JINKE 金科服务

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Jinke Smart Services Group Co., Ltd.
金科智慧服務集團股份有限公司

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

(Stock Code: 9666)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

RESULTS HIGHLIGHTS

- During the Period, total revenue of the Group was RMB2,565.3 million, representing a decrease of approximately 0.89% from RMB2,588.2 million for the corresponding period in 2021. During the Period, revenue generated from space property management services, community value-added services, local catering services and smart living technology solutions contributed approximately 79.0%, 11.1%, 8.5% and 1.4% to the total revenue, respectively.

- During the Period, revenue generated from space property management services of the Group increased to RMB2,026.0 million, representing an increase of approximately 14.6% from RMB1,767.7 million for the corresponding period in 2021. In particular, revenue generated from property management services increased to RMB1,754.5 million, representing an increase of approximately 34.0% from RMB1,309.6 million for the corresponding period in 2021. The GFA under management of the Group increased to 251.2 million sq.m. as at 30 June 2022 from 237.9 million sq.m. as at 31 December 2021, of which 63.7% belonged to properties developed by Independent Third Parties. During the Period, the newly-added GFA under management was approximately 21.3 million sq.m., of which approximately 83.8% was attributable to third parties. As at 30 June 2022, the Group's contracted GFA reached approximately 373.5 million sq.m., 70.6% of which belonged to properties developed by Independent Third Parties.

- Gross profit of the Group for the Period was RMB678.6 million, representing a decrease of approximately 19.3% from RMB841.4 million for the corresponding period in 2021, and gross profit margin of the Group was 26.5% for the Period.

- The Group's net profit for the Period amounted to RMB372.3 million, representing a decrease of approximately 30.6% from RMB536.3 million for the corresponding period in 2021.

- During the Period, profit attributable to owners of the Company was RMB357.2 million, representing a decrease of approximately 31.9% from RMB524.3 million for the corresponding period in 2021.

- As at 30 June 2022, the Group had cash and cash equivalents of approximately RMB3,936.2 million.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Jinke Smart Services Group Co., Ltd. (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**" or "**we**") for the six months ended 30 June 2022 (the "**Period**"), together with comparative figures for the six months ended 30 June 2021, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Note	**Six months ended 30 June** **2022** ***RMB'000*** ***(Unaudited)***	2021 *RMB'000* *(Unaudited)* *(Restated)*
Revenue	*6*	**2,565,271**	2,588,208
Cost of sales	*7*	**(1,886,663)**	(1,746,799)
Gross profit		**678,608**	841,409
Selling and marketing expenses	*7*	**(2,312)**	(3,329)
Administrative expenses	*7*	**(230,119)**	(192,893)
Net impairment losses on financial assets		**(74,398)**	(3,429)
Other income	*8*	**35,552**	10,149
Other gains/(losses) – net	*9*	**4,596**	(14,626)
Operating profit		**411,927**	637,281
Finance income		**18,811**	17,616
Finance cost		**(6,734)**	(217)
Finance income – net		**12,077**	17,399
Share of net profits of associates and joint ventures accounted for using the equity method		**405**	259
Profit before income tax		**424,409**	654,939
Income tax expenses	*10*	**(52,099)**	(118,682)
Profit and total comprehensive income for the period		**372,310**	536,257
Profit and total comprehensive income attributable to:			
– Owners of the Company		**357,233**	524,309
– Non-controlling interests		**15,077**	11,948
		372,310	536,257
Earnings per share (expressed in RMB per share)			
– Basic and diluted earnings per share	*11*	**0.55**	0.80

