金科智慧服務集團股份有限公司

Jinke Smart Services Group Co., Ltd.

股份代號 9666.HK

Stock Code 9666.HK

（於中華人民共和國註冊成立的股份有限公司）

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

JINKE 金科服务

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ANNUAL REPORT

年度報告

2023

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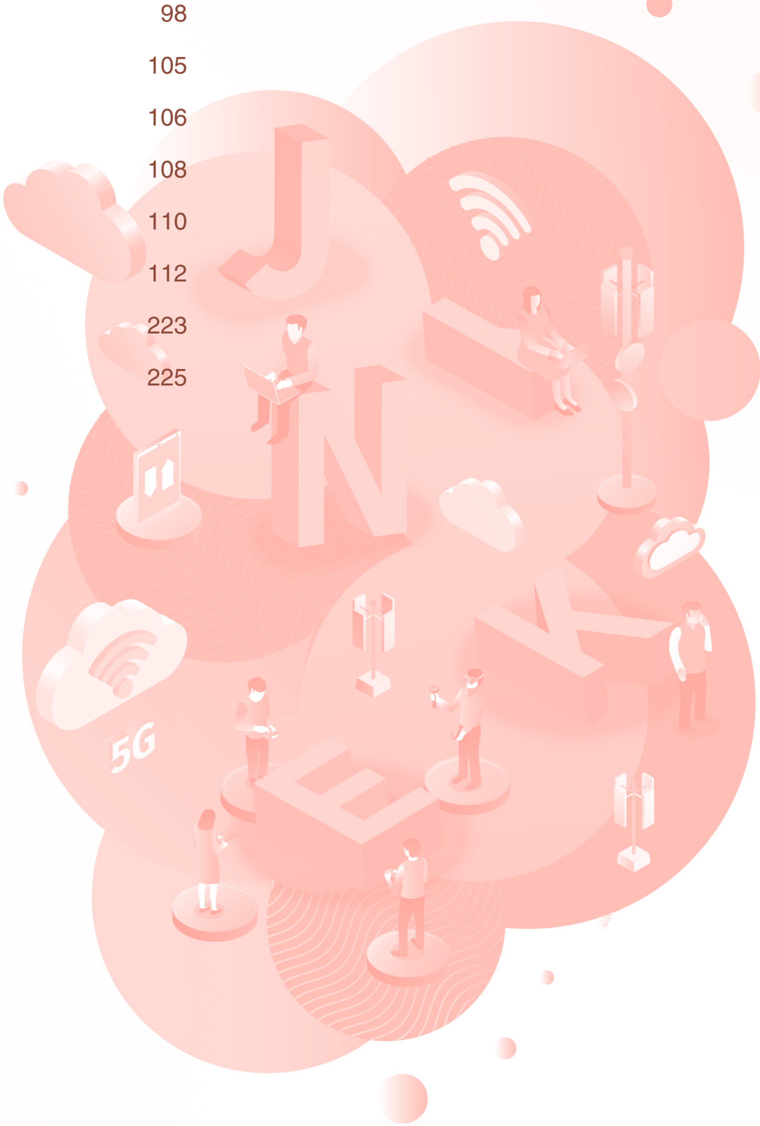


CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Xia Shaofei *(Chairman) (re-elected on 8 June 2023)*

Non-Executive Directors

Mr. Xu Guofu *(re-designated from an executive Director to a non-executive Director on 13 February 2023 and re-elected on 8 June 2023)*
Mr. Wu Xiaoli *(re-elected on 8 June 2023)*
Ms. Lin Ke *(re-elected on 8 June 2023)*
Mr. Shi Cheng *(appointed on 7 December 2023)*
Mr. Qi Shihao *(appointed on 7 December 2023)*
Mr. Liang Zhongtai *(re-elected on 8 June 2023 and resigned on 3 November 2023)*
Mr. Wei Yi *(appointed on 8 June 2023 and resigned on 3 November 2023)*
Mr. Luo Licheng *(retired on 8 June 2023)*

Independent Non-Executive Directors

Ms. Yuan Lin *(re-elected on 8 June 2023)*
Ms. Xiao Huilin *(appointed on 8 June 2023)*
Mr. Tung Woon Cheung Eric *(appointed on 13 October 2023)*
Mr. Cao Guohua *(retired on 8 June 2023)*
Mr. Chan Chi Fung Leo *(retired on 8 June 2023)*
Mr. Wong Yik Chung John *(appointed on 8 June 2023 and resigned on 27 June 2023)*

SUPERVISORS

Mr. Yu Yong *(re-elected on 8 June 2023)*
Mr. Luo Ruifeng *(appointed on 8 June 2023)*
Ms. Ren Wenjuan *(re-elected on 30 March 2023)*
Mr. Han Chong *(retired on 8 June 2023)*

JOINT COMPANY SECRETARIES

Ms. Xu Yuanyuan *(appointed on 30 March 2023)*
Mr. Lau Kwok Yin
Mr. Xu Guofu *(resigned on 10 February 2023)*

AUTHORIZED REPRESENTATIVES

Mr. Xia Shaofei *(appointed on 10 February 2023)*
Mr. Lau Kwok Yin
Ms. Ching Suet Fan *(alternative authorized representative to Mr. Lau Kwok Yin) (resigned on 8 June 2023)*
Mr. Xu Guofu *(resigned on 10 February 2023)*

AUDIT COMMITTEE

Mr. Tung Woon Cheung Eric *(chairman) (appointed on 13 October 2023)*
Mr. Chan Chi Fung Leo *(chairman) (retired on 8 June 2023)*
Mr. Wong Yik Chung John *(chairman) (appointed on 8 June 2023 and resigned on 27 June 2023)*
Mr. Wu Xiaoli *(appointed on 8 June 2023)*
Ms. Yuan Lin *(appointed on 8 June 2023)*
Ms. Xiao Huilin *(appointed on 8 June 2023)*
Mr. Shi Cheng *(appointed on 7 December 2023)*
Mr. Liang Zhongtai *(resigned on 3 November 2023)*
Mr. Cao Guohua *(retired on 8 June 2023)*

REMUNERATION COMMITTEE

Ms. Yuan Lin *(chairlady)*
Mr. Xu Guofu *(appointed on 8 June 2023)*
Mr. Wu Xiaoli *(appointed on 8 June 2023)*
Ms. Xiao Huilin *(appointed on 8 June 2023)*
Mr. Tung Woon Cheung Eric *(appointed on 13 October 2023)*
Mr. Luo Licheng *(retired on 8 June 2023)*
Mr. Cao Guohua *(retired on 8 June 2023)*
Mr. Wong Yik Chung John *(appointed on 8 June 2023 and resigned on 27 June 2023)*

NOMINATION COMMITTEE

Mr. Xia Shaofei *(chairman)*
Mr. Wu Xiaoli *(appointed on 8 June 2023)*
Ms. Yuan Lin
Ms. Xiao Huilin *(appointed on 8 June 2023)*
Mr. Tung Woon Cheung Eric *(appointed on 13 October 2023)*
Mr. Cao Guohua *(retired on 8 June 2023)*
Mr. Wong Yik Chung John *(appointed on 8 June 2023 and resigned on 27 June 2023)*

CORPORATE INFORMATION

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Xu Guofu *(chairman)*
Mr. Xia Shaofei
Ms. Yuan Lin *(appointed on 8 June 2023)*
Ms. Xiao Huilin *(appointed on 8 June 2023)*
Mr. Tung Woon Cheung Eric *(appointed on 13 October 2023)*
Mr. Chan Chi Fung Leo *(retired on 8 June 2023)*
Mr. Wong Yik Chung John *(appointed on 8 June 2023 and resigned on 27 June 2023)*

HEADQUARTERS IN THE PRC

Building A4, East Zone
Jinke Shiniancheng
No. 480, Panxi Road
Shimahe Street
Jiangbei District
Chongqing, PRC

REGISTERED OFFICE IN THE PRC

No. 1 affiliated to 484 Panxi Road
Shima River Street
Jiangbei District
Chongqing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor
Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

H SHARE REGISTRAR

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

AUDITOR

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

LEGAL ADVISOR AS TO HONG KONG LAWS

Sidley Austin

PRINCIPAL BANKS

Industrial and Commercial Bank of China, Chongqing Longhu Branch

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

INVESTOR RELATIONS

Investor Relations Department
E-mail: irjks@jinkeservice.com
Telephone: +86 (023) 8825 9666

COMPANY'S WEBSITE

www.jinkeservice.com

STOCK CODE

09666

FINANCIAL SUMMARY

SUMMARY OF THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December	
	2023	2022
Revenue (RMB million)	**4,979.7**	5,005.1
Gross profit (RMB million)	**928.2**	943.2
Gross profit margin	**18.6%**	18.8%
Net loss (RMB million)	**(981.7)**	(1,839.9)
Net loss margin	**(19.7%)**	(36.8%)
Loss attributable to owners of the Company (RMB million)	**(951.0)**	(1,815.5)
Basic losses per share (RMB)	**(1.49)**	(2.80)
Return on shareholders' equity (weighted average)	**(24.0%)**	(34.1%)

SUMMARY OF THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December	
	2023	2022
Total assets (RMB million)	**7,657.3**	8,356.8
Cash and cash equivalents (RMB million)	**2,905.5**	3,069.8
Total equity (RMB million)	**4,097.2**	5,400.4
Gearing ratio	**–**	–

HONORS AND MAJOR EVENTS IN 2023

No.	Name of award	Awarding unit
1	2022 Best Employer in China	CHIRC
2	2023 Outstanding IFM Service Companies in China	China Index Academy
3	2023 Leading Companies in China in Term of Specialty Property Services – City Services	China Index Academy
4	2023 TOP 100 Property Management Companies in Terms of Service Quality	China Index Academy
5	2023 TOP 100 Property Management Companies in China in Terms of Leading Satisfaction	China Index Academy
6	2023 Top 10 among the TOP 100 Property Management Companies in China in Terms of Service Scale	China Index Academy
7	2023 Top 10 among the TOP 100 Property Management Companies in China in Terms of Comprehensive Strength	China Index Academy
8	2023 Leading Companies in Property Technology Empowering in China	China Index Academy
9	2023 Outstanding Hospital Property Management Companies in China	China Index Academy

HONORS AND MAJOR EVENTS IN 2023

February

"Ecosystem +" continuing to empower
Awarded the highest honor in China's hotel industry

On 27 February, Jin Yi Meal Service, one of Jinke Services's food service brands, was awarded the 2022 Hotel Industry Golden Tripod Award for its innovative industry revitalization model of "hotel + food service + agricultural and cultural tourism + consumption". Jinke Services has always believed that social value is greater than corporate value. While providing healthy and nutritious dietary guarantees for customers and citizens, Jin Yi Meal Service also bears its responsibility for public welfare, actively responds to the national rural revitalization strategy, and strives to satisfy people's material and spiritual needs for a better life.

February

Starting a new model of "Hospital+" services
Strategically partnering with Gem Flower Healthcare

On 15 February, Jinke Services and Gem Flower Medical Health Investment Holding Group Co., Ltd. formed a strategic partnership to develop the "Hospital+" new service model. In the future, both parties will give full play to their resource advantages in comprehensive medical logistics services and related fields to develop a new "one-stop logistics" management model based on "Internet +" in an innovative way, and work together to provide a better medical environment for the majority of patients and differentiated health services for community residents, thereby contributing to the healthy development of the medical and health undertakings.

March

Practicing people-oriented long-termism
Awarded as the 2022 China Best Employer

On 16 March, the 2022 China Best Employer Award Ceremony was held. At the ceremony, Jinke Services was awarded the "2022 Best Employer-Chongqing Best Employer" for its outstanding contribution to promoting the digital transformation of the industry and its excellent achievements in talent system construction. In 2022, Jinke Services insisted on deepening the construction of a highly professional talent system to continuously empower the cultivation of high-quality service capabilities, and was awarded a number of heavyweight honors for employer branding, such as the "2022 China Best Employer Enterprise of Property" and the "2022 China Best Employer Enterprise." Xia Shaofei, Chairman of Jinke Services, won the honor of the "2022 the Most Socially Responsible Entrepreneur in China."

March

Joining hands with Shuchuan Property
Accelerating the penetration into Southwest China

On 22 March, Jinke Services and Shuchuan Property reached a long-term strategic cooperation to accelerate the development of the Southwest China and work together with Shuchuan Property to provide "caring + joyful" services for 42 mid-to-high-end residential, commercial and urban public construction projects, with the area under management increased by nearly 10 million square meters. As the industry leader with the largest market share in the central and western regions all year round, Jinke Services adheres to the density strategy under long-termism and provides high-quality services to more high-quality customers around the core economic belt of the Yangtze River.

HONORS AND MAJOR EVENTS IN 2023

April

Focusing on big services
Winning the national TOP10 for the eight consecutive years

On 26 April, the list of "2023 Top 100 Property Service Companies in China" was released. Jinke Services was listed TOP 10 among the "2023 Top 100 Property Service Companies in China" for the eight consecutive years; at the same time, it also ranked second in the two major lists of "Leading Companies in Satisfaction" and "Leading Companies in Service Quality," ranked the first in the TOP 10 Property Service Companies in Chongqing and Wuxi in Terms of Comprehensive Strength, and had won the titles such as the IFM Service Excellent Companies (1st), Outstanding Education Property Management Companies (2nd) and Leading Companies in Technology Empowerment (3rd).

May

Star standards achieving customer value
Releasing the first white paper on administrative service standards

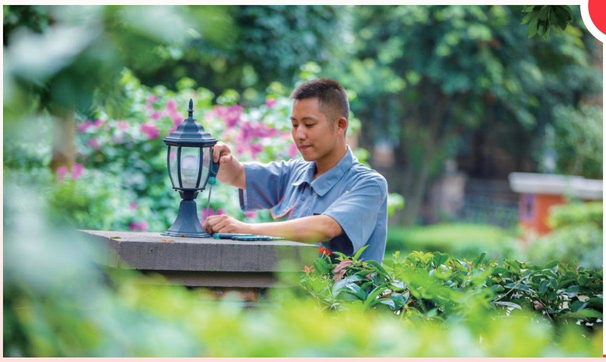
On 18 May, the first Jinyue Corporate Service and Conference Service Skills Competition was held. "Golden Conference Officers" from all over the country competed to show their superb services. At the competition site, Jinyue Corporate Service released the first white paper on conference service standards, the White Paper on Jinyue Corporate and Administrative Reception Service Standards, setting an example for further promoting the construction of a high-end service system.

June

Star services attracting fans from leading enterprises once again.
Jinke Services joining hands with the head office of Chongqing Three Gorges Bank

On 19 June, the head office of Chongqing Three Gorges Bank ushered in its first working day after moving to its new location. As the "five-star butler" behind the bank, Jinke Services continued to yield satisfactory results with its respectable and luxurious service experience. In response to the high-end positioning and diversified service needs of the head office of Chongqing Three Gorges Bank, Jinke Services has focused on building in-depth and integrated corporate headquarters comprehensive services, providing professional empowerment in conference services, environmental management, engineering operation and maintenance, energy conservation and consumption reduction, etc., helping Chongqing Three Gorges Bank to build a "research-based, innovative and ecological" bank.

July



The seventh year of the Better Homes Plan (美好家園計劃)
Continuing to build a happy life with the characteristics of Jinke Services

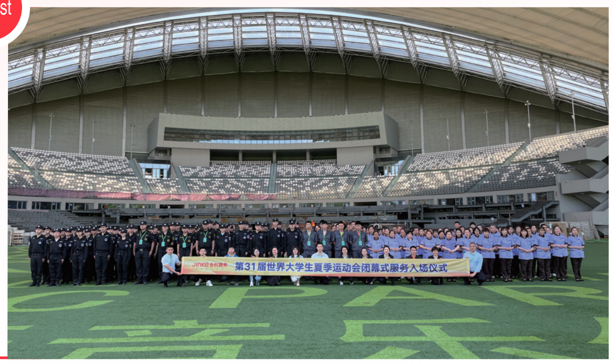
In July, the 2024 Better Homes Plan of Jinke Services came to a perfect conclusion. The Better Homes Plan is a special action proposed by Jinke Services in 2017 to upgrade the living quality of mature residential communities, which has been carried out for seven consecutive years, with a cumulative investment of nearly RMB300 million, and more than 8,000 special upgrades of facilities, equipment and venues, involving facilities and equipment that are closely related to the lives of the owners, such as recreation, intelligence, fire protection, lighting, etc., so as to make the community more and more new and continue to build a happy life with the characteristics of Jinke Services.

HONORS AND MAJOR EVENTS IN 2023

August

Premium services for the world
Contributing to bringing the Chengdu Universiade to a successful conclusion

In 2023, the 31st Summer Universiade was held in Chengdu. Following the Beijing Winter Olympics, Jinke Services once again shouldered the responsibility and mission of escorting world competitions. After 137 days of guarding day and night of 500 employees, the event was successfully concluded on 8 August amidst dazzling fireworks. From venue operation to the reception of international guests, Jinke Services once again added luster to international sports events with its star service standards.



September

Contributing the strength of women and highlighting the beauty of women
Establishing the first Women's Federation of Listed Group Companies in Chongqing

In September, under the guidance of the Chongqing Women's Federation, the first women's congress of Jinke Services was successfully held, and the Women's Federation of Jinke Services was officially established, which will strive for more rights and opportunities for tens of thousands of female employees, allow more women contribute "the strength of women" in the workplace and in their lives. Jinke Services has always adhered to the cultural concept of "employees first" and is committed to building a cohesive spiritual home for its employees with a youthful and humane work-life style, seeks for mutual achievements and common growth with employees, and has won the honor of "China Best Employer" for many times.

November

Reaching strategic cooperation with the People's Government of Hailar District
Digital intelligence technology creating a model for urban upgrading

On 29 November, Jinke Services officially signed a strategic cooperation agreement with the People's Government of Hailar District, Hulunbuir City, Inner Mongolia Autonomous Region. With the "Internet +" digital intelligence technology cooperation as the basis, the two parties will extensively carry out multi-field and multi-level comprehensive cooperation in aspects such as digital economy, urban governance, corporate catering, high-end hotels and the cultural tourism industry to jointly create a model for urban modernization upgrading.

November

The first National Student (Youth) Games coming to an end.
The star services of Jinke Services receiving praise again

On 15 November, the first National Student (Youth) Games came to an end in Nanning, Guangxi. Jinke Services successfully completed the operation and service of the athletes' apartment in 109 days. The entire Youth Games Village covers an area of 338 acres, with a total construction area of approximately 680,000 square meters, and has received more than 12,000 people. From undertaking inspections and formulating service guarantee plans to providing immediate response in 20 seconds and door-to-door processing within 15 minutes... Jinke Services has specially created a one-stop apartment service system for the Youth Games Village, and the warm and considerate service has left a deep impression on the players living in the apartment.

November

Co-operation with Jiulongyuan High-Tech Group further upgrading.
Working together to create "acceleration"

In November, the cooperation between Jinke Services and Chongqing Jiulongyuan High-tech Industry Group was comprehensively deepened. Jinke Services will further empower the urban development of Jiulongpo District, Chongqing, and make in-depth layout of diversified business formats, including headquarters bases, commercial and office buildings, industrial parks, large hospitals, residential communities, etc., so as to contribute to urban economic construction and improvement in the quality of life with ingenious services, and to build a city model for upward growth with star standards.

December


證　書
CERTIFICATE

秉承公正、客观、全面的原则，基于科学的方法体系及对全国主要城市物业服务企业项目管理状况的跟踪研究，结合满意度、收缴率、续约率、星级小区数量等关键指标，综合评价各城市物业服务企业服务质量，特授予：

金科智慧服务集团股份有限公司
2023特色运营优秀企业-IFM优秀企业

北京中指信息技术研究院
二零二三年十二月

Sticking to high-quality development under long-termism,
Ranking first in the Western China and Chongqing.

On 7 December, the "2023 China Real Estate Big Data Annual Conference and 2024 China Real Estate Market Trend Report Conference" was grandly held in Beijing. Jinke Services, with its industry-leading high-quality services and high customer satisfaction, has been ranked among the TOP50 in the Western China (1st), the TOP10 in Chongqing (1st), and the TOP10 in Jiangsu (2nd) in the industry, and has been honored with a number of accolades such as the "2023 Chongqing Leading Property Management Companies in Terms of Satisfaction," and Jinyue Corporate Service under its brand was awarded the "2023 Excellent Enterprise with Characteristic Operation-IFM Excellent Enterprise."

CHAIRMAN'S STATEMENT

In 2023, despite the recovery of the macro economy with a momentum of steady growth, there still existed numerous difficulties and challenges to promote the development of the industry, and the complexity, severity and uncertainty of the external environment continued to increase. The real estate industry was under continuous regulation. The significant decreases in house purchase demand and the sales of new houses facilitated the shift of the development direction of the property management industry from developing new markets to focusing on existing markets and increasingly intensified the industry competition. The noticeable domestic consumption downgrade caused certain impacts on diversified businesses such as shopping, catering and home decoration as well as the collection of property management fees. In the future, the industry will enter a new stage of quality and efficiency improvement, large-scale and coordinated development. Only those provide high-quality services can earn good reputation among customers and acquire more high-quality customers.

