONDENSED CONDENSED FINANCIAL INFORMATION
For the six months ended 30 June 2023

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2023 and 2022.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group had additions of property, plant and equipment at a total cost of RMB7,954,000 (six months ended 30 June 2022: RMB4,765,000, excluding property, plant and equipment acquired through a business combination), and disposed of items of property, plant and equipment with a total net carrying amount of RMB142,000 (six months ended 30 June 2022: RMB53,000).

11. TRADE RECEIVABLES

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Related parties (<i>note 16</i>)	377,109	401,597
Third parties	679,257	393,153
Trade receivables	1,056,366	794,750
Less: Allowance for impairment of trade receivables	(26,097)	(16,188)
	1,030,269	778,562

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
For the six months ended 30 June 2023

11. TRADE RECEIVABLES (Continued)

An ageing analysis of the trade receivable as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Within 1 year	829,379	690,550
1 to 2 years	169,544	74,873
2 to 3 years	24,243	6,267
Over 3 years	7,103	6,872
	1,030,269	778,562

12. TRADE PAYABLES

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Trade payables		
– Related parties (<i>note 16</i>)	3,335	4,629
– Third parties	591,468	451,455
	594,803	456,084

An ageing analysis of the Group's trade payables at the end of reporting period, based on the invoice date, is as follows:

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Within 1 year	568,938	433,224
1 to 2 years	21,175	16,578
2 to 3 years	2,143	3,877
Over 3 years	2,547	2,405
	594,803	456,084

NOTES TO INTERIM CONDENSED CONDENSED FINANCIAL INFORMATION
For the six months ended 30 June 2023

13. SHARE CAPITAL

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Issued and fully paid:		
904,189,000 (31 December 2022: 904,189,000) ordinary shares	839,529	839,529

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

	Number of shares in issue	Share capital RMB'000
At 31 December 2021 and 1 January 2022	2	66,947
Capital injection from the parent (<i>note (a)</i>)	–	101,538
Bonus issue to the parent (<i>note (b)</i>)	799,999,998	–
Initial public offering and partial exercise of an over-allotment option (<i>note (c)</i>)	104,189,000	684,533
Share issue expenses	–	(13,489)
At 31 December 2022 and 1 January 2023	904,189,000	839,529
At 30 June 2023	904,189,000	839,529

Notes:

- (a) On 26 January 2022, China Jinmao made a capital injection of HK\$125,000,000 (equivalent to RMB101,538,000) to the Company, and the share capital of the Company was increased by the same amount without allotment and issuance of any new shares.
- (b) On 9 March 2022, 799,999,998 ordinary shares of the Company were issued for nil consideration to China Jinmao as bonus issue and the number of issued ordinary shares of the Company became 800,000,000 after the bonus issue.
- (c) On 10 March 2022, the ordinary shares of the Company were listed on the Stock Exchange, and in connection with Listing, 101,411,500 ordinary shares (before any exercise of the over-allotment option) of the Company were issued through global offering to public and international investors at the offer price of HK\$8.14 per share for aggregate cash proceeds, before expenses, of HK\$825,490,000 (equivalent to RMB666,170,000).

On 1 April 2022, the over-allotment option was partially exercised and an aggregate of 2,777,500 shares were issued at the offer price of HK\$8.14 per share for aggregate cash proceeds, before expenses, of HK\$22,609,000 (equivalent to RMB18,363,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
For the six months ended 30 June 2023

14. BUSINESS COMBINATION

On 17 June 2022, Sinochem Jinmao Property Management (Beijing) Co., Ltd. (“Jinmao PM”) and a third party entered into an equity transfer agreement, pursuant to which Jinmao PM agreed to purchase 100% equity interests in Beijing Capital Property Services Limited (首置物業服務有限公司)(“Beijing Capital Services”) at a cash consideration of RMB450,000,000, which has been fully paid during the six months ended 30 June 2022. The acquisition was made as part of the Group’s strategy to expand its property management services related to upscale residential and commercial projects. The transaction was completed on 17 June 2022, and accordingly Beijing Capital Services became a wholly-owned subsidiary of the Group.

The fair values of the identifiable assets and liabilities of Beijing Capital Services Limited as at the date of acquisition were as follows:

	Fair value recognised on acquisition RMB’000
Property, plant and equipment	509
Intangible assets	86,200
Right-of-use assets	1,777
Other non-current assets	288
Cash and bank balances	160,956
Trade receivables	29,510
Prepayments, other receivables and other current assets	1,579
Trade payables	(24,223)
Accruals and other payables	(22,370)
Tax payable	(9,799)
Deferred tax liabilities	(22,065)
Lease liabilities	(1,484)
Total identifiable net assets at fair value	200,878
Goodwill on acquisition	249,122
Satisfied by cash	450,000

NOTES TO INTERIM CONDENSED CONDENSED FINANCIAL INFORMATION
For the six months ended 30 June 2023

14. BUSINESS COMBINATION (Continued)

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

	RMB'000
Cash consideration	(450,000)
Cash and bank balances acquired	160,956
Net outflow of cash and cash equivalents included in cash flows from investing activities	(289,044)
Transaction costs of the acquisition included in cash flows from operating activities	(958)
	(290,002)

The fair values and gross contractual amounts of the trade receivables and other receivables as at the date of acquisition amounted to RMB29,510,000 and RMB926,000, respectively. The amount expected to be uncollectible was nil.