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	**As at 30 June 2022 *RMB'000* *(Unaudited)***	As at 31 December 2021 *RMB'000* *(Audited)*
Assets			
Non-current assets			
Property, plant and equipment		**158,631**	90,219
Right-of-use assets		**228,888**	192,625
Goodwill	*15*	**631,458**	410,041
Other intangible assets	*15*	**194,731**	130,752
Investments in associates and joint ventures		**48,327**	47,159
Prepayments		**199,947**	92,774
Financial assets at fair value through profit or loss		**51,000**	–
Deferred income tax assets		**45,629**	19,936
		1,558,611	983,506
Current assets			
Inventories		**29,842**	22,866
Other assets		**22,994**	53,320
Trade and bill and other receivables and prepayments	*12*	**4,857,518**	4,210,273
Restricted cash		**4,336**	2,083
Term deposits		**–**	245,169
Cash and cash equivalents	*13*	**3,936,237**	4,922,276
		8,850,927	9,455,987
Total assets		**10,409,538**	10,439,493
Equity			
Equity attributable to owners of the Company			
Share capital		**652,848**	652,848
Other reserves		**5,724,541**	5,800,761
Retained earnings		**1,136,278**	1,203,396
		7,513,667	7,657,005
Non-controlling interests		**107,573**	72,971
Total equity		**7,621,240**	7,729,976

	Note	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities		**212,764**	176,281
Financial instruments issued to investors		**42,233**	–
Deferred income tax liabilities		**31,055**	16,968
		286,052	193,249
Current liabilities			
Trade and bill and other payables	*14*	**1,754,694**	1,725,480
Lease liabilities		**34,897**	23,993
Contract liabilities	*6(a)*	**618,266**	586,192
Current income tax liabilities		**94,389**	180,603
		2,502,246	2,516,268
Total liabilities		**2,788,298**	2,709,517
Total equity and liabilities		**10,409,538**	10,439,493

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2022

1 GENERAL INFORMATION

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

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

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

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

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

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board on 30 August 2022.

This condensed consolidated interim financial information has been reviewed, not audited.

2 BASIS OF PREPARATION

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

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

Effect in respect of application of business combination under common control

As at 31 December 2021, the Company has completed the acquisition 100% of the equity interests in Chongqing Jinke Jinchen Hotel Management Co., Ltd. ("Jinchen Hotel") from Chongqing Jinke Enterprise Management Group Co., Ltd., a subsidiary of Jinke Property. The acquisition was accounted for as business combinations under common control and has been accounted for using merger accounting. Accordingly, the comparative figures in the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and the related notes were restated in accordance with the principles of merger accounting as prescribed in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants, as if which had been combined with the Group from the earliest date on which Jinchen Hotel first came under the control of Jinke Property.

3 ACCOUNTING POLICIES

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

(a) New and amended standards adopted by the Group

The following new standards, amendments and interpretations to existing standards have been mandatorily adopted by the Group for the financial period beginning on 1 January 2022:

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

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

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

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

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

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

(c) Financial instruments issued to investors

Financial instruments issued to investors represented ordinary shares with certain preferential rights issued to certain investors of Chongqing Tianzhi Huiqi Technology Co., Ltd. ("**Tianqi Technology**"), a subsidiary of Jinke Services. The agreements entitled the holders to redeem the ordinary shares upon the occurrence of certain events beyond the Group's control.

As the Group does not have the unconditional right to avoid delivering cash or another financial assets to settle contractual obligation pursuant to the supplementary paragraph 2 of the auditors' report, the Group recognized a financial liability which recognized initially at the present value of the redemption amount. The financial liabilities are subsequently measured at amortized cost. Interests from the financial instruments are charged in "Finance cost". Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect the present value of revised estimated future cash outflows at the financial instrument's original effective interest rate, and the adjustments will be recognized as "Finance cost". The redemption liabilities are classified as current liabilities unless the preferential rights can only be exercised within 12 months after the end of each reporting period.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

5 SEGMENT INFORMATION

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

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

The Group acquired five entities during the six months ended 30 June 2022. The newly acquired subsidiaries were principally engaged in the provision of space property management services, community value-added services and local catering services. Since then, management reviews the operating results of the business of the new acquired subsidiaries together with the original business to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there are several operating segments, which are used to make strategic decisions.