Despite the high pressure on the development of the industry, we have been committed to transforming to high-quality development and sustainable operation. As a leading, high-quality third-party comprehensive service provider in the PRC, Jinke Services has been firmly implementing the development strategy of "Service + Technology, Service + Ecosystem" and adhering to long-termism and the customer-centered and the employee-first value to be an enterprise with the sense of social responsibility. Over the past 24 years, we have developed a community of shared beautiful life with property owners and strove to spread the ESG concept from enterprises to communities and the society. In 2023, nearly 10,000 neighborhood activities were held in large communities nationwide, further improving the construction of a harmonious community of shared governance. We have over 1,000 medium and large enterprise and public institution customers and 757 high-quality suppliers and always give back to customers for their choice and favor with high-quality services.

We firstly put forward the idea of neighborhood culture across the country and deeply integrated the construction of a harmonious and amicable community into its endogenous development. In light of our efforts in creating the neighborhood culture and the construction of a harmonious and amicable community over 16 years, we have gained a high reputation among millions of property owners, which enables us to continuously maintain the leading position in the industry in terms of satisfaction and fee collection rates. We insisted on the Better Homes Plan (美好家園計劃) and developed a strong popularity and market effects. We continued to promote the reform of mechanization of manpower and the intellectualization of machinery and empowered property management to reduce costs and increase efficiency and continuously improve the fineness of management and the service efficiency through digital and intelligent technology upgrades. We adhered to strategies on the penetration of the neighborhood culture, the renovation of better homes and empowerment with digital and intelligent technology, thereby facilitating our business expansion in residential services.

In terms of corporate services, we closely focused on acquiring high-quality customer resources to provide customers with superior services. We continued to provide enterprise and public institution customers with professional and efficient comprehensive services, made full use of corporate resources to build an IFM service ecosystem, and won various honors, such as China's IFM Excellent Service Enterprise. As a leader in the development of the group catering business in the property industry, we serve large financial institutions, corporate headquarters, universities and colleges, large hospitals and other customers. We currently provide catering services to more than 250,000 diners each day.

CHAIRMAN'S STATEMENT

We are committed to building a leading local catering services platform for consumers. We continue to promote the rapid implementation of "hotel + catering, hotel + tourism and hotel + platforms" to achieve customer attraction through hotels and accelerate the acquisition of high-quality projects, continuously enhancing the "self-development" capability.

In the future, we will unswervingly implement the development strategy of "Service + Technology, Service + Ecosystem" and fully upgrade residential services into neighborhood property services. For corporate services, we will focus on public area services and logistics services and build the corporate logistics service system covering the full industrial chains of IFM. We will continue to strengthen the empowerment of "Service + Technology". On the one hand, we will assist the government through digital economy and Cloud City 100 to coordinate the building of an ecosystem and market development. On the other hand, we will further enhance the service and management capability to further optimize management cost and improve management efficiency. We will continue to build the synergy of "Service + Ecosystem". On the one hand, we will expand consumption scenarios with a focus on accommodations and cultural, sports and tourism activities, enhance the cooperation with external travel agencies, and provide professional and attentive services for competitions and tourist activities to achieve customer attraction for businesses. On the other hand, with capital operation as the core, we will focus on capital appreciation and preservation, and build a closed loop for the integrated management of capital operation and commercial operation, to facilitate the acquisition of property projects.

Xia Shaofei
Chairman
Jinke Smart Services Group Co., Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is a leading, high-quality third party comprehensive service provider in the PRC and ranked the first in the Southwestern China Region. The Group has a comprehensive service product matrix covering residential buildings, mid-to-high end commercial office buildings, industrial parks, schools, hospitals, public construction, and urban services. Through its four growth curves "SCLT": (i) space property management services (Space); (ii) local catering services (Catering); (iii) community value-added services (Life); and (iv) smart living technology solutions (Technology), we are committed to providing one-stop, all-time high quality services to various customers.

Relying on its industry-leading overall strength and brand influence, the Group was recognized by the China Index Academy ("**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 eight consecutive years, and the Group's market share in the Central and Western China Region has ranked the first for seven consecutive years. In 2023, due to its leading service quality, the Group was awarded the "Top 3 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 Top3) by CIA. Relying on our all-round service capability in multiple industries, we were on the top lists in IFM services, commercial and corporate services, urban services, hospital and property services. Based on our industry-leading smart living technology strength, we were awarded the "Top 3 Leading Enterprises in China in terms of Property Technology Empowerment" (中國物業科技賦能領先企業 Top3) by CIA. We insisted on our urban density strategy and were awarded the "Top 10 in terms of Comprehensive Strength among Property Service Enterprises" (物業服務企業綜合實力 Top10) in Chongqing, Wuxi, Chengdu and Zhengzhou by CIA.

2023 is a year of turbulence, differentiation and reform with intensified geopolitical conflicts as well as slow recovery and increasingly differentiation in global economy. China's economy showed a positive trend of recovery, but it still faced triple pressures of "shrinking demand, excessive production capacity and weakening expectations." The development model of the real estate industry in China faced significant transformation. Real estate developers were facing an increasingly serious liquidity crisis. New real estate development investment, new construction area and the sales area of new properties continued to decline. The property management industry was affected by various factors. The increases in the scale of management and revenue slowed down remarkably with fewer growth potential, intensified competitions in the existing market and increasingly differentiation of property service enterprises. 2023 is the first year for the transformation of the Group. We have, on the one hand, remained steadfast in our business foundation of "Service + Ecosystem, Service + Technology"; on the other hand, we have accelerated our transformation towards an independent and professional service provider with the focus on core and principal businesses and high-quality development, and constantly improved our service capabilities, market expansion capabilities and internal driving forces. We will adhere to the path of sustainable, differentiated and independent development and the operation strategy of "revenue shall generate profit and profit shall contain cash flow." We have confidence in striving to become a leading high-quality third-party comprehensive service provider in China.

OUTLOOK AND FUTURE PLANS

The real estate industry in China is under significant reform as evidenced by a lack of confidence in the real estate market and increasingly severe liquidity shortage confronted by most real estate developers. As a result, the growth in the property management industry is expected to slow down and the competition in the existing market is gradually intensified. Most of non-independent property management enterprises confront setbacks of independence transformation. The industry returns to focusing on quality services instead of area under management, so as to empower industry development through benign competition.

The Group will leverage on changes in the industry and itself, adhere to the development strategy of "Service + Ecosystem, Service + Technology" and focus on core business lines of space property management services and local catering services. We will implement the operation strategy of "revenue shall generate profit and profit shall contain cash flow," adopt targeted measures, attach great importance to the payment collection of businesses and seek sustainable and healthy development, striving to build a leading high-quality third-party comprehensive service provider in China.

By firmly pursuing quality growth driven by long-termism and focusing on the Better Homes Plan (美好家園計劃), we will strengthen the integrated and refined management at the front and back ends, continue to tap into core cities, constantly improve the neighborhood concentration of existing projects, develop new models of integrated facility management (IFM) services on "property services + group catering services" and consolidate our leading differentiated, market-based and independent development capabilities in the property service industry. Service capability is the cornerstone of our business, and quality is the guarantee for the formation of service capacity. In terms of basic property services, we will continue to adhere to a customer satisfaction and customer demand-oriented approach, strengthen our high-quality service capacity and enhance our professional service capabilities in multiple fields, and help customers achieve the preservation and appreciation of assets. We will strengthen the management and control on the operation quality and efficiency and the running cycle of projects, implement the hierarchical operation system of projects, continue to promote the intelligent transformation of projects and constantly improve the accuracy and granularity of data on energy consumption of projects as well as equipment and facilities to empower the management of special cost reductions. We will insist on quality and effective scale growth and selectively conduct market expansion. Meanwhile, for projects with negative contributions, we will continuously and actively choose to withdraw from management to seek the long-term and healthy development of the Group. For the existing residential market, we will launch the "Better Homes Plan (美好家園計劃)." Through the use of special repairing funds and quality improvement funds, we will focus on the penetration into, selection of and entry to existing high-quality communities, strive to improve the conversion rate of projects and seek long-term and healthy development with reasonable short-term investments. In terms of non-residential businesses, we will provide customers with integrated and customized new models of integrated facility management (IFM) services on "property services + group catering services" to help customers achieve management effectiveness and maximize efficiency. We will continue to expand joint venture and cooperation markets, integrate high-quality resources, develop the capability on the construction of channels, and strengthen the pre-investment risk identification and the post-investment performance management to improve the quality of joint ventures and cooperation. We will continue to focus on advantageous areas, deeply cultivate core cities in the Southwest China and along the Yangtze River, as well as promote development, reduce costs and improve quality and efficiency with management density, with a view to further consolidating our leading position in core markets. We will further prudently consider M&A projects, focus on regional boutique third-party property management companies with high convergence with existing advantageous regions, low historical burden and authentic balance sheet and attach greater attention to investment return. We will comprehensively reduce value-added services to non-property owners, focus on cash flow generation of our business and provide necessary services for the project on "ensuring delivery and stabilizing people's livelihood."

MANAGEMENT DISCUSSION AND ANALYSIS

We will integrate high-quality resources, fully display the synergy of property management, catering and hotel businesses, improve the service capacity and competitiveness of group catering, continuously enrich consumption scenarios and improve consumer experience to build the star logistics service system to enhance the light asset operation capability and develop the second growth line. Local catering services serve as the second growth line of our high-quality development. We will develop the new growth model with resource complementarity with catering, hotel as well as cultural, sports and tourism activities as carriers. In the catering services segment, we have established a three-wheel driven multi-brand development model of "government and enterprise group catering, star-rated high-end catering services and community catering." We will continue to deepen the resource synergy mechanism between the group catering business and the non-residential property segment to jointly bid for joint expansion, and further explore existing customers while keeping two-way link to premium incremental customers. We will provide customers with an industry-leading one-stop and customized new models of comprehensive IFM services to continuously increase our market share in group catering. In the hotel management segment, we will continuously improve the service standards and operation capabilities of directly operated and franchised hotels based on "Hotel + Catering, Hotel + Culture, Sports & Tourism" development model. We will constantly expand the brand influence through new popular media and large cultural, sports and tourism activities and conduct the market-based output of the hotel operation capability to build an industry-leading third-party hotel management platform. In terms of catering supply chain business, we will further develop our strengths in channels and raw materials, constantly enhance the refined quality control and management capability, reduce costs and increase efficiency and provide excellent logistics services.

We will give full play to the advantages of community resources, focus on targeted business, conduct parallel operation of self-operated models and platform models, enhance the operation capability on real estate and strengthen destocking of existing assets to build a closed loop of integrated asset management and continuously build an ecological and coordinated community mechanism. Community is the most numerous and most influential basic consumption unit scenario. We have been committed to building a community value-added service ecosystem. Focusing on the diversified scenarios of "food, accommodation, transportation, education, travel and shopping," we will provide customers with differentiated and warm community services to further enhance the loyalty of property owners. We will focus on targeted business, adjust operation strategies in combination with its own advantages, conduct parallel operation of self-operated models and platform models and continuously improve the quality and efficiency of operation. We will endeavor to enhance our operation capability on real estate, seize the opportunities in a rapid increase in demand for charging spaces brought about by the popularization of new energy vehicles, speed up in destocking of heavy assets in combination with various sales models and improve the cash flow from operating activities of the Group. With home decoration as the core of future development of the self-operated businesses, we will give priority to the quality of services, formulate professional standards on new houses and the renovation of existing houses and increasingly improve the business penetration leveraging on the deep coordination of high-quality self-operated demonstration projects and the rental and sales businesses. We will constantly explore new models of cultural, commercial and tourism development, attach importance to the capabilities on the introduction of merchants in communities, tourism, travelling and other light asset operation, strengthen the capability on revitalizing existing assets and build a closed loop of integrated asset management. We will continue to facilitate the internal partnership mechanism of business groups, cultivate the sense of ownership and shareholder mindset of backbone employees, and encourage internal entrepreneurship to continue to create new service formats based on the market environment and the actual situation of business development.

We will focus on the R&D of smart living technology, continuously enhance technology empowerment, coordinate clean energies and the management and control of energy consumption to reduce costs and improve quality and efficiency, embrace the reform of digital economy and AI, seize opportunities and seek development. We will continue to promote the reform of manpower mechanization and mechanical intelligence, promote cost reduction and efficiency improvement by digital intelligence technology empowerment, constantly promote the transformation in the IoT on elevators, energy-saving equipment and intelligent energy management and control, and promote cost reduction and efficiency enhancement of property projects under management in various business segments. In addition, we will seize the opportunity in the transformation of national digital economy and low-carbon economy and actively develop the platform model of digital economy. Leveraging on the trend of promoting grass-roots governance in China and with the Chongqing Municipal Intelligent Property Platform as a case, we will speed up in the publicity of intelligent government-related affairs and intelligent plans in urban sub-districts and communities and continuously expand external businesses with a product-oriented and industrial-focused approach.

We will improve the establishment of mechanisms and process management and control, continuously improve information-based governance, emphasize the establishment of talent systems, improve long-term incentive mechanisms, drive the high-quality development of the Group and attach great importance to Shareholders' returns. We will continue to improve the mechanism on the normalized management of payment collection, strengthen the development of the vertical management model of professional business lines, constantly refine fundamental and bottom data management, promote development and prevent risks through data analysis, continuously optimize the establishment of internal control process, implement graded management and control and improve the efficiency. We will continue to facilitate the establishment of labor systems, set up an agile organizational structure, reshape talent standards and respond to market changes. We will continuously improve the long-term incentive mechanism on employee share ownership to stimulate employees' shareholder spirit. We will continuously iterate business and financial systems, financial cloud, budget systems and other management and control systems with business demand as the core to effectively facilitate decision-making in operation. We firmly believe that the Group will coordinate the dynamic balance between results and Shareholders' returns and attach great importance to the sense of recognition and accomplishment of Shareholders.

FINANCIAL REVIEW

Revenue

During the Year, the Group derived its revenue from four business lines, namely (i) space property management services (including value-added services to non-property owners); (ii) local catering services; (iii) community value-added services; and (iv) smart living technology solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	For the year ended 31 December			
	2023		2022	
	(RMB'000)	%	*(RMB'000)*	%
Space property management services	**4,092,028**	**82.2**	4,101,158	81.9
– Property management services	**3,936,673**	**79.1**	3,675,677	73.4
– Value-added services to non-property owners	**155,355**	**3.1**	425,481	8.5
Local catering services	**513,894**	**10.3**	487,931	9.7
Community value-added services	**317,069**	**6.4**	332,851	6.7
Smart living technology solutions	**56,750**	**1.1**	83,119	1.7
Total	**4,979,741**	**100.0**	5,005,059	100.0

The Group's revenue in 2023 generally maintained the same level as compared with the same period of 2022. The details of change of revenue by business line are set out as below:

(i) Revenue from space property management services slightly decreased by approximately 0.2% from approximately RMB4,101.2 million for the year ended 31 December 2022 to approximately RMB4,092.0 million for the year ended 31 December 2023. Among which, (a) revenue from property management services steadily increased by approximately 7.1% from approximately RMB3,675.7 million for the same period in 2022 to approximately RMB3,936.7 million, which was primarily driven by the Group's business expansion. The increased GFA under management for the Year was approximately 48.8 million sq.m. As at the end of the Reporting Period, total GFA under management of the Group was approximately 267.6 million sq.m.; (b) revenue from value-added services to non-property owners decreased by approximately 63.5% from approximately RMB425.5 million for the same period in 2022 to approximately RMB155.4 million, which was primarily due to the impacts of the serious liquidity crisis in the property industry. The Group took the initiative to significantly reduce the number of projects for which it provided sales assistance services to real estate developers including Jinke Property Group during the Year, and instead focused on projects with guaranteed returns, as well as related services necessary for guaranteed delivery of buildings;

(ii) Revenue from local catering services increased by approximately 5.3% from approximately RMB487.9 million for the year ended 31 December 2022 to approximately RMB513.9 million for the year ended 31 December 2023, which was mainly due to (a) the Group has vigorously developed catering services, and rapidly captured market share through the model of organic growth and mergers and acquisitions. The revenue from catering services for the Year increased by approximately 73.8% to approximately RMB344.4 million (2022: approximately RMB198.2 million); (b) considering business sustainability and risk management and control, the Group proactively reduced the external catering supply chain service with low profit margin and unsatisfied cash flow, resulting in a decrease of approximately 86.2% as compared with the same period in 2022 in the volume of the catering supply chain business to approximately RMB20.6 million (2022: approximately RMB149.4 million);

(iii) Revenue from community value-added services decreased slightly by approximately 4.7% from approximately RMB332.9 million for the year ended 31 December 2022 to approximately RMB317.1 million for the year ended 31 December 2023, which was mainly due to (a) the Group targeted community value-added services, focused on businesses with sustainability and guaranteed cash flow, reduced businesses that increased revenue but did not increase profits, and changed certain businesses from self-operated models to platform models, resulting in a decline in revenue; (b) affected by the continuous sluggish performance of the real estate market, house buyers lacked confidence, resulting in a continuous decline in the Group's asset operation services, such as the rental and sale business;

(iv) Revenue from smart living technology solutions decreased by approximately 31.6% from approximately RMB83.1 million for the year ended 31 December 2022 to approximately RMB56.8 million for the year ended 31 December 2023, which was mainly due to the Group's initiative to reduce the smart living technology business provided to the Jinke Property Group and focusing on technology empowerment on internal principal businesses and market-based expansion of third-party businesses.

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

We provide comprehensive services for urban multi-dimensional spaces with ubiquitous five-star care. We are committed to serve our clients compassionately and allow customers to enjoy a better quality service experience. As the earliest market-oriented and independent third-party property management service provider in the industry, we continuously improve our operation concepts and service standards, thus accumulating industry-leading owner satisfaction and good market reputation and assisting us in building an industry-leading third-party external expansion capability through the high-quality and refined management capabilities. Nowadays, we have developed a comprehensive service product matrix covering residential buildings, mid-to-high end commercial office buildings, industrial parks, schools, hospitals, public construction and urban services, facilitating the high-quality and healthy development of the Group.

As at 31 December 2023, the Group has completed a national strategic layout in 30 provinces and 182 cities in the PRC. We managed a total of 821 residential projects and 341 non-residential projects, and the number of property owners served increased continuously. As at 31 December 2023, the total GFA under management of the Group was approximately 267.6 million sq.m., of which approximately 55.3% was attributable to Independent Third Parties, which means the Group's market-oriented and independent development capability has been proven. The GFA under management in the core area of the Southwestern China Region reached 132.9 million sq.m., accounting for 49.7% of the total GFA under management, which further improved our regional density strength. As at 31 December 2023, the total contracted GFA of the Group was approximately 350.9 million sq.m., of which approximately 63.6% was attributable to Independent Third Parties.

MANAGEMENT DISCUSSION AND ANALYSIS

Since 2023, due to factors such as a slower than expected economic recovery, low confidence in the real estate industry and continuously deteriorated funding conditions of real estate developers, the property management industry is facing problems such as declining market expectation, intensified competition in existing markets, pressures on the collection of property service fees and the delay in receivables from related real estate developers. Facing new changes in the industry, the Group adhered to the path of independent and high-quality development and selectively carried out market expansion. In 2023, the newly added GFA under management was approximately 48.8 million sq.m., representing an increase of approximately 9.8% as compared to that of the same period in 2022. The newly added residential GFA under management in 2023 was approximately 35.8 million sq.m., representing an increase of approximately 32.2% as compared to that of the same period in 2022. The number of newly added projects with annual saturation revenue over RMB10 million and RMB5 million was 6 and 14, respectively. For the existing residential market, the Group proposed the Better Homes Plan（美好家園計劃）. With the improvement of community quality as the entry point, and relying on industry-leading brand and service capabilities, the Group actively obtained over 40 existing high-quality residential projects, forming a market-oriented and independent sustainable development model with properties developed by Independent Third Parties as the main focus and properties developed by Jinke Property Group as supplements.

In addition, in 2023, the Group resolutely implemented the business idea of "revenue shall generate profit and profit shall contain cash flow" and continued to exit projects with low quality and efficiency, low collection rates and negative contribution. In the Year, the Group exited the projects with GFA under management of approximately 35.7 million sq.m., including resettlement property projects due to changes in contractual relationships and the non-residential projects that cannot be guaranteed for payment collection, so as to effectively avoid that the growth of quality and efficiency of the Group is impeded by projects with persistently negative contribution or continuous cash outflows. We believe that the active exit from projects with negative contribution is the only way to high-quality development. Through the improvement of quality and efficiency of projects under management, it will pursue long-term sound development.

In terms of mergers and acquisitions, we believe that the valuation of industry mergers and acquisitions has gradually returned to rationality. The Group has sufficient cash on hand, but is still cautious about potential mergers and acquisitions of residential property. We will focus on third-party boutique property in the core and advantageous areas to improve the regional density, conduct detailed due diligence on risks in advance and fully consider M&A costs, the impact of goodwill, post-investment integration costs and other factors to maximize the value of M&As. In 2023, after thorough research and judgment, we completed the merger and acquisition of a total of four cost-effective third-party residential property enterprises with approximately 11.6 million sq.m. in the core area of the Southwestern China Region, which effectively enhanced the management density in core cities and effectively supplemented the scaled growth model of the Group's core businesses.