The Group incurred transaction costs of RMB958,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the interim condensed consolidated statement of profit or loss.

Included in the goodwill of RMB249,122,000 recognised above are assembled workforce and synergies between the acquirer and acquiree, which are not recognised separately as they do not meet the criteria for recognition as an intangible asset under HKAS 38 *Intangible Assets*. None of the goodwill recognised is expected to be deductible for income tax purposes.

Since the acquisition, Beijing Capital Services contributed RMB5,471,000 to the Group's revenue and RMB1,492,000 to the consolidated profit for the six months ended 30 June 2022.

Had the combination taken place at the beginning of the period, the revenue of the Group and the profit of the Group for the period would have been RMB1,166,297,000 and RMB186,729,000, respectively, for the six months ended 30 June 2022.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
For the six months ended 30 June 2023

15. COMMITMENTS AND CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any material capital commitment and the Group did not have any significant contingent liabilities (31 December 2022: Nil).

16. RELATED PARTY TRANSACTIONS

(1) Transactions with related parties

In addition to the transactions detailed elsewhere in this financial information, the Group entered into the following transactions with related parties during the period:

- (a) Property management service income, value-added service income to non-property owners, community value-added service income, lease expenses, information technology expenses, equity-settled share option expenses, management's remuneration borne by the immediate holding company and interest income.

	For the six months ended 30 June	
	2023	2022
	(Unaudited) RMB'000	(Unaudited) RMB'000
Property management service income:		
Other subsidiaries of China Jinmao*	55,692	62,498
Joint ventures of China Jinmao	3,015	5,389
Associates of China Jinmao	2,740	2,326
Other subsidiaries of Sinochem Holdings**	23,748	20,784
Other joint ventures of Sinochem Holdings [#]	2,289	2,502
Other associates of Sinochem Holdings [#]	47	280
	87,531	93,779
Value-added service income to non-property owners:		
China Jinmao and its other subsidiaries*	101,863	231,365
Joint ventures of China Jinmao	41,619	42,504
Associates of China Jinmao	28,362	24,605
Other subsidiaries of Sinochem Holdings**	2	165
Other joint ventures of Sinochem Holdings [#]	14	–
	171,860	298,639

NOTES TO INTERIM CONDENSED CONDENSED FINANCIAL INFORMATION
For the six months ended 30 June 2023

16. RELATED PARTY TRANSACTIONS (Continued)
(1) Transactions with related parties (Continued)
(a) (continued)

	Notes	For the six months ended 30 June	
		2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Community value-added service income:			
Other subsidiaries of China Jinmao*		103,190	39,465
Joint ventures of China Jinmao		9,938	8,463
Associates of China Jinmao		13,097	11,670
Other subsidiaries of Sinochem Holdings**		4,075	2,713
Other joint ventures of Sinochem Holdings#		22	20
Other associates of Sinochem Holdings#		–	1
		130,322	62,332
Lease expenses:			
Other subsidiaries of China Jinmao*		1,965	4,478
Information technology expenses:			
Other subsidiaries of China Jinmao*		4,450	2,779
Equity-settled share option expenses:			
China Jinmao	(i)	81	(843)
Management's remuneration borne by the immediate holding company:			
China Jinmao	(ii)	–	463
Interest income:			
Sinochem Finance		221	119

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
For the six months ended 30 June 2023

16. RELATED PARTY TRANSACTIONS (Continued)
(1) Transactions with related parties (Continued)

(a) (continued)

Notes:

- * Other subsidiaries of China Jinmao are entities that are controlled by China Jinmao, excluding the Group.
- ** Other subsidiaries of Sinochem Holdings are entities that are controlled by Sinochem Holdings, excluding China Jinmao and its subsidiaries.
- # Other joint ventures and associates of Sinochem Holdings are joint ventures and associates of Sinochem Holdings, excluding the joint ventures and associates of China Jinmao.
- (i) Certain directors and management of the Group were granted share options under the share option scheme of China Jinmao in respect of their services to the Group. The fair value of such options, which has been recognised as equity-settled share option expenses in profit or loss of the Group, together with a corresponding increase in equity as a contribution from the immediate holding company, over the vesting period was determined as at the date of grant.

During the six months ended 30 June 2022, the Group reversed the equity-settled share option expenses because the service or non-market performance conditions related to certain share options had not been fulfilled and therefore these share options were forfeited.

- (ii) Certain emoluments of certain management of the Group and Mr. Xie Wei were paid by China Jinmao and recorded in profit or loss of the Group in relation to their services rendered to the Group during the six months ended 30 June 2022.
 - (iii) Interest income from Sinochem Group Finance Co., Ltd. ("Sinochem Finance") was at the rates of 0.55% to 1.90% (six months ended 30 June 2022: 0.35% to 1.90%) per annum.
 - (iv) The pricing for other transactions above were determined in accordance with the terms mutually agreed by the contracting parties.
- (b) During the six months ended 30 June 2023 and 2022, the Group was entitled to use some trademarks of China Jinmao for free.