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

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

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

6 REVENUE

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

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

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

(a) Contract liabilities

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

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

7 EXPENSES BY NATURE

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

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

8 OTHER INCOME

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

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

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

9 OTHER GAINS/(LOSSES) – NET

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

10 INCOME TAX EXPENSES

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

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

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

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

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

Hong Kong profits tax

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

PRC Corporate Income Tax

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

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

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

11 EARNINGS PER SHARE

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

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

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

12 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2022	As at 31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade receivables *(Note (a))*		
– Related parties	**603,659**	360,720
– Third parties	**1,984,871**	1,721,490
	2,588,530	2,082,210
Less: allowance for impairment of trade receivables	**(131,325)**	(78,183)
	2,457,205	2,004,027
Bill receivables		
– Related parties	**19,996**	7,877
– Third parties	**500**	700
	20,496	8,577

	As at 30 June 2022	As at 31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Other receivables		
– Related parties	**1,471,788**	1,327,562
– Third parties	**451,259**	341,638
	1,923,047	1,669,200
Less: allowance for impairment of other receivables	**(37,672)**	(18,445)
	1,885,375	1,650,755
Prepayments		
– Related parties	**199,947**	–
– Third parties	**477,122**	626,166
	677,069	626,166
Input VAT to be deducted	**17,320**	13,522
	5,057,465	4,303,047
Less: non-current portion of prepayments		
– Prepayments for acquisition of properties *(Note (b))*	**(199,947)**	–
– Prepayments for acquisition of equity interests	**–**	(92,774)
	(199,947)	(92,774)
Current portion of trade and bill and other receivables and prepayments	**4,857,518**	4,210,273

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

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

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

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

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

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

13 CASH AND CASH EQUIVALENTS

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

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

14 TRADE AND BILL AND OTHER PAYABLES

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

(a) As at 30 June 2022 and 31 December 2021, the carrying amounts of trade and bill and other payables approximated their fair values.

(b) As at 30 June 2022 and 31 December 2021, the ageing analysis of the trade payables based on invoice date was as follows:

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

15 INTANGIBLE ASSETS

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

(a) No intangible asset is restricted or pledged as security for liabilities as at 30 June 2022 (31 December 2021: nil).

(b) During the six months ended 30 June 2022, the Group acquired 100% equity interests in Sichuan Ruide Property Development Co., Ltd. ("Ruide Property"), 80% equity interests in Zhuzhou Geckor Property Management Co., Ltd. ("Geckor Property"), 51% equity interests in Guizhou Jinke Qingyun Property Management Services Co., Ltd. ("Qingyun Services"), 80% equity interests in Chongqing Easton Intelligent Elevator Engineering Co., Ltd. ("Easton Elevator") and 57% equity interests in Chongqing Yunhan Catering Culture Co., Ltd. ("Yunhan Caterting").

The total identifiable net assets of these entities acquired as at their respective acquisition date amounted to RMB119,065,000, including identified customer relationship of RMB69,429,000 recoginzed by the Group. Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of 10 years for the customer relationships.

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

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

16 DIVIDENDS

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Dividends declared	**424,351**	326,424

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

The Board resolved not to declare any interim dividend for the six months ended 30 June 2022 (for the six months ended 30 June 2021: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

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

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

FINANCIAL REVIEW

Revenue

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

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

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

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

(i) Revenue from space property management services increased by approximately 14.6% from RMB1,767.7 million for the same period in 2021 to RMB2,026.0 million. Among which, (a) revenue from property management services increased by approximately 34.0% from RMB1,309.6 million for the same period in 2021 to RMB1,754.5 million, which was primarily driven by the Group's expansion in the scale of the property management services. The GFA under management increased by approximately 34.5% from 186.8 million sq.m. as at 30 June 2021 to 251.2 million sq.m. as at 30 June 2022; (b) revenue from value-added services to non-property owners decreased by approximately 40.8% from RMB458.1 million for the same period in 2021 to RMB271.4 million, which was primarily due to the decrease in demand for value-added services to non-property owners (including property developers), such as sales assistance services, as affected by national macro policies and the continued sluggish demand in the real estate industry, as well as active reduction in the value-added services to non-property owners with poor collection according to the cash flow of the property developers;