During the Year, the Group's non-residential business maintained high-quality development. The newly added GFA under management of non-residential projects totalled approximately 13.1 million sq.m. The number of newly added non-residential projects with annual saturation revenue over RMB10 million and RMB5 million was 6 and 7, respectively. The value of contracts on large projects continued to increase. During the Year, the Group focused on advantageous businesses, acquired projects in cooperation with universities such as Chongqing University of Posts and Telecommunications (重慶郵電大學), Zunyi Normal University (遵義師範大學) and other universities as well as Sichuan Cancer Hospital (四川腫瘤醫院), Xingguo Hospital (興國醫院) and other hospitals with a contract value of RMB10 million. The Group enhanced cooperation with JD Logistics Park (京東物流園) and newly acquired 7 related projects. New models of comprehensive IFM services with "property services + group catering services" as drivers achieved preliminary results and undertook over 10 projects, such as Porton Pharma (博騰製藥) and Zigong Mobile (自貢移動). The Group deeply explored 13 government platforms on new areas, such as Neijiang Economic Development Zone and Chongqing Jiulongpo District High and New-tech Group and tapped into over 90 projects. It constantly expanded big transportation service offerings and acquired six projects during the Year, including rail transit projects in Changsha and Zhengzhou. All these showed the Group's capabilities on diversified services and advantages in high-quality expansions in terms of non-residential businesses.

As of 31 December 2023, the average unit property management fee of the Group maintained at RMB2.18 per sq.m./month (2022: RMB2.20 per sq.m./month). The Group attached great importance to payment collection in businesses and steadily improved the collection rate. The Group's resident properties' collection rate for property management services was 91.2% for the Year (2022: 88.1%).

The table below indicates the changes for our contracted GFA and GFA under management for the years ended 31 December 2023 and 2022 respectively:

	For the year ended 31 December			
	2023		2022	
	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	359,822	254,538	359,800	237,859
New engagements[1]	34,255	48,812	35,861	44,460
– Properties developed by Jinke Property Group and its joint ventures and associates	632	13,978	499	9,024
– Properties developed by Independent Third Parties	21,989	24,017	32,004	32,328
– Properties took over upon mergers & acquisitions[2]	11,634	10,817	3,358	3,108
– Residential properties	19,916	35,758	15,720	27,052
– Non-residential properties	14,339	13,054	20,141	17,408
Terminations[3]	(43,200)	(35,735)	(35,839)	(27,781)
	350,877	267,615	359,822	254,538

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) Acquisitions during the Year mainly included Chengdu Shuchuan Property Service Co., Ltd. (成都市蜀川物業服務有限公司) and Chengdu Xiqin Jinsha Property Management Service Co., Ltd. (成都喜沁金沙物業管理服務有限責任公司).

(3) Such terminations include (a) non-renewal of certain property management service contracts upon expiration due to reallocation of our resources to more profitable projects in order to optimize our portfolio of property management projects; (b) voluntary exit of property management service contracts, which are generally characterized by low operational quality, low fee collection rates, and low real estate depreciation rates; and (c) passive termination of property management service contracts, which are due to the impact of the macroeconomy, where some property developers or asset holders either chose to stop paying for the relevant service fees due to the breakdown of their financial chains, or chose to terminate the professional property services and replace them with self-management, or were caught up in the public opinion of the slow delivery of the phased projects which were in a state of dilapidation, which had a far-reaching negative impact on the development of the Group's subsequent services.

During the Year, the Group's revenue from third-party properties accounted for 49.3% of our total revenue from property management services, which has been on a continuous upward trend in previous years and has continuously increased by 2.1 percentage points from 2022. Such increase was mainly attributable to the following reasons: in response to the changes in the industry, (i) the Group's continued independent and market-oriented development, with a professional market development team and industry-leading brand power, and its gradual development in the non-residential and residential stock markets with huge potential; (ii) the synergistic development of property services, catering services and technology services, which broadened channel resources and provided customers with differentiated and customized services, resulting in a steady increase in third-party customers; and (iii) a significant decrease in the area of new construction developed by Jinke Property Group, the related party of the Group. The Group has established a new development model with independent third-party development as the main focus and Jinke Property Group as supplements.

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 years indicated:

	As at or for the year ended 31 December			
	2023		2022	
	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)]	**101,614**	**1,700,715**	93,531	1,712,148
Properties developed by Jinke Property Group's joint ventures and associates[(2)]	**17,933**	**297,006**	15,168	228,882
Properties developed by Independent Third Parties[(3)]	**104,768**	**1,548,446**	111,751	1,422,732
Properties took over upon mergers & acquisitions[(4)]	**43,300**	**390,506**	34,088	311,915
Total	**267,615**	**3,936,673**	254,538	3,675,677

Notes:

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

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

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

(4) Refer to properties acquired through a property right transaction to gain control of the acquired party and then incorporated into the Group's operation and management.

During the Year, a majority of the Group's revenue from property management services was derived from residential properties, which accounted for 78.7% of the Group's total revenue from property management services as compared to 79.0% of the Group's total revenue from property management services in 2022. The moderate overall decrease in the percentage of revenue derived from managing residential properties during the Year was primarily due to: (i) the continuous increase of the proportion of non-residential management projects, dominated by newly added high-saturation and high-income quality projects such as industrial parks, schools and hospitals; and (ii) the continuous increase of contract value of non-residential projects of the Group during the Year.

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

	As at or for the year ended 31 December			
	2023		2022	
	GFA under Management *(sq.m.'000)*	Revenue *(RMB'000)*	GFA under Management *(sq.m.'000)*	Revenue *(RMB'000)*
Residential properties	226,061	3,096,285	208,234	2,903,041
Non-residential properties				
– Commercial properties and office buildings	3,417	94,967	2,673	81,033
– Public institutions, enterprises and other properties	13,287	434,632	14,548	387,669
– Industrial parks	9,954	167,801	10,199	164,694
– Urban services	14,896	142,988	18,884	139,240
Subtotal	41,554	840,388	46,304	772,636
Total	267,615	3,936,673	254,538	3,675,677

MANAGEMENT DISCUSSION AND ANALYSIS

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

	As at or for the year ended 31 December			
	2023		2022	
	GFA under Management *(sq.m.'000)*	Revenue *(RMB'000)*	GFA under Management *(sq.m.'000)*	Revenue *(RMB'000)*
Southwestern China Region[1]	132,933	2,229,507	126,044	2,097,347
Eastern and Southern China Region[2]	65,753	828,000	60,034	770,315
Central China Region[3]	44,577	523,526	47,065	527,215
Other regions[4]	24,352	355,640	21,395	280,800
Total	267,615	3,936,673	254,538	3,675,677

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.

Revenue from value-added services to non-property owners

We provide value-added services to major property owners primarily in the form of (i) sales assistance services; (ii) pre-delivery services; and (iii) consultancy and other services. Due to the continuous downturn of the real estate industry and the liquidity crisis of real estate developers, the Group has proactively and significantly reduced the number of projects for which it provides sales assistance services to developers during the year of 2023, and the number of projects under management at the end of the year was significantly reduced to 61, among which 42 were those without sales assistance services provided to Jinke Property Group. The Group focused on businesses with guaranteed cash flow and returns, or those that must be taken over by guaranteed delivery arrangements. During the Year, revenue from value-added services to non-property owners was approximately RMB155.4 million, representing a decrease of approximately 63.5% as compared with approximately RMB425.5 million for the same period in 2022.

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

	For the year ended 31 December			
	2023		2022	
	(RMB'000)	*%*	*(RMB'000)*	*%*
Sales assistance services	**80,326**	**51.7**	296,239	69.6
Pre-delivery services	**38,933**	**25.1**	112,762	26.5
Consultancy and other services	**36,096**	**23.2**	16,480	3.9
Total	**155,355**	**100.0**	425,481	100.0

Revenue from local catering services

The Group provides local catering services to property owners and clients, primarily in the form of (i) catering services; (ii) hotel management services; and (iii) catering supply chain services (food materials supply chain services such as rice, flour, grain and oil etc.). Revenue from local catering services was approximately RMB513.9 million in 2023, representing an increase of approximately 5.3% as compared to that for the same period in 2022.

In 2023, the Group considered catering services as the core business for future growth. Currently, the Group has established a differentiated multi-brand matrix covering "high-end catering services, comprehensive group catering services and community catering services," and coupled with the synergy with the property management services and hotel management services, the catering services have already possessed strong competitiveness and the ability to expand in the market. And through the high-quality merger and acquisition of professional group catering service companies, such as Chongqing Yunhan (重慶韻涵), the Group rapidly expanded its market share of group catering in the core area of the Southwestern China Region. During the Year, relying on the IFM new development model, the Group won the joint bidding of property services and group catering services for over 10 projects with continuous synergy effect. Total revenue from catering services amounted to approximately RMB344.4 million during the Year, representing an increase of approximately 73.8% from approximately RMB198.2 million for the same period in 2022. The second growth point was preliminarily shaped.

For hotel management services segment, the Company has nearly 20 years of experience in the operation and management of high-star hotels, and owns boutique hotel brands such as "Jinke Grand Hotel"(金科大酒店), "Shengjia"(聖嘉) and "Ruijing"(瑞晶). Through refined management and precision marketing, the number of days with full occupancy of hotels under management increased by nearly 5 times year-on-year from 2022 and the revenue of single rooms improved significantly. Through model innovation and cost control, the operation quality and efficiency was continuously improved. With the continuous recovery of the tourism industry, revenue from hotel management services for the Year was steadily increased to approximately RMB148.9 million.

In addition, based on our fast-growing customer base of catering services and food ingredient procurement volume, we continue to integrate and optimize our food ingredient supply chain system, giving full play to our advantages in large-scale procurement, and provide food ingredient supply chain services to our internal and external customers for their projects through refined management and control to guarantee the freshness of food ingredient and reduce the rate of wastage. Since 2023, the Group proactively scaled down external businesses with lower profit margin and poorer sustainability and turned to focus on logistics guarantees on internal catering services to ensure a stable and controllable supply chain. During the Year, revenue from the catering supply chain services amounted to approximately RMB20.6 million, representing a decrease of approximately 86.2% over the same period of 2022.

	For the year ended 31 December			
	2023		2022	
	(RMB'000)	**%**	*(RMB'000)*	%
Catering services	**344,446**	**67.0**	198,202	40.6
Hotel management services	**148,872**	**29.0**	140,345	28.8
Catering supply chain services	**20,576**	**4.0**	149,384	30.6
Total	**513,894**	**100.0**	487,931	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, consisted of community group purchase, household cleaning services, home delivery services and travel services; (ii) community management services, which is consisted of management of public resources (leasing of public spaces, for instance), temporary parking services, community media services and parent-child education; (iii) home-decoration services, which is consisted of one-stop services including interior furnishing, decoration, sales of home furnishings, renovation of older properties, move-in furnishing services and other services; and (iv) asset operation services, which include rental, sale and marketing service for new homes, second-hand homes and parking spaces, and commercial operation services.

In 2023, due to the less-than-expected domestic economic recovery, weak market confidence and shrunk consumer demand, the overall demand for community value-added services showed a downward trend. The Group adjusted the business line of community value-added services based on the business growth potential and maturity. For self-operated businesses, it only maintained core businesses such as asset operation and home improvement services. For non-core businesses, it gradually transformed towards the platform-based model, further curtailed non-sustainable businesses with poor cash flows and focused on sustainable business with high added value and high repeated purchases, continuously improving the operation performance. During the Year, revenue from community value-added services slightly decreased by approximately 4.7% from approximately RMB332.9 million in 2022 to approximately RMB317.1 million.

During the Year, the Group acquired right-of-use assets of parking spaces, shops and commodity residential buildings from Jinke Property Group, a related party, through the mortgage of assets. On such basis, the Group sped up the establishment of the self-operation team on asset operation in core areas. It seized opportunities in the popularization of new energy vehicles and the rising demand for charging parking spaces, accelerated the reduction in right-of-use assets of parking spaces and propelled the rental and sales of second-hand houses by exchanging price for volume to improve the Group's cash flows. Meanwhile, we actively explored attraction of tenants for commercial properties in communities and revitalized existing commercial assets in communities by relying on mature communities with high occupancy. During the Year, the Group acquired two merchant solicitation and operation projects for existing commercial properties. For the home improvement business, the Group prioritized quality and developed teams with market competitiveness. The Group deeply tapped into core buildings in Sichuan and Chongqing with a business penetration rate of nearly 10% and a satisfaction rate of over 95% on services.

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

	For the year ended 31 December			
	2023		2022	
	(RMB'000)	*%*	*(RMB'000)*	*%*
Community management services	**244,692**	**77.2**	66,088	19.9
Asset operation services	**40,218**	**12.7**	139,235	41.8
Home-living services	**18,748**	**5.9**	32,443	9.7
Home-decoration services	**13,411**	**4.2**	95,085	28.6
Total	**317,069**	**100.0**	332,851	100.0

Revenue from smart living technology solutions

For our smart living technology solutions, we mainly provide digital and intelligent technology solutions to property management companies, external government and enterprise customers, property developers and other customers 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 sales assistance services to property developers with intelligent and digital on-site technical services during the housing sales stage, such as implementing the Home-Lift system (生命家房屋展示系統); and (iii) providing smart integrated operation platform services by participating in the construction of digital and intelligent cities, digital and intelligent government and enterprises, digital and intelligent communities, and intelligent cultural tourism through development, customization, installation, and operation and maintenance of IBMS (intelligent building management system), thus contributing to national digital transformation.

In 2023, the Group continued to promote the reform of "mechanization of manpower and intelligence of machinery". Through a series of digital and intellectual upgrades such as cloud monitoring, cloud parking, and smart energy consumption management and control, the Group comprehensively empowered property management to reduce costs and increase efficiency, and continued to improve the fineness of management and helped the projects to operate with high quality and efficiency. For smart living technology solutions, with typical cases of intelligent property platforms and grass-roots governance platforms as breakthroughs, the Group continuously promoted the Cloud City 100 project (雲城100項目). During the Year, the Group newly entered Yunnan Baoshan, Yunnan Yunlong, Hubei Huanggang, Sichuan Yibin and other regions. It established strategic partnership with CCCC Chongqing Investment and Development Co., Ltd. (中交重慶投資發展有限公司) on intelligent parking lot projects and actively expanded third-party businesses.

In light of the impacts of the macro economy and the relatively tight cash flows of large customers in 2023, the Group gradually downsized its businesses of smart sales assistance services, software development and smart solutions to some property developers as well as government and enterprise customers with difficulties in making repayments. During the Year, the revenue from smart living technology solutions decreased by approximately 31.6% from approximately RMB83.1 million for the same period in 2022 to approximately RMB56.8 million.

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) utilities; (v) maintenance costs; (vi) consumables, food and beverages; (vii) cost of goods sold; (viii) depreciation and amortization expenses; (ix) office expenses; (x) travelling and entertainment expenses; (xi) raw materials; (xii) community activities expenses; and (xiii) other costs.

The cost of sales of the Group amounted to approximately RMB4,051.6 million for the year ended 31 December 2023, remaining basically the same as that of approximately RMB4,061.9 million for the year ended 31 December 2022. The Group continued to reduce costs and expenditures to focus on high-quality development.

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 years indicated:

	For the year ended 31 December			
	2023		2022	
	Gross profit *(RMB'000)*	Gross profit margin *%*	Gross profit *(RMB'000)*	Gross profit margin *%*
Space property management services	660,980	16.2	730,799	17.8
– Property management services	642,466	16.3	649,958	17.7
– Value-added services to non-property owners	18,514	11.9	80,841	19.0
Local catering services	70,327	13.7	102,168	20.9
Community value-added services	184,400	58.2	92,731	27.9
Smart living technology solutions	12,470	22.0	17,504	21.1
Total	928,177	18.6	943,202	18.8

Gross profit of the Group decreased slightly by approximately 1.6% from approximately RMB943.2 million for the year ended 31 December 2022 to approximately RMB928.2 million for the year ended 31 December 2023. The Group's gross profit margin for the Year amounted to 18.6%, remaining stable as compared to 18.8% for the corresponding period in 2022.

During the Year, gross profit of space property management services decreased slightly from approximately RMB730.8 million for the same period in 2022 to approximately RMB661.0 million, and the gross profit margin decreased from 17.8% for the same period in 2022 to 16.2%, among which: (i) gross profit from property management services decreased from approximately RMB650.0 million for the same period in 2022 to approximately RMB642.5 million, and gross profit margin decreased from 17.7% for the same period in 2022 to 16.3%. Such decreases were primarily attributable to (a) the Group's agreement on reduction and exemption of vacant property management fees and vacant parking space management fees with certain clients; (b) an increase in costs due to the amortization of intangible assets – customer relationship resulting from the merger and acquisition of property management enterprises by the Group; (ii) the gross profit of value-added services to non-property owners decreased from approximately RMB80.8 million for the same period in 2022 to approximately RMB18.5 million, and gross profit margin decreased from 19.0% for the same period in 2022 to 11.9%. Such decreases were primarily due to that the Group significantly reduced the number of projects in relation to provision of sales assistance services to developers. Meanwhile, the Group provided essential services for ensuring delivery on the basis of responding to the national policy of "ensuring delivery and stabilizing people's livelihood", which has a low gross profit.

During the Year, gross profit from local catering services decreased from approximately RMB102.2 million for the same period in 2022 to approximately RMB70.3 million and gross profit margin decreased from approximately 20.9% for the same period in 2022 to approximately 13.7%, which was mainly attributable to (i) the need for improvement in cost control of group catering companies consolidated into our financial statements, which had a relatively low gross profit margin; and (ii) third-party medium-end hotel operation projects undertaken for hotel management services during the Year, which had a relatively low gross profit margin.

During the Year, gross profit of community value-added services increased from approximately RMB92.7 million for the same period in 2022 to approximately RMB184.4 million, and the gross profit margin increased from 27.9% for the same period in 2022 to approximately 58.2%, which was primarily due to (i) rapid recovery of the community media and advertisement and other community management businesses with high gross profit as a result of stable improvement of domestic economy; and (ii) adjustment of the non-core business model and business structure by the Group to focus on platform operations.

During the Year, gross profit of smart living technology solutions decreased from approximately RMB17.5 million for the same period in 2022 to approximately RMB12.5 million, and the gross profit margin remained stable at 22.0%, which was mainly because (i) during the Year, the Group proactively reduced the provision of smart living technology solutions to Jinke Property Group, a related party; and (ii) the Group continued to deliver and operate software and equipment engineering services related to smart solutions, and the gross profit margin remained relatively stable.

Net Impairment Loss on Financial Assets

The net impairment loss of the Group's financial assets decreased by approximately 31.7% from approximately RMB2,152.4 million for the year ended 31 December 2022 to approximately RMB1,470.6 million for the year ended 31 December 2023, which was mainly due to that taking into consideration the latest operations of the related party Jinke Property Group, the Group has made an impairment provision again for the outstanding receivables owed by Jinke Property Group to the Group, while the amount of the impairment provision decreased as compared to the same period in 2022. After this provision was made, the receivables of the Group mainly include property fees receivable from third-party owners in relation to the principal business.

Other Net Losses

The Group's other net losses primarily consist of (i) impairment of goodwill; (ii) impairment of other assets. The Group's other net losses decreased by approximately 45.9% from approximately RMB307.3 million for the year ended 31 December 2022 to approximately RMB166.4 million for the year ended 31 December 2023, which was mainly because the Group, for prudence purpose, continued to make provision for the impairment of goodwill recorded by the property management companies and group catering companies acquired during the historical period, but the amount of impairment decreased as compared to the same period in 2022, due to the impact of the macro-economy.

Administrative Expenses

The Group's administrative expenses primarily consist of (i) employee benefit expenses for administrative staff; (ii) traveling and entertainment expenses; (iii) bank and payment platform charges, which mainly include transaction fees charged by banks and payment platforms; (iv) depreciation and amortization; and (v) others, which mainly include consultancy service fees. Administrative expenses of the Group increased slightly by 8.0% from approximately RMB557.9 million for the year ended 31 December 2022 to approximately RMB602.8 million for the year ended 31 December 2023, which were primarily due to (i) the number of senior administrative employees of the Group continued to increase; and (ii) the intermediary agency fees increased due to the need for due diligence in mergers and acquisitions incurred by the Group.

Income Tax Credit

The Group's income tax credit represents PRC corporate income tax. Income tax credit of the Group decreased from approximately RMB161.5 million for the year ended 31 December 2022 to approximately RMB137.9 million for the year ended 31 December 2023, which was primarily due to the Group recorded a substantial impairment resulting in an increase in deferred income tax expenses due to changes in the external macro environment, while the overall income tax credit showed a decreasing trend as the current income tax expenses increased with the growth of performance.

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 12.0% from approximately RMB548.4 million as at 31 December 2022 to approximately RMB614.0 million as at 31 December 2023, mainly due to (i) increase of approximately RMB227.8 million in customer relationship and goodwill arising from the Group's several business mergers during the Year and historical periods; on the other hand; and (ii) the amortization and impairment of approximately RMB477.8 million in customer relationship and goodwill arising from acquisitions during the Year and historical periods.

Trade and Bill Receivables

Carrying balance of trade and bill receivables of the Group increased slightly by approximately 15.8% from approximately RMB2,531.0 million as at 31 December 2022 to approximately RMB2,931.4 million as at 31 December 2023, and provision for impairment of trade and bill receivables increased from approximately RMB1,046.5 million as at 31 December 2022 to approximately RMB1,385.0 million as at 31 December 2023. Trade receivables mainly arise from the space property management services. The Group has made reasonable impairment provision for customers with poor reputation for prudence purpose, the receivables mainly include property service charges owned by private property owners after the provision was made. The Group will pay close attention to the balance of trade receivables by strengthening special work of settlement of property fees for private property owners and by properly handling the shortage of funds owed by real estate developers to minimize losses through offsetting receivables by assets and other forms.