NOTES TO INTERIM CONDENSED CONDENSED FINANCIAL INFORMATION
For the six months ended 30 June 2023

16. RELATED PARTY TRANSACTIONS (Continued)
(2) Outstanding balances with related parties

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Prepayments and receivables from related parties		
Trade receivables		
Other subsidiaries of Sinochem Holdings**	6,270	5,316
Joint ventures of Sinochem Holdings#	104	1,105
China Jinmao and its other subsidiaries*	225,674	287,294
Joint ventures of China Jinmao	83,724	59,918
Associates of China Jinmao	61,337	47,964
	377,109	401,597
Prepayments and other receivables		
Other subsidiaries of Sinochem Holdings**	12,878	8,220
Joint ventures of Sinochem Holdings#	88	60
Other subsidiaries of China Jinmao*	419,993	355,354
Joint ventures of China Jinmao	67,523	43,508
Associates of China Jinmao	61,878	47,169
	562,360	454,311
Cash and cash equivalents		
Deposits placed with Sinochem Finance	115,000	115,000
Payables to related parties		
Trade payables		
Other subsidiaries of Sinochem Holdings**	240	852
Other subsidiaries of China Jinmao*	3,001	3,777
Joint ventures of China Jinmao	94	–
	3,335	4,629
Other payables		
Other subsidiaries of Sinochem Holdings**	14,395	14,448
Joint ventures of Sinochem Holdings#	623	591
Associates of Sinochem Holdings#	131	328
China Jinmao and its other subsidiaries*	139,750	127,213
Joint ventures of China Jinmao	40,423	46,861
Associates of China Jinmao	24,396	11,116
	219,718	200,557

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
For the six months ended 30 June 2023

16. RELATED PARTY TRANSACTIONS (Continued)
(2) Outstanding balances with related parties (Continued)

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Payables to related parties (continued)		
Lease liabilities		
Other subsidiaries of China Jinmao*	30,963	30,948
Dividends payable		
China Jinmao	95,346	–
Other subsidiaries of Sinochem Holdings**	10,598	–
	105,944	–
Contract liabilities		
Other subsidiaries of Sinochem Holdings**	2,175	676
Joint ventures of Sinochem Holdings#	25	59
Other subsidiaries of China Jinmao*	26,120	25,363
Joint ventures of China Jinmao	9,684	5,980
Associates of China Jinmao	2,336	5,147
	40,340	37,225

The Group's outstanding balances of trade receivables, trade payables, prepayments, lease liabilities and contract liabilities with related parties and deposits placed with Sinochem Finance are trade in nature. The outstanding balances of other receivables and other payables with related parties are non-trade in nature, and these balances are unsecured, interest-free and has no fixed terms of repayment.

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

	For the six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Salaries, allowances and benefits in kind	3,766	3,721
Pension scheme contributions	278	232
Performance related bonuses	7,347	6,221
Equity-settled share option expenses	75	367
	11,466	10,541

NOTES TO INTERIM CONDENSED CONDENSED FINANCIAL INFORMATION
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16. RELATED PARTY TRANSACTIONS (Continued)

(4) Transactions and balances with other state-owned entities

The Group is indirectly controlled by the PRC government and operates in an economic environment predominated by entities directly or indirectly owned or controlled by the government through its agencies, affiliates or other organisations (collectively “State-owned Entities” (“SOEs”)). During the reporting period, the Group had transactions with other SOEs to provide property management services. The directors of the Company consider that these transactions with other SOEs are activities conducted in the ordinary course of business and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and the other SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for its products and services and such pricing policies do not depend on whether or not the customers are SOEs.

17. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of reporting period are as follows:

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Financial assets – Financial assets at amortised cost		
Trade receivables	1,030,269	778,562
Financial assets included in prepayments, other receivables and other assets	696,193	532,378
Restricted cash	1,169	1,649
Cash and cash equivalents	1,075,504	1,018,958
	2,803,135	2,331,547

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Financial liabilities – Financial liabilities at amortised cost		
Trade payables	594,803	456,084
Financial liabilities included in other payables and accruals	609,555	540,211
Lease liabilities	101,648	100,539
Dividends payable	141,720	–
	1,447,726	1,096,834

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables, financial assets included in current portion of prepayments, other receivables and other assets, trade payables, dividends payable, and financial liabilities included in current portion of other payables and accrual approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of financial assets included in other receivables and other assets and financial liabilities included in other payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The resulting fair value amounts of these assets and liabilities were closed to their carrying amounts as at the end of the reporting period.

Fair value hierarchy

The Group did not hold any financial assets and liabilities measured at fair value as at 30 June 2023 and 31 December 2022.

19. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

These interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 28 August 2023.

金茂物業服務發展股份有限公司
Jinmao Property Services Co., Limited