(ii) Revenue from community value-added services decreased by approximately 56.1% from RMB650.1 million for the same period in 2021 to RMB285.3 million, primarily because (a) affected by the reoccurence of the COVID-19 pandemic, tourism business has dropped greatly; (b) in response to changes in the industry, the Company adjusted the model of certain businesses in a timely manner, shifting from a self-operated model to a platform model, under which although the segment revenue decreased, the gross profit margin increased significantly;

(iii) Revenue from local catering services increased by approximately 93.2% from RMB113.4 million for the same period in 2021 to RMB219.1 million, which was primarily driven by (a) fast-growing number of catering service projects and catering supply chain service projects taking the advantage of industry-leading urban density and catering service capacity; (b) fast-growing segment revenue through acquisitions of specialised catering companies and hotel management companies;

(iv) Revenue from smart living technology solutions decreased by approximately 38.8% from RMB57.0 million for the same period in 2021 to RMB34.9 million, which was primarily driven by (a) decreased demand for implementation of the Group' digital and intelligent solutions such as the Home-Life system (生命家系統) in smart on-site services; (b) the decrease in the Group's revenue from software development and number of intelligent solution projects in stages.

Revenue from space property management services

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

Revenue from property management services

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

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

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

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

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

Notes:

(1) Refer to properties developed by the Jinke Property Group through its wholly-owned subsidiaries or properties jointly developed by the Jinke Property Group and other property developers (excluding properties developed by the Jinke Property Group's joint ventures and associates) in which the Jinke Property Group held a controlling interest.

(2) Refer to properties developed by the Jinke Property Group's joint venture and associates, in which the Jinke Property Group did not hold a controlling interest.

(3) Refer to properties solely developed by third-party property developers independent from the Jinke Property Group. Properties developed by Independent Third Parties include government-owned buildings and other public properties.

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

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

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

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

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

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

Notes:

(1) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Southwestern China Region include Sichuan province, Guizhou province, Yunnan province, Tibet Autonomous Region and Chongqing municipality.

(2) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Eastern and Southern China Region include Jiangsu province, Zhejiang province, Fujian province, Jiangxi province, Shandong province, Anhui province, Guangdong province, Hainan province, Guangxi Zhuang Autonomous Region and Shanghai municipality.

(3) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Central China Region include Henan province, Hubei province and Hunan province.

(4) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in other regions include Hebei province, Shanxi province, Shaanxi province, Gansu province, Qinghai province, Liaoning province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region, Beijing and Tianjin municipalities.

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

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

Notes:

(1) With respect to residential communities under our management, new engagements primarily include preliminary management contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.

(2) These terminations include the non-renewal of certain property management service contracts upon expiration and the Group's voluntary exit as we reallocated our resources to more profitable engagements in an effort to optimize our property management portfolio, and we have always insisted on qualitative and effective scale growth.

Revenue from value-added services to non-property owners

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

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

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

Revenue from community value-added services

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

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

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

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

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

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

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

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

Revenue from local catering services

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

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

	For the six months ended 30 June			
	2022		2021	
	(RMB'000)	***%***	*(RMB'000)* (Restated)	*%*
Catering services	**41,114**	**18.8**	12,794	11.3
Catering supply chain services	**112,849**	**51.5**	94,554	83.4
Hotel management services	**65,118**	**29.7**	6,034	5.3
Total	**219,081**	**100.0**	113,382	100.0