Loan Receivables

Loan receivables of the Group represents the loan in the principal amount of RMB1,500 million provided to Jinke Property. The loan receivables of the Group decreased from approximately RMB1,386.7 million as at 31 December 2022 to approximately RMB372.2 million as at 31 December 2023, mainly due to that the Group made an impairment provision of approximately RMB1,132.8 million for loan receivables during the Year after Jinke Property had not fulfilled its loan repayment obligations and taking into account the macro-economy environment, scenarios weightings of future operations of Jinke Property Group.

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 34.0% from approximately RMB838.8 million as at 31 December 2022 to approximately RMB1,123.6 million as at 31 December 2023, mainly due to (i) the increase in the amount due to suppliers as result of the increase in GFA under management and the number of projects under management; and (ii) the flexibility of the Group in bank acceptance bills and other settlement methods.

Other Payables

The Group's other payables primarily consist of (i) equity acquisition payables to third parties; (ii) deposit guarantee payable. Other payables of the Group increased by approximately 5.9% from approximately RMB877.3 million as at 31 December 2022 to approximately RMB928.8 million as at 31 December 2023, mainly due to the Group's unpaid certain equity payables.

Contract Liabilities

Contract liabilities primarily consist of advances of property management fees and other service fees. The Group's contract liabilities increased by approximately 19.0% from approximately RMB740.2 million as at 31 December 2022 to approximately RMB880.7 million as at 31 December 2023, mainly due to leading customer satisfaction of the Group within the industry and the increase in the prepayment of property management fees by private property owners at the end of year.

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 31 December 2023, the Group had cash and cash equivalents of approximately RMB2,905.5 million (31 December 2022: approximately RMB3,069.8 million).

Cash Flows

For the year ended 31 December 2023, the Group's net cash inflow from operating activities was approximately RMB451.1 million, representing a continuous increase as compared to the same period in 2022, which was mainly attributable to (i) the Group's significant achievements in cash flow and collection with a strong focus on collection of receivables from all businesses; and (ii) the withdrawal of property management services of the Group from projects with negative cash flow and low collection rate in pursuit of quality development.

For the year ended 31 December 2023, the Group's net cash outflow from investing activities was approximately RMB269.7 million, representing a significant decrease as compared to the same period in 2022, mainly attributable to the Group's scaling down its investment activities to focus on its principal businesses on the basis of the macro-economy.

For the year ended 31 December 2023, the net cash outflow from the Group's financing activities was approximately RMB343.2 million, mainly due to continuous repurchase of 28,826,200 H Shares of the Company in the public market since 2023 for the Group's confidence in future development.

Indebtedness

Borrowings

As at 31 December 2023, the Group had nil borrowings (31 December 2022: Nil).

Gearing Ratio

As the Group had nil borrowings as at 31 December 2023, 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 31 December 2023 (31 December 2022: Nil).

Pledge of Assets

As at 31 December 2023, the Group did not have any pledged assets (31 December 2022: Nil).

Foreign Exchange Risks

The Group's businesses are principally conducted in RMB, which is the functional currency of the Group. 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 denominated in Hong Kong dollars ("HK$"). As at 31 December 2023, the major non-RMB assets are the cash and cash equivalents of RMB7,904,000 and RMB6,151,000 denominated in HK$ and US$ respectively. Fluctuation of the exchange rates of RMB against foreign currency could affect the Group's results of operations to a limited extent. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk as it is expected that there will be no material foreign exchange exposure.

Contingent Liabilities

As at 31 December 2023, the Group did not have any material contingent liabilities (31 December 2022: Nil).

Commitments

As at 31 December 2023, the Group did not have any material capital commitments (31 December 2022: Nil).

Failure to Meet the Profit Guarantees and Performance Targets in Relation to the Acquisition of Equity Interest and Capital Increase in Shanghai Hotspot Catering

Reference is made to the announcements of the Company dated 27 July and 16 October 2023 (the "**Hotspot Announcements**") in relation to the acquisition of a maximum of 66.8511% equity interest in Shanghai Hotspot Catering Service Co., Ltd.* (上海荷特寶配餐服務有限公司) ("**Shanghai Hotspot Catering**"). According to the audited financial statements of Shanghai Hotspot Catering, neither the profit guarantees for the six months ended 31 December 2023 nor the performance targets for the year ended 31 December 2023, as set out in the Hotspot Announcements, has been fulfilled and therefore no performance award has been paid to the founding shareholder of Shanghai Hotspot Catering.

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

During the year ended 31 December 2023, 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 of 31 December 2023, the Group utilized approximately HK$4,544.0 million of the proceeds raised, which were allocated in accordance with the use of proceeds set out in the Prospectus, the announcement on the change of use of proceeds from the Global Offering dated 10 September 2021, the announcement on the further change in use of proceeds from the Global Offering dated 18 April 2023 (the "**Second Announcement**") and the announcement on the further change in use of proceeds from the Global Offering dated 22 December 2023 (the "**Third Announcement**"). The remaining unutilized net proceeds of approximately HK$2,117.0 million will be allocated in accordance with the purposes and proportions set out in the Third Announcement.

The following table sets forth details of the revised use and allocation of net proceeds as at 31 December 2023:

	Planned use of net proceeds disclosed in the Third Announcement		Unutilised net proceeds as at 1 January 2023	Actual use of net proceeds as at 31 December 2023	Unutilised net proceeds as at 31 December 2023	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	3,746.6	56.3%	1,624.7	2,405.3	1,341.3	
(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	2,032.1	30.5%	793.1	893.3	1,138.7	On or before December 2025
(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	868.6	13.0%	–	666.0	202.6	On or before December 2025

	Planned use of net proceeds disclosed in the Third Announcement		Unutilised net proceeds as at 1 January 2023	Actual use of net proceeds as at 31 December 2023	Unutilised net proceeds as at 31 December 2023	Expected timeline of the intended use of proceeds
	HK$'million	*approximately %*	*HK$'million*	*HK$'million*	*HK$'million*	
(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	845.9	12.7%	831.6	845.9	–	
(b) Upgrading the systems of the Group for digitization and smart management	170.9	2.6%	621.3	84.6	86.2	
(i) Developing and upgrading hardware and software	70.8	1.1%	421.5	70.8	–	–
(ii) Developing and improving the Group's intelligent management systems	100.1	1.5%	199.8	13.8	86.2	On or before December 2024
(c) Further developing the value-added services of the Group	1,199.0	18.0%	477.5	915.5	283.5	
(i) Strategically developing the Group's upstream and downstream services	1,196.9	18.0%	179.7	913.4	283.5	On or before December 2024
(ii) Upgrading hardware and developing smart community	2.1	0.0%	297.8	2.1	–	–
(d) General business operations and working capital	666.1	10.0%	10.3	655.8	10.3	On or before December 2024
(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	683.2	10.3%	3.2	476.9	206.3	On or before December 2024
(f) Renovating and improving the housing of the old residential communities under the management of the Group or for which the Group is newly contracted to provide property management service	195.2	2.9%	–	5.8	189.4	On or before December 2024
Total	6,660.9	100%	2,737.1	4,544.0	2,117.0	

Note: The figures have been rounded up. Accordingly, the total amount of each category may not be equal to the apparent sum of the relevant sub-categories.

Save as disclosed in the Second Announcement and the Third Announcement, as at 31 December 2023, 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 as disclosed in the section headed "Use of Net Proceeds from the Listing" above, the Group has no other future plans for material investments and capital assets as at 31 December 2023.

EMPLOYEE AND REMUNERATION POLICY

As of 31 December 2023, the Group had approximately 12,955 employees (31 December 2022: 12,227 employees). During the Year, the staff cost recognised as expenses of the Group amounted to approximately RMB1,938.2 million (31 December 2022: approximately RMB2,038.3 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 to include a salary, bonus and various allowances. In general, the Group determines employee 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, unemployment insurance, work-related injury insurance, and maternity insurance) and housing provident fund for the benefit of its PRC employees.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR

Mr. Xia Shaofei (夏紹飛), aged 44, was appointed as our Director in September 2014 and re-designated as our executive Director in May 2020. Mr. Xia is primarily responsible for overall operation and management of the Group, strategic planning, community value-added services and technology services of the Group. Mr. Xia joined our Group in August 2014 and has served as the chairman of our Board since then.

Prior to joining the Group, from April 2002 to January 2012, he successively served as the planning supervisor of the marketing management department, the marketing manager, the brand director, the marketing director and the senior marketing director at Jinke Property, where he was primarily responsible for coordination of marketing planning of the subsidiaries of Jinke Property. From January 2012 to August 2014, Mr. Xia served as deputy director and was subsequently promoted to director of brand and property department of Jinke Property, where he was primarily responsible for the overall operations of marketing management and property management.

Mr. Xia obtained his associate's degree in accounting computerization from Chongqing Radio and Television University (重慶廣播電視大學) in the PRC in October 2000. Mr. Xia obtained his bachelor's degree in marketing from Southwestern University of Finance and Economics (西南財經大學) in the PRC in July 2015.

NON-EXECUTIVE DIRECTORS

Mr. Xu Guofu (徐國富), aged 40, was appointed as the executive Director in May 2020 and re-designated as the non-executive Director in February 2023. Mr. Xu joined the Group in May 2020 and had served as deputy general manager, chief financial officer and secretary of the Board.

Prior to joining the Group, from July 2007 to March 2010, Mr. Xu successively served as an audit assistant, an auditor and a project manager of Chongqing Branch of Tianjian Accounting Firm (Special general partnership) (天健會計師事務所(特殊普通合夥)重慶分所), where he was mainly responsible for annual auditing of financial statements, auditing of major assets restructuring and financial due diligence of PRC listed companies. From April 2010 to March 2014, he successively served as an auditor, an accounting director and a financial manager of Jinke Property and its subsidiaries, where he was mainly responsible for financial management. From March 2014 to June 2015, he served as a financial manager of Chongqing Rongchuangjiye Property Development Co., Ltd. (重慶融創基業房地產開發有限公司), a real estate company, where he was mainly responsible for financial management. From July 2015 to May 2020, he successively served as a manager, a deputy director, a senior deputy director, general manager of the security department and the secretary of the board of Jinke Property, where he was mainly responsible for the overall management of the basic securities affairs of the security department, investor relations, capital operation, and statutory duties of the secretary of the board, including information disclosure and preparation for the annual general meeting. From May 2020 to February 2023, he served as executive Director, deputy general manager, chief financial officer, joint company secretary and secretary of the Board. Mr. Xu has served as vice president in Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司) since February 2023, which is the controlling shareholder of Jinke Property.

Mr. Xu obtained his bachelor's degree in financial management from Chongqing Technology and Business University (重慶工商大學) in the PRC in July 2007. Mr. Xu obtained the Intermediate Qualification Level in Accounting (會計中級資格) and the Senior Qualification Level in Accounting (會計高級資格) issued by Chongqing Professional Title Reform Office (重慶市職稱改革辦公室) in December 2011 and February 2018, respectively.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Wu Xiaoli (吳曉力), aged 49, was appointed as the non-executive Director in August 2022. Mr. Wu graduated from Tsinghua University with a bachelor's degree in biomedical engineering in July 1998. Mr. Wu received a master of engineering degree in bioengineering from Boston University in May 2002 and a master of business administration degree from The Wharton School, University of Pennsylvania in May 2004. Mr. Wu has been serving at Boyu Group, LLC ("**Boyu Capital**") since November 2012 with his current position as managing director.

From 1998 to 2000, Mr. Wu served as a consultant at International Business Machines Corporation (IBM). From 2005 to 2011, Mr. Wu worked at McKinsey & Company with his last position as associate principle. Since April 2021, Mr. Wu has been serving as a director of Genesis Medtech Group Limited. Since July 2023, Mr. Wu has been serving as a director of QE Holding.

Ms. Lin Ke (林可), aged 40, was appointed as the non-executive Director in August 2022. Ms. Lin graduated from Beijing Foreign Studies University with a bachelor's degree in economics in July 2005 and has been working at Boyu Capital since January 2020 with her current position as managing director.

From July 2005 to June 2007, Ms. Lin worked at Jones Lang LaSalle with her last position as deputy manager. From July 2007 to December 2019, Ms. Lin worked at GIC Real Estate with her last position as vice president. Since April 2021, Ms. Lin has been serving as an executive director of Shanghai Jinjun Props Co., Ltd.* (上海勁駿道具有限公司). Since September 2021, Ms. Lin has been serving a director of Taicang Anguang Supply Chain Management Co., Ltd.* (太倉市安廣供應鏈管理有限公司). Since December 2021, Ms. Lin has been serving as an executive director of Ankuang Enterprise Management (Shanghai) Co., Ltd.* (安鄺企業管理(上海)有限公司). Since January 2022, Ms. Lin has been serving as an executive director of Anxing Supply Chain Management (Shanghai) Co., Ltd.* (安杏供應鏈管理(上海)有限公司). Since August 2022, Ms. Lin has been serving as a director of ZData Intelligent Valley Limited.

Mr. Shi Cheng (石誠), aged 38, was appointed as the non-executive Director in December 2023. Mr. Shi graduated from (西南政法大學) with a double degree of bachelor of finance and bachelor of laws in July 2007. From March 2016 to November 2018, Mr. Shi served as the senior investment manager of Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司). Since November 2018, Mr. Shi has been working at Jinke Property with his current position as a manager of securities affairs department of Jinke Property, where he is responsible for capital operation, investor relations management and information disclosure affairs.

Mr. Qi Shihao (祁詩皓), aged 29, was appointed as the non-executive Director in December 2023. Mr. Qi graduated from Tsinghua University (清華大學) with a bachelor's degree in management in July 2017. Mr. Qi also received a master's degree in finance from Tsinghua University in July 2019. From July 2019 to June 2021, Mr. Qi worked at Softbank Ventures Asia Corp., as an investment analyst. Since July 2021, Mr. Qi has served as an investment manager at Boyu Capital Advisory Company Limited.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Yuan Lin (袁林), aged 59, was appointed as the independent non-executive Director in October 2020. Ms. Yuan is primarily responsible for the provision of independent advice to the Board.

From June 1988 to July 1993, Ms. Yuan served as an assistant and a lecturer at Sichuan Provincial Political and Judicial Management Cadre College (四川政法管理幹部學院), where she was mainly responsible for teaching criminal law curriculum. From July 1993 to November 2005, she served as a teacher at Sichuan Radio and TV University (四川廣播電視大學) and served as the deputy director of the teaching department from January 2005 to November 2005, where she was mainly responsible for teaching law curriculum and teaching management. Ms. Yuan has served as the professor and tutor of postgraduates and doctoral students of Southwest University of Political Science and Law (西南政法大學) since December 2005 and she has also served as the director of the Research Center of Protection of the Rights of Special Community and Crime Prevention (特殊群體權利保護與犯罪預防研究中心) since December 2012, where she was mainly responsible for teaching and research of criminal law and criminology, supervising postgraduates and doctoral students.

In addition to the working experience above, the table below shows the working experience of Ms. Yuan being a director of various companies:

Period of time	Name of entity	Position(s)	Principal business activities	Responsibilities
Since July 2014	Chongqing Iron and Steel (Group) Co., Ltd. (重慶鋼鐵(集團)有限責任公司)	External director	Steel production	Provision of independent advice to the board
Since February 2015	Chongqing Construction Investment Co., Ltd. (重慶建工投資控股有限責任公司)	External director	Construction engineering	Provision of independent advice to the board
From May 2019 to August 2023	Evergrande Life Assurance Co., Ltd. (恒大人壽保險有限公司)	Independent director	Life insurance	Provision of independent advice to the board

The following table shows the relevant experience of Ms. Yuan as an independent director in several listed companies:

Period of time	Name of entity	Position(s)	Principal business activities
August 2016 to June 2023	Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司)	Independent director	A real estate company listed on the Shenzhen Stock Exchange (stock code: 000514)
May 2014 to May 2020 Since August 2021	Chongqing Zhifei Biological Products Co., Ltd. (重慶智飛生物製品股份有限公司)	Independent director	A company engaged in the research and production of biological products and listed on the Shenzhen Stock Exchange (stock code: 300122)
October 2017 to September 2021 Since October 2023	Chongqing Landai Powertrain Corp., Ltd. (重慶藍黛動力傳動機械股份有限公司)	Independent director	A company engaged in automotive components manufacturing and listed on the Shenzhen Stock Exchange (stock code: 002765)
Since May 2022	Porton Pharma Solutions Ltd. (博騰製藥科技股份有限公司)	Independent director	A company engaged in the medical development and manufacturing services and listed on the Shenzhen Stock Exchange (stock code: 300363)

Ms. Yuan obtained her bachelor's degree in law from Nankai University (南開大學) in the PRC in July 1986. She obtained her master's degree in criminal law and her doctor's degree in criminal law from Southwest University of Political Science and Law (西南政法大學) in the PRC in March 1991 and June 2010, respectively. Ms. Yuan obtained the certificate of completion of senior management of PRC listed companies in March 2013 and the certificate of completion of the follow-up training of independent non-executive director of PRC listed companies in November 2023 from the Shenzhen Stock Exchange. Ms. Yuan served as the vice chairman of the Chinese Society of Criminology (中國犯罪學學會) from August 2012 to December 2022, an expert member of the Judges Selection Committee of Chongqing (重慶市法官遴選委員會) since September 2015, a member of the Fifth Chongqing People's Congress (第五屆重慶市人民代表大會) from January 2018 to December 2022, a member of the Commission of Supervisory and Judicial Affairs of Chongqing People's Congress Standing Committee (重慶市人大常委會監察和司法委員會) from January 2019 to December 2022 and a Counselor of Chongqing Municipal People's Government (重慶市人民政府參事) since December 2021.

Ms. Xiao Huilin (肖慧琳), aged 45, was appointed as the independent non-executive Director in June 2023. Ms. Xiao is primarily responsible for the provision of independent advice to the Board.

Ms. Xiao graduated from Beijing Foreign Studies University (北京外國語大學) with a bachelor's degree in information management (English) in July 2002. Ms. Xiao received a doctorate degree in international business from University of Sydney in September 2008 and a post-doctorate degree in marketing from City University of Hong Kong in September 2011. Ms. Xiao worked at University of Sydney as an assistant researcher in 2008 and has been working at Southwestern University of Finance and Economics (西南財經大學) as an associate professor and doctoral supervisor from January 2009 to February 2023. She has been serving an independent director of Hubei Mailyard Share Co. Ltd.* (湖北美爾雅股份有限公司) (600107.SH) since February 2022, and an independent director of Kingland Technology Co. Ltd.* (京藍科技股份有限公司), (000711.SZ) since January 2022.

Mr. Tung Woon Cheung Eric (董渙樟), aged 53, was appointed as the independent non-executive Director in October 2023. Mr. Tung is primarily responsible for the provision of independent advice to the Board.

Mr. Tung graduated from York University, Toronto, Canada with a bachelor's honours degree in administrative studies. Mr. Tung had extensive experience in auditing and advisory services with top tier international accounting firms. Mr. Tung joined Beijing Enterprises Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 392) in April 2000 and currently serves as the chief financial officer and has served as an executive director, the chief financial officer and company secretary of Beijing Enterprises Water Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 371) since August 2011. In addition, Mr. Tung has served as an independent non-executive director of South China Financial Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 619) since September 2004. Mr. Tung has also served as an independent non-executive director of GR Life Style Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 108) since April 2014. Mr. Tung is a Hong Kong Certified Public Accountant and a U.S. licensed practice Certified Public Accountant.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SUPERVISORS

Mr. Yu Yong (余勇), aged 52, was appointed as the Supervisor and the president of the Supervisory Committee on 25 May 2020. Mr. Yu is primarily responsible for presiding the work of the Supervisory Committee, supervising the Board and the senior management of the Company.

Prior to joining Jinke Property and the Company, Mr. Yu successively served as a teacher in Chongqing Bishan District Zhongxing Primary School (重慶市璧山區中興小學) from July 1990 to August 1999 and Chongqing Bishan Qinggang Junior Middle School (重慶市璧山縣青槓初級中學校) (now known as Chongqing Bishan District Junior Middle School (重慶市璧山區青槓初級中學校)) from September 1999 to June 2002. From July 2002 to October 2006, he served as the chief of the political bureau of the United Front Work Department of the Communist Party of China Chongqing Bishan District Committee (中共重慶市璧山區委統戰部) and was primarily responsible for the united front work of non-public economy and non-Party cadres. From November 2006 to March 2010, he served as the secretary general of the Federation of Industry and Commerce of Chongqing Bishan District (重慶市璧山區工商業聯合會), primarily responsible for the daily affairs, and from April 2010 to March 2017, he successively served as an assistant to the minister of the member department, the deputy director of the research office, and the deputy minister of the economic affairs department of the Chongqing Federation of Industry and Commerce (重慶市工商業聯合會), where he was primarily responsible for research on private economy, development of the private enterprises and the small and medium-sized enterprises. Mr. Yu joined Jinke Property in June 2017 as the member of the party committee, mainly responsible for party affairs. Mr. Yu was appointed as the party committee secretary of the Company in June 2017, mainly responsible for party affairs.

Mr. Yu obtained his bachelor's degree in Chinese language and literature from Chongqing College of Education (重慶教育學院) in the PRC by way of correspondence education in June 2004. He obtained his master's degree in administrative management from Party School of Chongqing Party Committee (中共重慶市委黨校) in the PRC in June 2010.

Mr. Luo Ruifeng (駱瑞鋒), aged 45, was appointed as the Supervisor in June 2023.

Mr. Luo obtained his graduate diploma in accounting from Chongqing Technology and Business University* (重慶工商大學) in June 2000. From January 2005 to January 2008, he served as an auditor at Chongqing Yonghe Accounting Firm* (重慶永和會計師事務所). He joined Jinke Property in February 2008 and successively served as head, manager and deputy director of the audit department, and has been the person-in-charge of the audit department of Jinke Property since June 2022. Mr. Luo was qualified as a Certified Public Accountant awarded by the Chinese Institute of Certified Public Accountant in December 2005. He obtained the Intermediate Qualification Level in Accounting (會計中級資格) issued by Ministry of Finance of the PRC (中華人民共和國財政部) in May 2007.

Ms. Ren Wenjuan (任文娟), aged 39, was appointed as the Supervisor on 25 May 2020. Ms. Ren is primarily responsible for supervising the Board and the senior management of the Company. Ms. Ren joined the Group as the human resources and administrative assistant in September 2012 and was promoted to the administrative director in March 2019. In March 2021, Ms. Ren was appointed as the deputy general manager of administration and service department of the Company, mainly responsible for administrative management of the Company.

Prior to joining the Group, from July 2007 to June 2010, Ms. Ren served as an administrative director of Chongqing Branch of Jiatong Tire (China) Investment Co., Ltd. (佳通輪胎(中國)投資有限公司), an investment company, where she was mainly responsible for administrative management.

Ms. Ren obtained her bachelor's degree in accounting from Chengdu University of Information Technology (成都信息工程學院) in the PRC in July 2007.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there was no information relating to the Supervisors that is required to be disclosed pursuant to paragraphs (b) to (v) of Rule 13.51(2) of the Listing Rules or any other matters concerning any Supervisor that needs to be brought to the attention of the Shareholders as at the date of this annual report.

SENIOR MANAGEMENT

The executive Director and the president of the Company are responsible for the day-to-day operations and management of the business of the Group. For the biographical details of Mr. Xia Shaofei, please refer to"－Executive Director" in this section.

Mr. Han Qiang (韓強), aged 41, joined the Group as senior vice president in August 2021 and was appointed as the president of the Company on 29 March 2022.

Prior to joining the Group, Mr. Han served at various companies where he was responsible for marketing management, including serving as a manager (科長) at the Chongqing office of ZTE Corporation (中興通訊) from September 2004 to July 2005; a project manager of Chongqing Real Estate Consulting Co., Ltd. (重慶領域置業顧問有限公司) from July 2005 to June 2007; a marketing director of Chongqing Zhongyi Land Co., Ltd. (重慶中億置地有限公司) from June 2007 to January 2012; and successively serviced as a supervisor (主任) and manager of the marketing department of western district, deputy director of the marketing centre and the principal of the second marketing department in western Chongqing area of Jinke Property, from January 2012 to July 2017. From July 2017 to January 2020, Mr. Han successively served as the executive deputy general manager and general manager of Yongzhou urban area of the Jinke Property. From January 2020 to August 2021, Mr. Han served as the general manager of Sichuan-Shaanxi areas of Jinke Property and the chairman of Sichuan area of Jinke Property.

Mr. Han graduated from Hubei University with a bachelor degree in engineering management in June 2004.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Luo Chuansong (羅傳嵩), aged 48, was appointed as a Director in September 2014 and re-designated as the executive Director and the executive general manager in May 2020, Mr. Luo resigned as an executive Director on 27 June 2022. Mr. Luo is responsible for daily management and operation of the Group.

Mr. Luo joined the Group as the head of security department in December 2002, where he was primarily responsible for security maintenance. He was promoted as a project manager in September 2003, where he was primarily responsible for project operation and management. From March 2009 to August 2014, he served as the assistant of general manager and was then promoted to deputy general manager, where he was primarily responsible for customer service, security maintenance and property management projects. From August 2014 to May 2020, Mr. Luo served as the general manager of the Company, where he was primarily responsible for daily management and operation of the Company.

Mr. Luo obtained his bachelor's degree in marketing from Shenyang Machine Industry officers and Workers University (瀋陽機械工業職工大學) in the PRC through distance learning in July 1999. He graduated from the curricula of property management MBA from Bozhong Real Estate Management Research Institute (博眾房地產管理研究院) in the PRC in July 2015.

Mr. Luo is the president of Chongqing Property Management Institute (重慶物業管理協會), and has been serving as the vice president and a council member of the working committee of laws and policies of China Property Management Institute (中國物業管理協會) since July 2019 for a term of five years. He has been serving as the deputy director of the intelligent property application promotion center of the National Digital Standardization Technical Committee for Intelligent Buildings and Residential Area (全國智能建築及居住區數字標準化技術委員會) since January 2019 for a term of three years. Mr. Luo was awarded as the Most Respected Property Management Professional (最美物業人) by Chongqing Municipal Commission of Housing and Urban-Rural Development (重慶市住房和城鄉建設委員會) in November 2019. Mr. Luo was awarded the 2017 Top 10 CEOs in the PRC Property Management Industry (2017 中國十大物業 CEO).

Mr. Yan Lingyang (閆凌陽), aged 45, was appointed as the chief financial officer of the Company on 13 February 2023. Mr. Yan is primarily responsible for the financial management of the Group.

Between 2000 and 2016, Mr. Yan worked at Ernst & Young Hua Ming LLP and Deloitte Touche Tohmatsu Certified Public Accountants LLP and served as a partner of Deloitte Touche Tohmatsu Certified Public Accountants LLP from 2011 to 2016. Between 2016 to 2017, Mr. Yan served as the chief financial officer of Beijing Hongkun Weiye Real Estate Development Co., Ltd.* (北京鴻坤偉業房地產開發有限公司). Between 2017 to 2020, Mr. Yan served as the chief financial officer of UR Work (Beijing) Venture Capital Investment Co., Ltd.* (北京優客工場創業投資公司). Between 2020 to 2021, Mr. Yan served as a financial vice president of Sichuan Languang Justbon Services Group* (四川藍光嘉寶服務集團). From March 2021 to March 2022, Mr. Yan served as the chief financial officer of Guangdong United New Energy Co., Ltd.* (聯動新能源有限公司).

Mr. Yan graduated from the Capital University of Economics and Business* (首都經濟貿易大學) with a bachelor's degree in economics in 2000. He completed the postgraduate program in the University of International Business and Economics* (對外經濟貿易大學) in 2017. Mr. Yan is a certified internal auditor, a Chartered Financial Analyst, and a member of the Chinese Institute of Certified Public Accountants and the American Institute of Certified Public Accountants.

JOINT COMPANY SECRETARIES

Ms. Xu Yuanyuan (徐圓圓), aged 35, was appointed as the joint company secretary of the Company on 30 March 2023. From November 2017 to December 2019, she worked in the Securities Affairs Department of Jinke Property. Since January 2020, she has served as the officer of the Board Office of the Company. Her main duties include but not limited to assisting the secretary of the Board (and the joint company secretary of the Company) to conduct corporate governance affairs and investor relationship management. She was also involved in the whole process leading to the listing of the Company in 2020, including liaising with domestic and foreign lawyers, secretarial companies, independent financial advisers and other professional consultants, and assisting the secretary of the Board to carry out the post-listing work of the Company.

Ms. Xu has more than 8 years of extensive experience in legal affairs. From January 2015 to August 2015, Ms. Xu served as the legal affairs and compliance risk control supervisor of the operation management department of Shanghai Boqiao Financial Information Service Co., Ltd. (上海伯喬金融信息服務有限公司). From August 2015 to May 2017, she served as the legal affairs manager of Shanghai Feisuo Technology Co., Ltd. (上海飛梭科技有限公司). From May 2017 to November 2017, she served as investment and financing legal manager of Shanghai Yimidida Supply Chain Management Co., Ltd. (上海壹米滴答供應鏈管理有限公司).

Ms. Xu obtained a bachelor's and a master's degree in law from Southwest University of Political Science & Law (西南政法大學) in 2012 and 2014 respectively. She also obtained the legal vocational qualification certificate (A certificate) of the People's Republic of China (中華人民共和國法律職業資格證書(A 證)) in 2013, the qualifications of Chinese fund practitioners (中國基金從業人員資格) in April 2017, and the qualifications of Chinese securities practitioners (中國證券從業人員資格) in April 2018. She obtained the qualification of secretary of the board of directors of the Shenzhen Stock Exchange in December 2019.

Mr. Lau Kwok Yin (劉國賢), aged 38, was appointed as the joint company secretary of the Company on 20 June 2020. Following the resignation of Mr. Xu Guofu as a joint company secretary of the Company on 10 February 2023, Mr. Lau remains in office as the company secretary of the Company. Following the appointment of Ms. Xu Yuanyuan as a joint company secretary of the Company on 30 March 2023, Mr. Lau remains in office as another joint company secretary of the Company.

Mr. Lau is a vice president of SWCS Corporate Services Group (Hong Kong) Limited. He has over 14 years of experience in corporate secretarial services, finance and banking operations. He holds a bachelor of business administration degree in accounting and finance from The University of Hong Kong, and is a member of the Hong Kong Institute of Certified Public Accountants, a Chartered Financial Analyst charter holder and a fellow member of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute.

CORPORATE GOVERNANCE REPORT

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

CORPORATE GOVERNANCE PRACTICES

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its own code of conduct for securities transactions conducted by Directors, Supervisors and relevant employees of the Company. After making specific enquiries to all the Directors, Supervisors and relevant employees of the Company, each of them has confirmed that they have complied with the required standards set out in the Model Code for the year ended 31 December 2023.

The Company is not aware of any incident of non-compliance of the Model Code committed by any Directors, Supervisors or relevant employees during the year ended 31 December 2023.

Corporate Governance

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Company has adopted the principles and applicable code provisions set out in the CG Code as its own code of corporate governance.

During the year ended 31 December 2023, the corporate governance functions stipulated in code provision A.2.1 of the CG Code were performed by the Board, which included: (i) developing and reviewing the Company's policies and practices on corporate governance; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and (v) reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report.

Trainings of the Directors

To ensure that each Director's better understanding in respect of the Company's conduct and business activities to perform their responsibilities as a Director, the Company will arrange appropriate training, including arranging and funding suitable training and professional development program for the Directors. For newly appointed Directors, the Company shall also arrange for suitable induction training, so as to ensure that they have an appropriate understanding of the business and operations of the Group and that they are fully aware of their responsibilities and obligations under the Listing Rules and relevant regulatory requirements upon commencement of their directorship in the Company. During the year ended 31 December 2023, all the Directors, together with the relevant senior management of the Company, have attended suitable induction and/or trainings arranged by the Company covering a wide range of topics including but not limited to directors' duties and responsibilities, corporate governance and continuing obligations of a listed company.

Directors	Type of Training(Note 1)
Executive Director	
Mr. Xia Shaofei *(chairman) (re-elected on 8 June 2023)*	A/B
Non-executive Directors	
Mr. Xu Guofu *(re-designated from an executive Director to a non-executive Director on 13 February 2023 and re-elected on 8 June 2023)*	A/B
Mr. Wu Xiaoli *(re-elected on 8 June 2023)*	A/B
Ms. Lin Ke *(re-elected on 8 June 2023)*	A/B
Mr. Shi Cheng *(appointed on 7 December 2023)*	A/B
Mr. Qi Shihao *(appointed on 7 December 2023)*	A/B
Mr. Liang Zhongtai *(re-elected on 8 June 2023 and resigned on 3 November 2023)*	N/A
Mr. Wei Yi *(appointed on 8 June 2023 and resigned on 3 November 2023)*	N/A
Mr. Luo Licheng *(retired on 8 June 2023)*	N/A
Independent Non-executive Directors	
Ms. Yuan Lin *(re-elected on 8 June 2023)*	A/B
Ms. Xiao Huilin *(appointed on 8 June 2023)*	A/B
Mr. Tung Woon Cheung Eric *(appointed on 13 October 2023)*	A/B
Mr. Cao Guohua *(retired on 8 June 2023)*	N/A
Mr. Chan Chi Fung Leo *(retired on 8 June 2023)*	N/A
Mr. Wong Yik Chung John *(appointed on 8 June 2023 and resigned on 27 June 2023)*	N/A

Note 1: A. Directors' duties and responsibilities
B. Corporate governance and continuing obligations

Confirmation from Directors under Rule 3.09D of the Listing Rules

The Directors, who were appointed during the year ended 31 December 2023, executed the then applicable form B Declaration and Undertaking with regard to Directors, and they understand their obligations as directors of a listed issuer under the Listing Rules.

THE BOARD

The Board currently consists of nine Directors, comprising one executive Director, five non-executive Directors and three independent non-executive Directors. The functions and powers of the Board include convening general meetings and reporting the Board's work at the general meetings, implementing resolutions of the general meetings, determining the Group's business and investment plans, preparing annual financial budgets and final accounts of the Group, formulating proposals for profit distributions and plans for making up losses, and exercising other powers, functions and duties as conferred by the Articles of Association.

CORPORATE GOVERNANCE REPORT

The Board assumes the responsibility of leadership and control of the Company, and supervises and approves strategic development objectives, significant decisions of operations and financial performance of the Company, and the senior management of the Company is responsible for the day-to-day operations and management of the business of the Group.

The Board has established the Audit Committee, the Remuneration Committee, the Nomination Committee and the Environmental, Social and Governance Committee and delegated various responsibilities to these committees, which assist the Board in discharging its duties and overseeing particular aspects of the Group's activities. All the Board Committees perform their distinct roles in accordance with their respective terms of reference.

BOARD COMPOSITION

Executive Director

Mr. Xia Shaofei *(chairman) (re-elected on 8 June 2023)*

Non-executive Directors

Mr. Xu Guofu *(re-designated from an executive Director to a non-executive Director on 13 February 2023 and re-elected on 8 June 2023)*
Mr. Wu Xiaoli *(re-elected on 8 June 2023)*
Ms. Lin Ke *(re-elected on 8 June 2023)*
Mr. Shi Cheng *(appointed on 7 December 2023)*
Mr. Qi Shihao *(appointed on 7 December 2023)*
Mr. Liang Zhongtai *(re-elected on 8 June 2023 and resigned on 3 November 2023)*
Mr. Wei Yi *(appointed on 8 June 2023 and resigned on 3 November 2023)*
Mr. Luo Licheng *(retired on 8 June 2023)*

Independent Non-executive Directors

Ms. Yuan Lin *(re-elected on 8 June 2023)*
Ms. Xiao Huilin *(appointed on 8 June 2023)*
Mr. Tung Woon Cheung Eric *(appointed on 13 October 2023)*
Mr. Cao Guohua *(retired on 8 June 2023)*
Mr. Chan Chi Fung Leo *(retired on 8 June 2023)*
Mr. Wong Yik Chung John *(appointed on 8 June 2023 and resigned on 27 June 2023)*

Each of the Directors who was re-elected and appointed during the year ended 31 December 2023 has executed the then applicable form H Declaration and Undertaking with regard to Directors, and each of such Directors understands his/her obligations as a director of a listed issuer under the Listing Rules.

Each of the Directors entered into a service contract or appointment letter with the Company. Further details of the term of appointment of the Directors are set out in the section headed "Report of the Directors – Directors' and Supervisors' Service Contracts and Appointment Letters" on page 66 of this annual report.

The respective biographical information of the Directors is set out on pages 35 to 43 of this annual report. Save as disclosed, there is no relationship (including financial, business, family or other material relationship) between members of the Board and senior management of the Company.

As disclosed in the announcement of the Company dated 27 June 2023, Mr. Wong Yik Chung John ("**Mr. Wong**") tendered his resignation as an independent non-executive Director, the chairman of the Audit Committee, a member of the Remuneration Committee, a member of the Nomination Committee and a member of the environmental, social and governance committee of the Company effective from 27 June 2023 due to the mutual intention of the Company and Mr. Wong for Mr. Wong to provide consultancy services to the Company in his own capacity. Following the resignation of Mr. Wong, the Company failed to meet the requirement of (i) Rule 3.10 of the Listing Rules that the Board must include at least three independent non-executive directors and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise; (ii) Rule 3.10A of the Listing Rules that the Company must appoint independent non-executive directors representing at least one-third of the Board; (iii) Rule 3.21 of the Listing Rules that the majority of the Audit Committee members must be independent non-executive directors (at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2)) and the Audit Committee must be chaired by an independent non-executive director; and (iv) Rules 3.25 and 3.27A of the Listing Rules that the each of the Remuneration Committee and the Nomination Committee must comprise a majority of independent non-executive directors. Upon the appointment of Mr. Tung Woon Cheung Eric as an independent non-executive Director by the Shareholders at the extraordinary general meeting held on 13 October 2023, the Company has complied with Rules 3.10, 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

Save as disclose above, during the year ended 31 December 2023, the Board had complied with Rule 3.10 and Rule 3.10A of the Listing Rules relating to the appointment of (i) at least three independent non-executive Directors; (ii) independent non-executive directors representing one-third of the Board; and (iii) at least one independent non-executive Director possessing appropriate qualification, or accounting or related financial management expertise.

The Company has received from each independent non-executive Director an annual written confirmation of his/her independence in accordance with Rule 3.13 of the Listing Rules. The Company considers each of the independent non-executive Directors to be independent.

The Board has also established mechanisms to ensure independent views are available to the Board, including providing the Directors with sufficient resources to perform its duties and shall seek, at the Company's expense, independent professional advice to perform its responsibilities if necessary.

The Board shall comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2023.

Chairman and President

Currently, the roles of the chairman and president of the Company are performed by Mr. Xia Shaofei and Mr. Han Qiang, respectively.

Board Meetings and Annual General Meeting

The Board meets regularly to discuss and formulate the overall strategy, operations and financial performance of the Group. Board meetings are held at least four times a year and notices of Board meetings are given to the Directors 14 days before the convening of the meeting, in order to give all Directors the opportunity to attend.

During the year ended 31 December 2023, the Board held 14 Board meetings, 3 general meetings and the Directors made positive contributions to the affairs of the Group. The attendance record of each Director is set out below:

Name of Director	Number of meetings attended/ Number of Board meetings held during the year ended 31 December 2023	Number of meetings attended/ Number of general meetings held during the year ended 31 December 2023
Executive Directors		
Mr. Xia Shaofei *(chairman)*	14/14	3/3
Non-executive Directors		
Mr. Xu Guofu[1]	14/14	3/3
Mr. Wu Xiaoli	14/14	3/3
Ms. Lin Ke	14/14	3/3
Mr. Shi Cheng[2]	3/3	0/0
Mr. Qi Shihao[2]	3/3	0/0
Mr. Liang Zhongtai[3]	10/10	2/2
Mr. Wei Yi[4]	5/5	1/1
Mr. Luo Licheng[5]	5/5	1/1
Independent non-executive Directors		
Ms. Yuan Lin	14/14	3/3
Ms. Xiao Huilin[6]	9/9	2/2
Mr. Tung Woon Cheung Eric[7]	4/4	1/1
Mr. Cao Guohua[8]	5/5	1/1
Mr. Chan Chi Fung Leo[8]	5/5	1/1
Mr. Wong Yik Chung John[9]	1/1	0/0

Notes:

1. Mr. Xu Guofu was re-designated as a non-executive Director on 13 February 2023.

2. Each of Mr. Shi Cheng and Mr. Qi Shihao was appointed as a non-executive Director on 7 December 2023.

3. Mr. Liang Zhongtai resigned as a non-executive Director on 3 November 2023 in order to devote more time to his other business commitments.

4. Mr. Wei Yi was appointed as a non-executive Director on 8 June 2023 and resigned from such position on 3 November 2023 in order to devote more time to his other business commitments.

5. Mr. Luo Licheng retired as a non-executive Director on 8 June 2023 after the end of the term of office of the first session of the Board.

6. Ms. Xiao Huilin was appointed as an independent non-executive Director on 8 June 2023.

7. Mr. Tung Woon Cheung Eric was appointed as an independent non-executive Director on 13 October 2023.

8. Each of Mr. Cao Guohua and Mr. Chan Chi Fung Leo retired as an independent non-executive Director on 8 June 2023 after the end of the term of office of the first session of the Board.

9. Mr. Wong Yik Chung John was appointed as an independent non-executive Director on 8 June 2023 and resigned from such position on 27 June 2023 due to the mutual intention of the Company and Mr. Wong to provide consultancy services to the Company in his own capacity.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established the Audit Committee, the ESG Committee, the Remuneration Committee and the Nomination Committee and delegated various responsibilities to these committees, which assist the Board in discharging its duties and overseeing particular aspects of the Group's activities. Each of the Board Committees has specific written terms of reference which clearly specify their authority and duties. The Board Committees will report their findings and recommendations to the Board after each meeting of the Board Committees.