Revenue from smart living technology solutions

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

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

OUTLOOK AND FUTURE PLANS

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

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

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

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

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

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

COST OF SALES

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

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

GROSS PROFIT AND GROSS PROFIT MARGIN

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

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

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

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

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

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

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

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

OTHER INCOME

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

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

OTHER GAINS/(LOSSES) – NET

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

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

ADMINISTRATIVE EXPENSES

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

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

INCOME TAX EXPENSES

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

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

INTANGIBLE ASSETS

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

TRADE AND BILL RECEIVABLES

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

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

PREPAYMENTS AND OTHER RECEIVABLES

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

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

TRADE AND BILL PAYABLES

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

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

OTHER PAYABLES

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

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

CONTRACT LIABILITIES

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

LIQUIDITY AND CAPITAL RESOURCES

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

Cash Position

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

Cash Flows

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

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

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

INDEBTEDNESS

Borrowings

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

GEARING RATIO

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

PLEDGE OF ASSETS

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

FOREIGN EXCHANGE RISKS

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

CONTINGENT LIABILITIES

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

COMMITMENTS

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

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

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

USE OF NET PROCEEDS FROM THE LISTING

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

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

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

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

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

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

EMPLOYEE AND REMUNERATION POLICY

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

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

SIGNIFICANT EVENTS AFTER THE PERIOD

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

Save as the deviation from the code provision C.2.1 of the Corporate Governance Code as disclosed above, and, to the best knowledge of the Directors, the Company had complied with all other applicable code provisions under the Corporate Governance Code during the Period.

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

The Company has adopted the Model Code as the code of conduct for dealings in the securities by the Directors and Supervisors. Having made specific enquiries to all Directors and Supervisors, all the Directors and Supervisors have confirmed that they have complied with the Model Code during the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

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

AUDIT COMMITTEE

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

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

REVIEW OF UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.jinkeservice.com. The Company's 2022 interim report containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the aforementioned websites in due course.

By Order of the Board
Jinke Smart Services Group Co., Ltd.
Xia Shaofei
Chairman

Hong Kong, 30 August 2022

As at the date of this announcement, the Board comprises Mr. Xia Shaofei and Mr. Xu Guofu as executive Directors, Mr. Luo Licheng, Mr. Liang Zhongtai, Ms. Lin Ke and Mr. Wu Xiaoli as non-executive Directors, and Mr. Cao Guohua, Ms. Yuan Lin and Mr. Chan Chi Fung Leo as independent non-executive Directors.

GLOSSARY AND DEFINITION

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

"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"China" or "PRC"	the People's Republic of China
"Company"	Jinke Smart Services Group Co., Ltd.* (金科智慧服務集團股份有限公司), a limited liability company established in the PRC on 18 July 2000 and converted into a joint stock company with limited liability on 28 May 2020, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9666)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules, and unless the context requires otherwise, refers to Jinke Property
"Corporate Governance Code"	the Corporate Governance Code contained in Part 2 of Appendix 14 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Documents"	collectively, the Prospectus and the announcements of the Company dated 10 December 2020 and 10 September 2021
"GFA"	gross floor area
"Group" or "we"	the Company and its subsidiaries
"H Shares"	the overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates (within the meaning of the Listing Rules)

"Jinke Property"	Jinke Property Group Co., Ltd.* (金科地產集團股份有限公司), a joint stock company with limited liability established in the PRC on 29 March 1994, listed on the Shenzhen Stock Exchange (stock code: 000656.SZ) and the Controlling Shareholder
"Jinke Property Group"	Jinke Property and its subsidiaries
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	17 November 2020, the date on which dealings in the H Shares on the Main Board first commence
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"Period"	the six months ended 30 June 2022
"Prospectus"	the prospectus of the Company dated 5 November 2020
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the H Shares only
"Shareholder(s)"	holder(s) of the Share(s)
"sq.m."	square meter(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisor(s) of the Company
"%"	per cent
"US$"	United States dollars, the lawful currency in the United States of America

* *For identification purpose only*