Audit Committee

The Group has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The Audit Committee currently consists of two non-executive Directors and three independent non-executive Directors, namely Mr. Shi Cheng, Mr. Wu Xiaoli, Ms. Yuan Lin, Ms. Xiao Huilin and Mr. Tung Woon Cheung Eric. The chairman of the Audit Committee currently is Mr. Tung Woon Cheung Eric, who is an independent non-executive Director and possesses the appropriate professional and accounting qualifications required under Rule 3.21 of the Listing Rules.

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 (iii) perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee held 2 meetings during year ended 31 December 2023, to review, among other things, the unaudited interim results and report for the six months ended 30 June 2023, the financial reporting and the compliance matters, compliance with the corporate governance policy and practice, the audited annual results and report for the year ended 31 December 2022, the financial, operational and compliance monitoring, the risk management control, the work of the internal and external auditors, the service fees due to the external auditor as well as the re-appointment of external auditors.

The attendance records of the Audit Committee meetings are set out below:

Name of Director	Attendance/ Number of Meeting(s)
Mr. Tung Woon Cheung Eric *(chairman) (appointed on 13 October 2023)*	0/0
Mr. Chan Chi Fung Leo *(chairman) (retired on 8 June 2023)*	1/1
Mr. Wong Yik Chung John *(chairman) (appointed on 8 June 2023 and resigned on 27 June 2023)*	0/0
Mr. Wu Xiaoli *(appointed on 8 June 2023)*	1/1
Ms. Yuan Lin *(appointed on 8 June 2023)*	1/1
Mr. Shi Cheng *(appointed on 7 December 2023)*	0/0
Ms. Xiao Huilin *(appointed on 8 June 2023)*	1/1
Mr. Cao Guohua *(retired on 8 June 2023)*	1/1
Mr. Liang Zhongtai *(resigned on 3 November 2023)*	2/2

On 27 March 2024, the Audit Committee held a meeting to review (i) the annual consolidated financial statements of the Group and annual results announcement for the year ended 31 December 2023; (ii) the Company's relationship with the external auditor, discussed with the Company's external auditor on the tasks performed by them including the nature and scope of their audit and reporting obligations, and reviewed the terms of engagement and their remuneration; (iii) the appropriateness and effectiveness of the risk management and internal control systems of the Group and make relevant recommendations to the Board; (iv) the effectiveness of the internal audit function of the Group; and (v) the continuing connected transactions of the Group.

Remuneration Committee

The Group has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the CG Code. The Remuneration Committee currently consists of two non-executive Directors and three independent non-executive Directors, namely, Mr. Xu Guofu, Mr. Wu Xiaoli, Ms. Yuan Lin, Ms. Xiao Huilin and Mr. Tung Woon Cheung Eric. The chairlady of the Remuneration Committee currently is Ms. Yuan Lin.

The primary duties of the Remuneration Committee are to (i) establish, review and provide advices to the Board on the Group's policy and structure concerning remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determine the terms of the specific remuneration package of each executive Director and senior management; (iii) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time-to-time; and (iv) review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee held 5 meetings during the year ended 31 December 2023 to review, among others, the remuneration policy and structure of the Company, and consider and make recommendation to the Board on the remuneration for non-executive directors and independent non-executive directors as all as the proposal on incentive of senior management.

The attendance records of the Remuneration Committee meetings are set out below:

Name of Director	Attendance/ Number of Meeting(s)
Ms. Yuan Lin *(chairlady)*	5/5
Mr. Xu Guofu *(appointed on 8 June 2023)*	4/4
Mr. Wu Xiaoli *(appointed on 8 June 2023)*	4/4
Ms. Xiao Huilin *(appointed on 8 June 2023)*	4/4
Mr. Tung Woon Cheung Eric *(appointed on 13 October 2023)*	1/1
Mr. Luo Licheng *(retired on 8 June 2023)*	1/1
Mr. Cao Guohua *(retired on 8 June 2023)*	1/1
Mr. Wong Yik Chung John *(appointed on 8 June 2023 and resigned on 27 June 2023)*	1/1

On 27 March 2024, the Remuneration Committee held a meeting to (i) discuss and make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration; (ii) review the remuneration packages of individual Directors and senior management; (iii) review the Company's remuneration and benefits policy and performance appraisal system; and (iv) re-appoint and elect the independent and non-independent director candidates.

Nomination Committee

The Group has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A and paragraph B.3 of the CG Code. The Nomination Committee currently consists of one executive Director, one non-executive Director and three independent non-executive Directors, namely Mr. Xia Shaofei, Mr. Wu Xiaoli, Ms. Yuan Lin, Ms. Xiao Huilin and Mr. Tung Woon Cheung Eric. The chairman of the Nomination Committee currently is Mr. Xia Shaofei.

The primary duties of the Nomination Committee are to (i) review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of the Board; (ii) identify, select or make recommendations to the Board on the selection of individuals nominated for directorship, and ensure the diversity of the Board members; (iii) assess the independence of the independent non-executive Directors; and (iv) make recommendations to the Board on relevant matters relating to the appointment, re-appointment and removal of the Directors and succession planning for the Directors.

The Nomination Committee held 4 meetings during the year ended 31 December 2023 to review, among others, the structure, size, composition and diversity (including the skills, knowledge, experience, gender, age, cultural and educational background, ethnicity, professional experience and length of service) of the Board to ensure that the Board has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company, to assess the independence of the independent non-executive Directors, to consider the credentials of the non-executive Director candidate, to recommend non-executive director candidate for Board's nomination and Shareholders' approval.

The attendance records of the Nomination Committee meetings are set out below:

Name of Director	Attendance/ Number of Meeting(s)
Mr. Xia Shaofei *(chairman)*	4/4
Mr. Wu Xiaoli *(appointed on 8 June 2023)*	2/2
Mr. Yuan Lin	4/4
Ms. Xiao Huilin *(appointed on 8 June 2023)*	2/2
Mr. Tung Woon Cheung Eric *(appointed on 13 October 2023)*	0/0
Mr. Cao Guohua *(retired on 8 June 2023)*	2/2
Mr. Wong Yik Chung John *(appointed on 8 June 2023 and resigned on 27 June 2023)*	0/0

On 27 March 2024, the Nomination Committee held one meeting to (i) review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board; (ii) assess the independence of independent non-executive Directors; (iii) review the measurable objectives for implementing the Board Diversity Policy; and (iv) re-election of candidates for independent non-executive Directors.

ESG Committee

The Group has established the ESG Committee with written terms of reference, to better integrate the idea of "Social, Environmental and Corporate Governance" into the corporate strategy, promote sustainable development, generate long-term value for all stakeholders. The ESG Committee currently consists of one executive Director, one non-executive Director and three independent non-executive Directors, namely, Mr. Xia Shaofei, Mr. Xu Guofu, Ms. Yuan Lin, Ms. Xiao Huilin and Mr. Tung Woon Cheung Eric. The chairman of the ESG Committee currently is Mr. Xu Guofu.

The primary duties of the ESG Committee are to (i) guide and review the formulation of the Company's ESG vision and strategies; (ii) identify and evaluate the Company's ESG-related risks and opportunities; (iii) review the progress of the Company's ESG work and internal control system; and (iv) review and supervise the objectives and implementation of the Company's ESG-related work.

The ESG Committee strives to improve and enhance the Company's capabilities of managing environment and social responsibilities, and to promote the sustainable development of the Company.

NOMINATION POLICY

The Company has adopted the Nomination Policy which sets out the selection criteria and procedures to nominate Board candidates. When making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, the Nomination Committee would consider a number of factors in assessing the suitability of the proposed candidate, including but not limited to:

(i) reputation for integrity;

(ii) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

(iii) diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;

(iv) the ability to assist and support management and make significant contributions to the Group;

(v) commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board Committees;

(vi) compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment or re-appointment of an independent non-executive Directors; and

(vii) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

Appointment of any proposed candidates to the Board or re-appointment of any existing members of the Board shall be made in accordance with the Articles of Association and other applicable rules and regulations. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

The Nomination Committee will review the Nomination Policy from time to time to ensure its implementation and monitor its continued effectiveness.

During the year ended 31 December 2023, the Company re-elected and appointed Directors with the nomination of the Board and recommendation of the Nomination Committee and upon approval by the Shareholders at the general meetings of the Company. Each of the re-elected and appointed Directors has entered into a service contract or appointment letter (where applicable) with the Company with a term from the date of the general meetings approving his/her appointment to the expiry of term of second session of the Board.

BOARD DIVERSITY POLICY

The Board has adopted the Board Diversity Policy which sets out the approach to achieve diversity on the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talents, skills, gender, age, ethnicity, experience, independence and knowledge.

The Company will continue to implement measures and steps to promote and enhance gender diversity at all levels of the Company. The Company will select potential Board candidates based on merit and his/her potential contribution to the Board while taking into account the Board Diversity Policy and other factors. The Company will also take into consideration the Group's business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

The Nomination Committee and the Board will review and the Board Diversity Policy on an annual basis to ensure its implementation and monitor its continued effectiveness.

Diversity at Board Level

The Directors have a balanced mix of knowledge and skills, including overall management and strategic development, human resources, information technology, accounting and financial management, and corporate governance. They obtained degrees in various majors including accounting, marketing, financial management, business administration, economics and business management, bioengineering, industrial and civil construction, mathematics and law. The Company has three independent non-executive Directors with different industry backgrounds, representing a third of the members of the Board. Furthermore, the Board has a wide range of age, ranging from 29 years to 59 years old.

The Board currently comprises three female Directors and six male Directors. The Board considers that the Company has achieved gender diversity at the Board level and targets to maintain at least the current level of female representation. The Company will ensure that gender diversity is taken into account when recruiting staff members of mid to senior level and ensure that sufficient resources are available for providing appropriate trainings and career development to develop a pipeline of potential successors to the Board and maintain gender diversity.

Based on the Nomination Committee's review for the year ended 31 December 2023, the Nomination Committee considered that there was sufficient diversity in the Board for the Company's corporate governance and business development needs. Taking into account the recommendation of the Nomination Committee, the Group's existing business model and specific needs as well as the different background of the Directors, the Board considers that its current composition satisfies the Board Diversity Policy.

Diversity at Workforce Level

The Group recognises the importance of diversity and is committed to promote gender diversity at all levels, and believes that a diverse workforce and an inclusive culture supports high performance and the Group's ability to operate effectively. The gender ratio in the workforce (including senior management) as at 31 December 2023 is set out below:

	As at 31 December 2023	
	Number of persons	Percentage of total number of employees
Female employees	5,707	44.1%
Male employees	7,248	55.9%

The Board considers that the Group has achieved gender diversity at the workforce level and targets to maintain the current level of gender diversity. To maintain diversity at workforce level, the Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates with different age, gender and experiences are considered. The Group has also established talent management and training programs to provide career development guidance and promotion opportunities to develop a broad and diverse pool of skilled and experienced employees. As at the date of this annual report, the Board is not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce more challenging or less relevant.

DIRECTORS' REMUNERATION POLICY

The Company has put in place the Directors' Remuneration Policy to determine the remuneration packages of Directors. The objective of remunerating the Directors is to ensure that there is an appropriate level of remuneration to attract and retain experienced talents of high calibre to oversee the Group's business and development.

The remuneration of the Directors is determined with reference to the skills and knowledge of the Directors and senior management, their job responsibilities and level of involvement in the Group's affairs, the performance and profitability as well as remuneration benchmark in the industry and the prevailing market conditions. Remuneration comprises basic salaries, allowances, performance related bonuses and contributions to a pension scheme.

ANNUAL REMUNERATION PAYABLE TO THE DIRECTORS AND MEMBERS OF SENIOR MANAGEMENT

The annual remuneration of the members of the senior management by band for the year ended 31 December 2023 is as follows:

Remuneration bands (RMB)	Number of individuals
Nil – 1,000,000	1
1,000,001 – 1,500,000	0
1,500,001 – 2,000,000	0
2,000,001 – 2,500,000	1
2,500,001 – 3,000,000	1
3,000,001 – 3,500,000	1
5,000,001 – 5,500,000	1

Details of the remuneration of the Directors are set out in note 41 to the consolidated financial statements.

AUDITOR'S REMUNERATION

The Company has appointed PricewaterhouseCoopers as its external auditor for the year ended 31 December 2023.

During the year ended 31 December 2023, the remunerations paid or payable to PricewaterhouseCoopers in respect of its statutory audit services and non-audit services are RMB5.6 million and RMB0.8 million, respectively.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the consolidated financial statements of the Group for the year ended 31 December 2023, which give a true and fair view of the state of affairs of the Group and of the operating results and cash flow for the year. The Directors consider that the financial statements have been prepared in conformity with all applicable accounting standards and requirements and reflect amounts that are based on the best estimates, reasonable information and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements of the Group on a going concern basis.

The statements of the auditor of the Group about its reporting responsibility on the consolidated financial statements of the Group are set out in the Independent Auditor's Report on pages 98 to 104 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for overseeing the Company's risk management and internal control systems and reviewing their effectiveness on an ongoing basis. The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems. The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives of the Group, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management Structure of the Company

The Group has implemented various risk management policies and measures to identify, assess, manage and monitor risks arising from its operations. Risks identified by the Group's management team, internal and external reporting mechanism, remedial measures and contingency management have been codified in the Group's policies.

The Group strives to foster a strong compliance culture among its employees. To achieve such compliance culture and set the expectations for individual behavior across the Group, the Group has adopted procedures and policies to ensure strict accountability of individual employees, and regularly conduct internal compliance checks and inspections and conduct compliance training.

Risk Management and Internal Control Procedure

The Company has established internal control measures led by the Board whereby the management is responsible for assisting the Board in completing the identification and evaluation of risk factors of the business systems, implementing the Company's policies and procedures and participating in the design and operation of such measures that meet the Company's management requirements, which provides reliable assurance for the Company to carry out its business to prevent the occurrence of significant operational risks and losses. The Group also has an internal audit and risk control function which primarily carries out analysis and independent appraisal of the adequacy and effectiveness of its risk management and internal control systems, and reports their findings to the Board on, at least, an annual basis.

Risk Management and Internal Control Review

A review of the effectiveness of the Group's risk management and internal control systems, including financial, operation and compliance controls, will be conducted by the Board at least annually. The Board reviews each year the effectiveness of the Group's risk management and internal control systems for the previous financial year, and makes evaluations and suggestions on the Group's risk management and internal control systems and process through internal and external professionals and institutions.

CORPORATE GOVERNANCE REPORT

The annual review in respect of the year ended 31 December 2023 has considered, among others (i) adequacy of resources; (ii) staff qualifications and experience; (iii) training programmes for the staff; and (iv) budget of the Group's accounting, internal audit and financial reporting functions. The Board also conducted a comprehensive evaluation on the timeliness, effectiveness and normativity of the procedures for handling and releasing inside information of the Company, as well as the effectiveness of the Company's processes for financial reporting and Listing Rule compliance.

For the year ended 31 December 2023, the Board considers that the risk management and internal control systems of the Company are effective and adequate.

DISSEMINATION OF INSIDE INFORMATION

The Group has in place a framework for the disclosure of inside information by reference to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission of Hong Kong. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in an appropriate and timely manner, such as steps to ascertain sufficient details, conduct internal assessment of the matter and its likely impact on the Company, seek professional advice where required and verification of the facts. Before the information is fully disclosed to the public, any persons who possess the knowledge of such information must ensure strict confidentiality and must not deal in any of the Company's securities.

SHAREHOLDERS' RIGHT

Procedures for Shareholders to Convene an Extraordinary General Meeting

The Company shall convene an extraordinary general meeting within two months from the date when such meeting is requested in writing by a Shareholder alone or Shareholders together holding over 10% of the Company's outstanding voting Shares (the number of Shares held by such Shareholder(s) shall be calculated based on the number of Shares held at the close of trading on the date when such Shareholder(s) request in writing, or if the written request is made on a non-trading day, the number of Shares held at the close of trading on the preceding trading day).

In accordance with Article 45 of the Articles of Association, Shareholders requesting the convening of an extraordinary general meeting shall do so by the procedure set forth below:

(i) Shareholders individually or jointly holding at least 10 percent of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting that the Board convene an extraordinary general meeting and stating the subject to be discussed at the meeting; the Board shall convene the extraordinary general meeting as soon as possible after having received the aforementioned written request; the shareholding referred to above shall be calculated as of the day on which the written request is made.

(ii) If the Board fails to issue a notice to convene such meeting within 30 days after having received the aforementioned written request, the Shareholders who made such request may themselves convene the meeting within four months after the board of directors received the request. The procedure according to which they convene such meeting shall, to the extent possible, be identical to the procedure according to which general meetings are to be convened by the Board.

(iii) If the Board is unable to or fails to perform its duty of convening the general meeting, the Supervisory Committee shall convene and preside over the meeting in a timely manner. If the Supervisory Committee fails to issue a notice to convene such meeting within 30 days after having received the aforementioned written request, Shareholders individually or jointly holding over 10 percent of the shares of the Company for at least 90 days in succession may themselves convene the meeting within four months after the Board received the request. The procedure according to which they convene such meeting shall, to the extent possible, be identical to the procedure according to which general meetings are to be convened by the Board.

If Shareholders convene and hold a meeting themselves because the Board failed to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such Shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors.

Procedures for Putting Forward Proposals at General Meetings

In accordance with Article 50 of the Articles of Association, a Shareholder alone or Shareholders together holding at least 3% of the Shares may submit extempore motions in writing to the convener 10 days prior to the date of such meeting. The convener shall issue a supplementary notice of the general meeting and make a public announcement of the contents of such extempore motion within two days after receipt of the motion, and submit such extempore motion the general meeting for consideration. The contents of such an extempore motion shall fall within the scope of the functions and powers of the general meeting, and contain a clear topic and a specific resolution.

Except as provided in the preceding paragraph, the convener may not make any changes to the motions set forth in the notice of the general meeting or add any new motions once the notice and announcement of the general meeting have been issued.

The general meeting may not vote and pass resolution on motions that are not set forth in the notice of the general meeting or that are not consistent with Article 49 of the Articles of Association. Article 49 of the Articles of Association stipulates that motions before the general meeting shall be in writing. The contents of motions before the general meeting shall fall within the scope of the functions and powers of the general meeting, contain a clear topic and a specific resolution and comply with relevant provisions of laws and the Articles of Association.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time make enquiries to the Board in writing through the contact details as follows:

By post: 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong
Email: IRJKS@jinkeservice.com
Attention: the Board Office

JOINT COMPANY SECRETARIES

Following the resignation of Mr. Xu Guofu as a joint company secretary of the Company on 10 February 2023, Ms. Xu Yuanyuan was appointed as a joint company secretary of the Company on 30 March 2023. Mr. Lau Kwok Yin remains in office as the company secretary of the Company for the year ended 31 December 2023. Please refer to the section headed "Biographies of Directors, Supervisors and Senior Management" in this annual report for the biographical information of Ms. Xu and Mr. Lau.

Ms. Xu Yuanyuan, the joint company secretary and the head of the board office of the Company, is the primary contact of Mr. Lau Kwok Yin at the Company.

In compliance with Rule 3.29 of the Listing Rules, Ms. Xu Yuanyuan and Mr. Lau Kwok Yin both undertook not less than 15 hours of relevant professional training during the year ended 31 December 2023.

CONSTITUTIONAL DOCUMENTS

Reference is made to the next day disclosure returns of the Company dated 30 June 2023 and 8 August 2023, the Company has cancelled a total of 7,065,000 H shares of the Company (the "Share Cancellation") repurchased by the Company during the period by 12 June 2023 to 27 July 2023 pursuant to the general mandate granted to the Board to repurchase H shares of the Company as approved by the Shareholders at the annual general meeting held on 8 June 2023. After the Share Cancellation, the total number of shares of the Company has been changed from 652,848,100 shares to 645,783,100 shares, and the registered capital of the Company has been changed from RMB652,848,100 to RMB645,783,100.

On 17 February 2023, the State Council (the "State Council") of the PRC issued the Decision of the State Council to Repeal Certain Administrative Regulations and Documents (《國務院關於廢止部分行政法規和文件的決定》) and the China Securities Regulatory Commission (the "CSRC") issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures") and related Guidelines (together, the "New PRC Regulations"), which came into effect on 31 March 2023. On the same date as the New PRC Regulations took effect, the Mandatory Provisions for Companies Listing Overseas (《到境外上市公司章程必備條款》) (the "Mandatory Provisions") set forth in Zheng Wei Fa (1994) No. 21 (證委發(1994) 21 號文件) issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System and the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) issued on 4 August 1994 by the State Council were repealed. PRC issuers shall formulate their articles of association with reference to the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) issued by the CSRC in place of the Mandatory Provisions. In light of the New PRC Regulations, the Stock Exchange has adopted certain consequential amendments to the Listing Rules which came into effect on 1 August 2023.

In light of the above and taking into account the current registered capital of the Company after the Share Cancellation, actual circumstances of the Company (including the change of registered address of the Company) and the prevailing legal requirements, the Board proposed to put forward to the Shareholders for approval at the EGM a special resolution to amend the existing Articles of Association.

The proposed amendments to the Articles of Association have been approved by the Shareholders by way of a special resolution at the extraordinary general meeting held on 13 October 2023 and have become effective on the same day. The full text of the revised Articles of Association has been published on the websites of the Stock Exchange and the Company.

SHAREHOLDERS' COMMUNICATION POLICY

The Company believes that effective communication with Shareholder is essential to enhance investor relations and to keep investors informed of the Group's business performance and strategies. The Company has established various and a wide range of communication channels with Shareholders, including general meetings, annual results and interim results, annual reports and interim reports, announcements and circulars. Shareholders may make enquiries with the Company through the channels mentioned above, and provide comments and recommendations to the Directors or managements at any time. Upon receipt of written enquiries from Shareholders, the Company will get in touch with the Shareholders as soon as possible.

In addition, the Company updates its website from time to time to keep the Shareholders update of the recent development of the Company. The Company endeavours to maintain an ongoing dialogue with Shareholders. At the general meetings of the Company, the Directors (or their delegates as appropriate) will be available to meet with the Shareholders and answer their enquiries.

During the year ended 31 December 2023, three general meetings of the Company were convened and held on at which all the then Directors attended either by person or by means of electronic facilities to communicate with the Shareholders. Further, all corporate communications and regulatory announcements were published by the Company on its website and the website of the Stock Exchange in a timely manner. Based on the review of the implementation and effectiveness conducted during the year ended 31 December 2023, the Board considers the shareholders communication policy effective and adequate.

REPORT OF THE DIRECTORS

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

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.

RESULTS

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statement of comprehensive income and the consolidated statement of financial position on pages 105 to 107 of this annual report.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the past five financial years is set out on pages 223 to 224 of this annual report.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company during the year ended 31 December 2023 are set out in note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2023 are set out in note 29 to the consolidated financial statements. As at 31 December 2023, distributable reserves of the Company amounted to RMB nil.

BORROWINGS

During the year ended 31 December 2023, the Group had no borrowings.

DEBENTURES

During the year ended 31 December 2023, the Group did not issue any debentures.

DIVIDEND POLICY AND FINAL DIVIDEND

Dividend Policy

The Board recommended the cash dividend for the full year 2021-2025 of not less than 40% of profit attributable to owners of the Company for the year. The payment and amounts of dividends (if any) depend on the Group's results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividend paid by the Group, future prospects and other factors which the Group considers relevant. The declaration, payment and amount of dividends will be subject to the discretion of the Board. The proposed payment of dividends is also subject to the absolute discretion of the Board and any declaration of final dividend for the year will be subject to the approval of the Shareholders. The Board will review the dividend policy on an annual basis.

Final Dividend

The net loss attributable to owners of ordinary shares of the parent company for the year ended 31 December 2023 as shown on the consolidated financial statements amounted to RMB951,038,000, and the accumulated losses at the end of 2023, were RMB1,990,538,000.

According to the Articles of Association, in view of the negative profit available for distribution to investors in 2023, the conditions for dividend distribution are no longer available, and in view of the future development needs of the Company, the Company has proposed the profit distribution plan for 2023 as no cash dividend, no bonus shares and no capital reserve capitalization.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 4 June 2024 to Friday, 7 June 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of the H Shares accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Monday, 3 June 2024.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2023, revenue attributable to the five largest customers of the Group accounted for less than 10% of the Group's total revenue in the year, and the purchases attributable to the five largest suppliers of the Group accounted for less than 10% of the Group's total purchases in the year.

REPORT OF THE DIRECTORS

EQUITY LINKED AGREEMENTS

During the year ended 31 December 2023, save as disclosed in the section headed "Share Incentive Schemes", no equity-linked agreements were entered into by the Company or subsisted at the end of the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2023, the Company repurchased on the Stock Exchange a total of 28,826,200 H Shares. The share repurchase is aimed to enhance the returns to the Shareholders and reflect the Company's confidence in its business prospects, which is beneficial to all Shareholders. Details of the repurchases of the H Shares are as follows:

Month of repurchases	Number of H Shares repurchased	Highest price per H Shares (HK$)	Lowest price per H Shares (HK$)	Aggregate consideration (HK$)
June 2023	2,682,200	11.78	9.90	29,159,422
July 2023	4,382,800	12.56	10.84	51,386,208
August 2023	600,000	10.60	10.28	6,281,556
September 2023	4,183,400	10.86	8.59	39,588,858
October 2023	4,020,600	9.79	8.18	37,835,237
November 2023	2,747,000	9.37	7.88	24,066,992
December 2023	10,210,200	10.96	8.65	103,229,698
Total	28,826,200			291,547,971

Note: The Company also repurchased a total of 200,000 H Shares on the Stock Exchange in January 2024 at a total consideration of HK$1,894,402. As at the date of this annual report, a total of 29,026,200 H Shares repurchased by the Company during the year ended 31 December 2023 and in January 2024 have been fully cancelled and the total number of issued shares of the Company is 623,821,900 shares.

BOARD OF DIRECTORS AND SUPERVISORS COMMITTEE

The Directors and the Supervisors during the year ended 31 December 2023 and up to the date of this annual report are set out below:

Executive Director

Mr. Xia Shaofei *(chairman) (re-elected on 8 June 2023)*

Non-executive Directors

Mr. Xu Guofu *(re-designated from an executive Director to a non-executive Director on 13 February 2023 and re-elected on 8 June 2023)*
Mr. Wu Xiaoli *(re-elected on 8 June 2023)*
Ms. Lin Ke *(re-elected on 8 June 2023)*
Mr. Shi Cheng *(appointed on 7 December 2023)*
Mr. Qi Shihao *(appointed on 7 December 2023)*
Mr. Liang Zhongtai *(re-elected on 8 June 2023 and resigned on 3 November 2023)*
Mr. Wei Yi *(appointed on 8 June 2023 and resigned on 3 November 2023)*
Mr. Luo Licheng *(retired on 8 June 2023)*

Independent Non-executive Directors

Ms. Yuan Lin *(re-elected on 8 June 2023)*
Ms. Xiao Huilin *(appointed on 8 June 2023)*
Mr. Tung Woon Cheung Eric *(appointed on 13 October 2023)*
Mr. Cao Guohua *(retired on 8 June 2023)*
Mr. Chan Chi Fung Leo *(retired on 8 June 2023)*
Mr. Wong Yik Chung John *(appointed on 8 June 2023 and resigned on 27 June 2023)*

Supervisors

Mr. Yu Yong *(re-elected on 8 June 2023)*
Mr. Luo Ruifeng *(appointed on 8 June 2023)*
Ms. Ren Wenjuan *(re-elected on 30 March 2023)*
Mr. Han Chong *(retired on 8 June 2023)*

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

Each of the Directors and Supervisors entered into a service contract or appointment letter with the Company. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

The appointment of all the Directors (including all the non-executive Directors) is effective from the respective appointment date until the expiry of the term of the second session of the Board. The appointment of all the Supervisors is effective from the respective appointment date until the expiry of the term of the second session of the Supervisory Committee.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to have a service contract with any member of the Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each independent non-executive Director an annual written confirmation of his/her independence in accordance with Rule 3.13 of the Listing Rules for the year ended 31 December 2023. The Company considers each of the independent non-executive Directors to be independent.

DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the Supervisors and those of the five highest paid individuals of the Group for the year ended 31 December 2023 are set out in notes 41 and 9 to the consolidated financial statements respectively.

Expect for Ms. Lin Ke, Mr. Wu Xiaoli, Mr. Wei Yi and Mr. Qi Shihao who have waived her/his emoluments for acting as non-executive Directors, none of the Directors nor the Supervisors waived his/her emoluments or has agreed to waive his/her emoluments for the year ended 31 December 2023.

DIRECTORS' AND SUPERVISORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed, there was no transaction, arrangement or contract of significance subsisting during or at the end of the year ended 31 December 2023, to which the Company, its holding company or subsidiary was a party, and in which the Directors or the Supervisors or their respective connected entities were materially interested, either directly or indirectly.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2023, none of the Directors, the Supervisors nor their respective close associates were interested in any business apart from the Group's businesses, which competes or likely to compete, either directly or indirectly, with the businesses of the Group.

MANAGEMENT CONTRACTS

During the year ended 31 December 2023, no contract concerning the management of the whole or substantial part of any business of the Company was entered into, or subsisted at the end of the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Incentive Schemes", none of the Company, its holding company, or any of its subsidiaries was a party to any arrangement enabling the Directors to acquire benefits by means of the acquisition of equity or debt securities, including the debentures of the Company or any other body corporate during the year ended 31 December 2023.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

Save as disclosed, no contract of significance was entered into between the Company or any of its subsidiaries and a person who is a controlling shareholder of the Company as at 31 December 2023 or any of its subsidiaries, and no contract of significance for the provision of services to the Company or any of its subsidiaries by such a person or any of its subsidiaries was entered into during the year ended 31 December 2023.

CONNECTED TRANSACTIONS

(1) Property Transfer Agreements

Reference is made to the announcement of the Company dated 11 August 2023. Unless the context otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the announcement of the Company dated 11 August 2023.

On 11 August 2023, the Group and the Jinke Property Group have entered into the Property Transfer Agreements, pursuant to which members of the Jinke Property Group shall transfer the respective Offset Properties to the Group. Such transfers shall serve as payment in lieu of the CCT Payables, which arose from the provisions of property management services by the Group to the Jinke Property Group contemplated under the 2020 & 2022 Master Property Management Service Agreements. The Offset Properties consist of 36 properties, of which 19 are residential properties, 6 are commercial properties, 8 are office buildings and 3 are industrial properties, and are located in Guiyang, Chongqing, Changsha, Linyi in the PRC, with a total GFA of approximately 3,434.5 sq.m. Upon the transfer of the Offset Properties, the CCT Payables amounted to approximately RMB20.4 million will be treated as fully settled. For further details, please refer to the announcement of the Company dated 11 August 2023. The property transfers contemplated under the Property Transfer Agreements allow the Group to recover receivables due and payable from the Jinke Property Group. At the same time, with reference to the real estate restructuring strategy and according to the asset valuation report of an independent third party valuer, the transactions contemplated under the Property Transfer Agreements ensure that the total appraised value of the Offset Properties is greater than the amount of the total CCT Payables to offset, which is conducive to resolving the Group's receivables risk and is in the interests of the shareholders of the Company.

Jinke Property is the substantial shareholder of the Company and therefore Jinke Property Group are connected persons of the Company under the Listing Rules. The transactions contemplated under the Property Transfer Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Property Transfer Agreements, in aggregate, exceed 0.1% but all of which are less than 5%, the transactions contemplated under the Property Transfer Agreements are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders' approval requirements. At the Board meeting held to approve the Property Transfer Agreements, Mr. Liang Zhongtai who also holds management positions in Jinke Property, and Mr. Xu Guofu who also holds management positions in Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司), have abstained from voting on the relevant Board resolutions.

(2) Debt Settlement Agreement

Reference is made to the announcement of the Company dated 2 January 2024 and the circular dated 27 March 2024. Unless the context otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the announcement of the Company dated 2 January 2024 and the circular dated 27 March 2024.

Having considered that Jinke Property is primarily obliged to fulfill the "Guaranteed Delivery", in order to fulfillment of the "Guaranteed Delivery" by Jinke Property, and the reasons and benefits disclosed in the paragraphs headed "Reasons for and Benefits of the Debt Settlement Agreement" in the announcement of the Company dated 2 January 2024, on 29 December 2023, subject to the approval of Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement (as defined below) by the independent Shareholders pursuant to requirements of the Listing Rules, the Company entered into a debt settlement agreement ("**Debt Settlement Agreement**") with Jinke Property. Pursuant to the Debt Settlement Agreement, the Company and Jinke Property intends to settle RMB532,710,768.53 outstanding receivables (the "**Receivables**") due from Jinke Property Group arising from the 2021 Framework Marketing Agreement through coordinating the members of Jinke Property Group to provide cash or assets (namely the car parking spaces owned by it) to offset the Receivables. If the Company and such member choose assets to offset the Receivables, Jinke Property shall produce the lists of the parking spaces available for offsetting the Receivables, and the Company is entitled to select the parking spaces listed on the list to offset the amounts not exceeding the Receivables arising from the 2021 Framework Marketing Service Agreement on a dollar-for-dollar basis. For details, please refer to the announcement of the Company dated 2 January 2024 and the circular dated 27 March 2024.

As one or more of the applicable percentage ratios under Rule 14.06 of the Listing Rules in respect of the Debt Settlement are more than 5% but all of which are less than 25%, the Debt Settlement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. The Debt Settlement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Debt Settlement exceed 5%, the Debt Settlement is subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. At the Board meeting held to approve the Debt Settlement Agreement, Mr. Xu Guofu who holds management positions in Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司) and Mr. Shi Cheng who holds management positions in Jinke Property Group, has abstained from voting on the relevant Board resolution. The Debt Settlement (together with the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement and the transactions contemplated thereunder) has been approved at the extraordinary general meeting held on 18 April 2024.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2023, the Company conducted the following transactions which constitute non-exempt continuing connected transactions (as defined in the Listing Rules) of the Company, details of these transactions are set out below:

(1) Hotel Leasing Services Framework Agreement

On 31 December 2021, the Company entered into a hotel leasing services framework agreement with Jinke Property (the "**Hotel Leasing Services Framework Agreement**"), pursuant to which, the scope of service includes hotel leasing and related services to be provided by the Jinke Property Group to the Group, under which Jinke Property has agreed to lease and procure other members of the Jinke Property Group to lease certain hotel properties to the Group for the Group's operations. The Hotel Leasing Services Framework Agreement has a term commencing from the 1 January 2022 and ending on 31 December 2024 (both dates inclusive).

Pursuant to the Hotel Leasing Services Framework Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for each of the three years ending 31 December 2024 will not exceed RMB10 million, RMB10.3 million and RMB10.7 million, respectively. For the year ended 31 December 2023, the actual transaction amounts under the Hotel Leasing Services Framework Agreement was approximately RMB1.4 million.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual cap under the Hotel Leasing Services Framework Agreement exceeds 0.1% but all of which are less than 5%, the transactions contemplated under the Hotel Leasing Services Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) **Hotel Management Services Framework Agreement**

On 31 December 2021, the Company entered into a hotel management services framework agreement with Jinke Property (the "**Hotel Management Services Framework Agreement**"), pursuant to which, the scope of service includes hotel management, integrated catering and related services to be provided by the Group to the Jinke Property Group, including but not limited to (i) hotel project feasibility study services; (ii) hotel preopening technical consulting services; (iii) operation management services; (iv) integrated hotel services; and (v) integrated catering services. The Hotel Management Services Framework Agreement has a term commencing from the 1 January 2022 and ending on 31 December 2024 (both dates inclusive).

Pursuant to the Hotel Management Services Framework Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for the three years ending 31 December 2024 will not exceed RMB30 million, RMB31 million and RMB32 million, respectively. For the year ended 31 December 2023, the actual transaction amounts under the Hotel Management Services Framework Agreement was approximately RMB16.7 million.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual cap under the Hotel Management Services Framework Agreement exceeds 0.1% but all of which are less than 5%, the transactions contemplated under the Hotel Management Services Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(3) **The 2021 Framework Marketing Service Agreement**

On 25 November 2021, the Company entered into a framework marketing service agreement with Jinke Property (which was subsequently amended by a supplemental agreement dated 10 December 2021) (the "**2021 Framework Marketing Service Agreement**"), pursuant to which, the scope of service includes marketing services in respect of the sales of residential properties and car parking spaces by the Jinke Property Group in their development projects to be provided by the Group to the Jinke Property Group, including but not limited to (i) marketing referral activities through the utilization of the community resources and other sales channel of the Group; (ii) customers' information collection; (iii) customers' referrals; and (iv) other marketing related advertising services, including but not limited to brand image promotion, event promotion and related installation and maintenance services. The term of the 2021 Framework Marketing Service Agreement commences upon obtaining the independent Shareholders' approval at a general meeting of the Company on 28 December 2021 and ending on 31 December 2023 (both days inclusive).

Pursuant to the 2021 Framework Marketing Service Agreement, it is proposed that the annual cap for the transactions contemplated thereunder for the month ended 31 December 2021 shall not exceed RMB150 million, and the annual caps for the two year ended 31 December 2023 shall not exceed RMB900 million and RMB1,200 million, respectively. For the year ended 31 December 2023, the actual transaction amounts under the 2021 Framework Marketing Service Agreement was approximately RMB23.7 million.

Variation of terms to the 2021 Framework Marketing Service Agreement

On 15 December 2023, the Company and Jinke Property entered into the second supplemental agreement to the 2021 Framework Marketing Service Agreement (the "**Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement**") which was approved at the extraordinary general meeting held on 18 April 2024. Pursuant to the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement, the Company and Jinke Property agreed to the following mechanism as an additional means to settle the fees due and payable by the Jinke Property Group to the Group under the 2021 Framework Marketing Service Agreement. Unless the context otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the announcement of the Company dated 15 December 2023.

(i) in the event the Jinke Property Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from the Jinke Property Group's unsold property assets (including but not limited to office buildings, shops, commercial housing and car parking lots) in the same value as the Outstanding Payables as settlement of Outstanding Payables. The list of such Offset Assets shall be finalised and confirmed by the Company and Jinke Property;

(ii) if the Group elects to accept such Offset Assets to settle Outstanding Payables, the Group and the Jinke Property Group shall enter into the property offset agreement (抵房協議), under which the Group will obtain the property right or the use right of the Offset Assets to offset against the Outstanding Payables;

(iii) the Group and the Jinke Property Group shall enter into the property transfer agreement (搭房協議), under which the Jinke Property Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within one year commencing from the effective date of the property transfer agreement; and

(iv) the Jinke Property Group agreed that during the Naming Period, the Group may request to exchange any Offset Asset in the property transfer agreement for one or more other property asset(s) held by the Jinke Property Group of equal value, including but not limited to office buildings, shops, commercial housing and car parking lots.

Save for the above revision pursuant to the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement, all other terms of the 2021 Framework Marketing Service Agreement shall remain valid and in full force and effect.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios in respect of the highest amount of the annual caps under the 2021 Framework Marketing Service Agreement and the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement exceed 5%, the transactions contemplated under the 2021 Framework Marketing Service Agreement and the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement constitute continuing connected transactions of the Company and are subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(4) **The 2022 Master Sales Agreement**

On 29 October 2020, the Company (for itself and on behalf of its subsidiaries) entered into a master sales agreement with Jinke Property (for itself and on behalf of other members of Jinke Property Group and its associates) (the "**Master Sales Agreement**"). As the Master Sales Agreement expired on 31 December 2022 and the Group expected to continue to carry on the transactions contemplated thereunder upon its expiry, the Company and Jinke Property entered into the new master sales agreement on 29 July 2022 (the "**2022 Master Sales Agreement**"), pursuant to which Jinke Property will purchase, or procure other members of Jinke Property Group and its associates to purchase, from the Group customized gifts, daily necessities and festival foods, which will be used in the marketing promotional activities of Jinke Property Group and its associates, sales offices or as employee benefits of Jinke Property Group and its associates. The 2022 Master Sales Agreement has a term commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive).

Pursuant to the 2022 Master Sales Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for each of the three years ending 31 December 2025 will not exceed RMB19.0 million. For the year ended 31 December 2023, the actual transaction amounts under the 2022 Master Sales Agreement was approximately RMB0.2 million.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the highest amount of the annual cap under the 2022 Master Sales Agreement exceeds 0.1% but all of which are less than 5%, the transactions contemplated under the 2022 Master Sales Agreement are subject to the reporting, annual review and announcement requirements but are exempt from circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(5) **The 2022 Master Supply and Installation Agreement**

On 29 October 2020, the Company (for itself and on behalf of its other subsidiaries) entered into a master supply and installation agreement with Jinke Property (for itself and on behalf of other members of Jinke Property Group and its associates) (the "**Master Supply and Installation Agreement**"). As the Master Supply and Installation Agreement expired on 31 December 2022 and the Group expected to continue to carry on the transactions contemplated thereunder upon its expiry, the Company and Jinke Property entered into the new master supply and installation agreement on 29 July 2022 (the "**2022 Master Supply and Installation Agreement**"), pursuant to which the Group agreed to (i) supply software systems and equipment such as (a) intelligent systems, including but not limited to access control and surveillance systems, parking lot intelligent management systems, smart home systems and intercom systems; (b) community unmanned retail system; and (c) multimedia display system; and (ii) provide related installation and maintenance services. The 2022 Master Supply and Installation Agreement has a term commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive).

Variation of terms to the 2022 Master Supply and Installation Agreement

On 15 December 2023, the Company and Jinke Property entered into a supplemental agreement to the 2022 Master Supply and Installation Agreement (the "**Supplemental Agreement to the 2022 Master Supply and Installation Agreement**"), pursuant to which the Company and Jinke Property agreed to (i) revise the existing annual caps for the continuing connected transactions in connection with the 2022 Master Supply and Installation Agreement for the two years ending 31 December 2025; and (ii) vary the payment terms under the 2022 Master Supply and Installation Agreement.

(a) Revised Annual Caps for Supply and Installation Services

Pursuant to the Supplemental Agreement to the 2022 Master Supply and Installation Agreement, it is proposed that the annual caps for the continuing connected transactions in connection with the 2022 Master Supply and Installation Agreement for each of the two years ending 31 December 2025 will not exceed RMB30.0 million.

(b) Variation to payment terms under the 2022 Master Supply and Installation Agreement

Pursuant to the Supplemental Agreement to the 2022 Master Supply and Installation Agreement, the Company and Jinke Property agreed to adopt the same mechanism as that in the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement which is set out in sub-paragraph (i) to (iv) in the section headed "Variation of terms to the 2021 Framework Marketing Service Agreement" above, as additional means to settle the fees due and payable by the Jinke Property Group to the Group under the 2022 Master Supply and Installation Agreement.

Save for the above-mentioned revision pursuant to the Supplemental Agreement to the 2022 Master Supply and Installation Agreement, all other terms of the 2022 Master Supply and Installation Agreement shall remain valid and in full force and effect.

Pursuant to the 2022 Master Supply and Installation Agreement and the Supplemental Agreement to the 2022 Master Supply and Installation Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for the three years ending 31 December 2025 will not exceed RMB122.0 million, RMB30.0 million and RMB30.0 million, respectively. For the year ended 31 December 2023, the actual transaction amounts under the 2022 Master Supply and Installation Agreement was approximately RMB33.1 million.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios in respect of the highest amount of the annual caps under the 2022 Master Supply and Installation Agreement and the Supplemental Agreement to the 2022 Master Supply and Installation Agreement are more than 0.1% but all of which are less than 5%, the transactions contemplated under the 2022 Master Supply and Installation Agreement and the Supplemental Agreement to the 2022 Master Supply and Installation Agreement constitute continuing connected transactions of the Company and are subject to the reporting, announcement and annual review requirements but are exempted from the circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(6) The 2022 Master Property Management Services Agreement

On 29 October 2020, the Company (for itself and on behalf of its other subsidiaries) entered into a master property management services agreement (the "**Master Property Management Services Agreement**") with Jinke Property (for itself and on behalf of other members of Jinke Property Group and its associates). As the Master Property Management Services Agreement expired on 31 December 2022 and the Group expected to continue to carry on the transactions contemplated thereunder upon its expiry, the Company and Jinke Property entered into the new master property management services agreement on 29 July 2022 (the "**2022 Master Property Management Services Agreement**"), pursuant to which the Group agreed to provide to Jinke Property Group and its associates certain property management services, including but not limited to (i) property pre-delivery and after-sales services, including but not limited to (a) preliminary planning and design consultancy services; (b) management services for the display units and on-site sales office; (c) house inspection; (d) pre-delivery clean services; (e) pre-delivery preparation; and (f) after-sales repair and maintenance services; (ii) property management services for the properties owned or used by the Jinke Property Group, including but not limited to the unsold residential property units, car parking lots, office buildings and commercial properties; and (iii) other related services. The 2022 Master Property Management Services Agreement has a term commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive).

Variation of terms to the 2022 Master Property Management Services Agreement

On 15 December 2023, the Company and Jinke Property entered into a supplemental agreement to the 2022 Master Property Management Services Agreement (the "**Supplemental Agreement to the 2022 Master Property Management Services Agreement**"), pursuant to which the Company and Jinke Property agreed to (i) revise the existing annual caps for the continuing connected transactions in connection with the 2022 Master Property Management Services Agreement for the two years ending 31 December 2025; and (ii) vary the payment terms under the 2022 Master Property Management Services Agreement.

(a) Revised Annual Caps for Property Management Services

Pursuant to the Supplemental Agreement to the 2022 Master Property Management Services Agreement, it is proposed that the annual caps for the continuing connected transactions in connection with the 2022 Master Property Management Services Agreement for each of the two years ending 31 December 2025 will not exceed RMB200.0 million.

(b) **Variation to payment terms under the 2022 Master Property Management Services Agreement**

Pursuant to the Supplemental Agreement to the 2022 Master Property Management Services Agreement, the Company and Jinke Property agreed to adopt the same mechanism as that in the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement which is set out in sub-paragraph (i) to (iv) in the section headed "Variation of terms to the 2021 Framework Marketing Service Agreement" above, as additional means to settle the fees due and payable by the Jinke Property Group to the Group under the 2022 Master Property Management Services Agreement.

Save for the above-mentioned revision pursuant to the Supplemental Agreement to the 2022 Master Property Management Services Agreement, all other terms of the 2022 Master Property Management Services Agreement shall remain valid and in full force and effect.

Pursuant to the 2022 Master Property Management Services Agreement and the Supplemental Agreement to the 2022 Master Property Management Services Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for each of the three years ending 31 December 2025 will not exceed RMB800.0 million, RMB200.0 million and RMB200.0 million, respectively. For the year ended 31 December 2023, the actual transaction amounts under the 2022 Master Property Management Services Agreement was approximately RMB76.9 million.

Jinke Property is a substantial shareholder of the Company and therefore Jinke Property is a connected person of the Company for the purpose of the Listing Rules. As one or more of the applicable percentage ratios in respect of the highest amount of the annual caps under the 2022 Master Property Management Services Agreement and the Supplemental Agreement to the 2022 Master Property Management Services Agreement exceed 5%, the transactions contemplated under the 2022 Master Property Management Services Agreement and the Supplemental Agreement to the 2022 Master Property Management Services Agreement constitute continuing connected transactions of the Company and are subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONFIRMATION FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 14A.55 of the Listing Rules, all the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that they have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the respective agreement governing the above continuing connected transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

CONFIRMATION FROM THE AUDITOR

In accordance with Rule 14A.56 of the Listing Rules, the Group has engaged its auditor to report on the Group's continuing connected transactions. The auditor of the Group have issued a letter to the Board confirming that nothing has come to their attention that causes them to believe that the above continuing connected transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded their respective annual cap.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2023 are disclosed in note 39 to the consolidated financial statements.

Save as disclosed in the paragraphs headed "Continuing Connected Transactions" and "Connected Transactions" and those described above, all other related party transactions as disclosed in note 39 to the consolidated financial statements are not connected transactions or continuing connected transactions which need to comply with the disclosure requirements under Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirements regarding the connected transactions and continuing connected transactions disclosed in this report in accordance with Chapter 14A of the Listing Rules.

SHARE INCENTIVE SCHEMES

The Company has not adopted any share option scheme. As at 31 December 2023, the share award schemes that need to be disclosed according to Rule 17.12 of the Listing Rules are listed as follow:

THE 2022 H SHARE AWARD SCHEME

On 30 December 2022, the Company adopted the 2022 H Share Award Scheme, the principal terms of which are set out below:

Purpose and Objectives

The 2022 H Share Award Scheme is a share award and trust scheme established by the Company to award Selected Participants. The objectives of the 2022 H Share Award Scheme are: (i) to improve the corporate governance of the Company with an interests balance mechanism among the Shareholders and the management of the Group; (ii) to incentivize the management of the Group to balance the Group's short-term and long-term goals in the Company's development process; and (iii) to attract and retain talents, stimulate creation of value sustainably and promote long term growth of the Group.

Eligible Participants

The eligible participant under the 2022 H Share Award Scheme includes any individual, being a director, manager, core business technicians or employee of the Group as the Board considers appropriate and shall not include the independent non-executive Directors of the Company.

Scheme Limits

The Board and the Delegatee shall not make any further award of Awarded Shares which will result in the number of H Shares awarded by the Board and the Delegatee under the 2022 H Share Award Scheme exceeding 13,056,962 H Shares, representing 2.1% of the total number of Shares in issue as at the date of this annual report.

The maximum number of H Shares which may be awarded to a Selected Participant under the 2022 H Share Award Scheme shall not exceed 1% of the issued H Shares from time to time.

Vesting

Unless otherwise specified in the Grant Letter and given vesting conditions have been complied with, the Award shall be granted in one lump sum and vested in batches within three years after the date of grant, i.e. the date of the Grant Letter. There is no minimum vesting period.

When the Selected Participant has satisfied all vesting conditions specified in the Grant Letter at the time of making the Award and becomes entitled to the H Shares forming the subject of the Award, the Board or the Delegatee shall direct and procure the Trustee to release the vested Awarded Shares from the Trust in one of the following manners: (i) to transfer the relevant Awarded Shares to the relevant nominee account; (ii) to sell part of the relevant Awarded Shares for the purposes of payment of withholding tax, and subsequently transfer the remaining relevant Awarded Shares to the relevant nominee account; or (iii) to sell all relevant Awarded Shares and have the proceeds of the sale to be paid to the relevant Selected Participant.

Other terms

Other than specified in the Grant Letter issued by the Company to the Selected Participants, there is (i) no amount payable on application or acceptance of the award and no specific period within which payments or calls must or may be made or loans for such purposes must be repaid; and (ii) no purchase price for the H Shares awarded. As at the date of this annual report, the remaining life of the 2022 H Share Award Scheme is approximately eight years and eight months.

The 2022 H Share Award Scheme is a discretionary scheme of the Company and constitutes a share award scheme funded by existing Shares under the new Chapter 17 of the Listing Rules which came in effect on 1 January 2023. Further details of the 2022 H Share Award Scheme were set out in the announcements of the Company dated 30 December 2022.

The Company has appointed the Trustee for the purpose of the 2022 H Share Award Scheme and as at 31 December 2023, the Company has instructed the Trustee to purchase a total of 7,097,325 H Shares from the open market at an aggregate consideration of approximately HK$136.0 million. During the year ended 31 December 2023, the Company awarded an aggregate of 4,290,000 Awarded Shares to 91 Selected Participants, 30,000 of which were subsequently forfeited due to the resignation of an employee. As at 31 December 2023, the number of H Shares held by the Trustee that may be made available for future grant under the 2022 H Share Award Scheme was 2,837,325, representing 0.4% of the total issued share capital of the Company as at 31 December 2023.

Movement in the number of Awarded Shares under the 2022 H Share Award Scheme during the year ended 31 December 2023 are as follows:

Category of participants	Unvested Awarded Shares as at 1 Jan 2023	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Forfeited during the Reporting Period	Unvested Awarded Shares as at 31 Dec 2023	Date of grant of Awarded Shares	Vesting period	Purchase price *(HK$)*	Closing price of the Company immediately before date of grant of Awarded Shares *(HK$)*	Closing price of the Company Immediately before the vested date of Awarded Shares [(1)] *(HK$)*
Directors												
Xia, Shaofei	–	430,000	–	–	–	–	430,000	8 June 2023	12 months	0	11.60	–
Sub-total	–	430,000	–	–	–	–	430,000	8 June 2023	12 months	0	11.60	–
Top 5 highest paid employees of the Group												
Han, Qiang	–	260,000	–	–	–	–	260,000	8 June 2023	12 months	0	11.60	–
Luo, Chuansong	–	220,000	–	–	–	–	220,000	8 June 2023	12 months	0	11.60	–
Yan, Lingyang	–	100,000	–	–	–	–	100,000	8 June 2023	12 months	0	11.60	–
Zhang, Chunmei	–	80,000	–	–	–	–	80,000	8 June 2023	12 months	0	11.60	–
Sub-total	–	660,000	–	–	–	–	660,000	8 June 2023	12 months	0	11.60	–
Other employees of the Group	–	3,200,000	–	–	–	30,000	3,170,000	8 June 2023	12 months	0	11.60	–
Total	–	4,290,000	–	–	–	30,000	4,260,000	8 June 2023	12 months	0	11.60	–

Notes:

(1) The share price representing the weighted average closing price of the Shares immediately before the vested dates of Awarded Shares, is not applicable as no Awarded Shares under the 2022 H Share Award Scheme was vested during the Reporting Period.

(2) The Awarded Shares will be vested subject to certain performance targets as stipulated in each Grant Letter.

(3) The fair value of the Awarded Shares on the date of grant (i.e. 8 June 2023) was HK$11.60 per Share. For details of the accounting standard and policy adopted in relation to and the basis of the measurement of fair value of 2022 H Share Award Scheme, please see note 30 to the financial statements in this annual report.

THE 2023 SHARE AWARD SCHEME

On 30 March 2023, the Company adopted the 2023 Share Award Scheme, the principal terms of which are set out below:

Purposes and objectives

The purposes of the 2023 Share Award Scheme are to recognize the contributions by the Selected Participants and to provide them with incentives in order to motivate them for the continual development and growth of the Group, to attract and retain suitable personnel and to perfect the interests balance mechanism between the Shareholders and the management of the Group.

Eligible Participants

The eligible participant under the 2023 Share Award Scheme includes (i) the Directors and/or employees of the Group; (ii) directors and/or employees of the Jinke Property Group who would contribute to the Group's business development; and (iii) any other person, the administrative committee believes, would contribute to the Group's long-term business development.

Scheme Limits

The maximum amount to be caused by the Board to trustee for the purchase of award Shares shall not be more than RMB650,000,000. According to the closing trading price of the Shares on the adoption date (i.e. 30 March 2023), being Hong Kong dollars 12.4 per Share (approximately RMB10.882 per Share), the trustee may purchase 59,731,667 Shares for award, representing 9.6% of the total number of Shares in issue as at the date of this annual report.

Vesting and Lapse

Unless otherwise determined by the administrative committee at its discretion, the number of Shares awarded held by the trustee upon the trust and which are referrable to a Selected Participant shall be vested in that Selected Participant in accordance with specific conditions as determined by the administrative committee at its absolute discretion. The award Shares shall be vested in the Selected Participants after the expiration of 12 months from the grant date.

An award of Shares which have yet vested shall be forfeited if a Selected Participant (i) violated the law or professional ethics or disclosed confidential information of the Company; (ii) breached the duty or seriously violated the rule of the Company; (iii) caused damage to the Company's interests or reputation; or (iv) the Company terminated the labor contract with such Selected Participant due to any of the above reasons. The award, unless the administrative committee otherwise determines, will be forfeited and all the relevant awarded Shares shall not be vested on the relevant vesting date but become returned Shares for the purpose of the Scheme.

Other terms

Other than specified in the grant letter issued by the Company to the selected participants, there is (i) no amount payable on application or acceptance of the award and no specific period within which payments or calls must or may be made or loans for such purposes must be repaid; and (ii) no purchase price for the H Shares awarded. As at the date of this annual report, the remaining life of the 2023 Share Award Scheme is approximately eight years and eleven months.

The 2023 Share Award Scheme is a discretionary scheme of the Company and constitutes a share award scheme funded by existing Shares under the new Chapter 17 of the Listing Rules which came in effect on 1 January 2023. Further details of the 2023 Share Award Scheme were set out in the announcement of the Company dated 30 March 2023.

The Company has appointed a trustee for the purpose of the 2023 Share Award Scheme and as at 31 December 2023, the Company has instructed the trustee to purchase a total of 2,967,500 H Shares on the secondary market at an aggregate consideration of approximately HK$32.5 million. During the year ended 31 December 2023, the Company awarded an aggregate of 2,967,500 award Shares to 23 Selected Participants. As at 31 December 2023, the number of H shares held by the trustee that may be made available for future grant under the 2023 Share Award Scheme was nil.

Movement in the number of award Shares under the 2023 Share Award Scheme during the year ended 31 December 2023 are as follows:

Category of participants	Unvested award Shares as at 1 Jan 2023	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested award Shares as at 31 Dec 2023	Date of grant of award Shares	Vesting period	Purchase price *(HK$)*	Closing price of the Company immediately before date of grant of award Shares *(HK$)*	Closing price of the Company Immediately before the vested date of award Shares [1] *(HK$)*
Directors											
Xia, Shaofei	–	148,375	–	–	–	148,375	28 December 2023	12 months	0	10.96	–
Xu, Guofu	–	148,375	–	–	–	148,375	28 December 2023	12 months	0	10.96	–
Shi, Cheng	–	19,783	–	–	–	19,783	28 December 2023	12 months	0	10.96	–
Sub-total	–	316,533	–	–	–	316,533	28 December 2023	12 months	0	10.96	–

Category of participants	Unvested award Shares as at 1 Jan 2023	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested award Shares as at 31 Dec 2023	Date of grant of award Shares	Vesting period	Purchase price *(HK$)*	Closing price of the Company immediately before date of grant of award Shares *(HK$)*	Closing price of the Company Immediately before the vested date of award Shares [(1)] *(HK$)*
Top 5 highest paid employees of the Group											
Han, Qiang	–	29,675	–	–	–	29,675	28 December 2023	12 months	0	10.96	–
Luo, Chuansong	–	59,350	–	–	–	59,350	28 December 2023	12 months	0	10.96	–
Sub-total	–	89,025	–	–	–	89,025	28 December 2023	12 months	0	10.96	–
Other employees of the Group	–	578,663	–	–	–	578,663	28 December 2023	12 months	0	10.96	–
Employees of Jinke Property Group	–	1,983,279	–	–	–	1,983,279	28 December 2023	12 months	0	10.96	–
Total	–	2,967,500	–	–	–	2,967,500	28 December 2023	12 months	0	10.96	–

Notes:

(1) The share price representing the weighted average closing price of the Shares immediately before the vested dates of award Shares, is not applicable as no award Shares under the 2023 Share Award Scheme was vested during the Reporting Period.

(2) The award Shares will be vested subject to certain performance targets as stipulated in each grant letter.

(3) The fair value of the award Shares at the date of grant (i.e. 28 December 2023) was HK$10.96 per Share. For details of the accounting standard and policy adopted in relation to and the basis of the measurement of fair value of 2023 Share Award Scheme, please see note 30 to the financial statements in this annual report.

(4) The number of award Shares of the above participants is subject to changes in their proportion in the trust.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS

As at 31 December 2023, the interests and short positions of the Directors, Supervisors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

I. Interests and Short Positions of the Directors, Supervisors and the Chief Executive of the Company in the Registered Capital of the Company and its Associated Corporations

Interest in the Company

Name	Nature of Interest	Interest in Shares[1]	Approx. % of issued Shares
Xia Shaofei (夏紹飛)	Beneficial owner	210,000 (L)	0.03%
Han Qiang (韓強)	Beneficial owner	120,000 (L)	0.02%

Note:

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

Save as disclosed above, as at 31 December 2023, none of the Directors, Supervisors and chief executives of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2023, the following persons, other than a Director, Supervisor or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares		Percentage of the total issued share capital of the Company[1]
			Number[1]	Percentage[1] *(approx.)*	*(approx.)*
Boyu Group, LLC [2][3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	424,123,846 (L)	66.32	66.32
Mr. Tong Xiaomeng (童小幪)[2][3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	424,123,846 (L)	66.32	66.32
XYXY Holdings Ltd.[2][3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	424,123,846 (L)	66.32	66.32
Boyu Capital Fund V, L.P.[2][3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	419,643,646 (L)	65.62	65.62

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares		Percentage of the total issued share capital of the Company[1]
			Number[1]	Percentage[1]	
				(approx.)	*(approx.)*
Boyu Capital Fund V, Pte Ltd[2][3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	419,643,646 (L)	65.62	65.62
Boyu Capital General Partner V, Ltd.[2][3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	419,643,646 (L)	65.62	65.62
Jubilant Season Limited[2][3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	419,643,646 (L)	65.62	65.62
Jubilant Springtime, LP[2][3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	419,643,646 (L)	65.62	65.62
Jubilant Summer Limited[2][3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	419,643,646 (L)	65.62	65.62

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares Number[1]	Percentage[1] (approx.)	Percentage of the total issued share capital of the Company[1] (approx.)
Jubilant Winter Limited[2][3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	419,643,646 (L)	65.62	65.62
Broad Gongga Investment Pte Ltd [4]	Beneficial owner/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,701,375 (L)	53.43	53.43
Top Yingchun Investment IV Ltd[2]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	341,701,375 (L)	53.43	53.43
Jubilant Autumn Limited[3]	Interest of corporation controlled by you/Person having a security interest in shares/A concert party to an agreement to buy shares described in s.317(1)(a)	H Shares	77,942,271 (L)	12.19	12.19
Thematic Bridge Investment Pte. Ltd.	Beneficial owner	H Shares	77,942,271 (L)	12.19	12.19

Name of Shareholder	Nature of interest	Class of Shares	Shares or underlying Shares held in the relevant class of Shares Number[1]	Percentage[1] *(approx.)*	Percentage of the total issued share capital of the Company[1] *(approx.)*
Jinke Property[4]	Beneficial owner/A concert party to an agreement to buy shares described in s.317(1)(a)/Interest in a controlled corporation	H Shares	341,701,375 (L)	53.43	53.43
Tianjin Hengye Meihao Management Consulting Partnership (Limited Partnership)* (天津恒業美好管理諮詢合夥企業(有限合夥)) ("**Tianjin Hengye**")	Beneficial owner	H Shares	50,516,464 (L)	7.90	7.90
Chongqing Jinhetong Trading Co., Ltd. (重慶金合通商貿有限公司) ("**Chongqing Jinhetong**") [5]	Interest in a controlled corporation	H Shares	50,516,464 (L)	7.90	7.90
Zhang Yuan (張原) [5]	Interest in a controlled corporation	H Shares	50,516,464 (L)	7.90	7.90
Hainan Shi Wa Private Equity Fund Management Co., Ltd.* (海南希瓦私募基金管理有限責任公司) ("**Hainan Shiwa**") [6]	Investment manager	H Shares	41,209,700 (L)	6.44	6.44
Liang Hong (梁宏)[6]	Other	H Shares	45,892,500 (L)	7.18	7.18
CITIC Securities Company Limited	Beneficial owner	H Shares	35,000,000 (L)	5.47	5.47

Notes:

(1) The letter "L" denotes the person's long position in the Shares or underlying Shares. The percentages are calculated based on the 639,479,100 H Shares in issue and total issued share capital of the Company in the amount of RMB639,479,100 as at 31 December 2023.

(2) Broad Gongga Investment Pte. Ltd. is held as to 100% by Top Yingchun Investment IV Ltd, which is in turn held as to 71.43% by Jubilant Summer Limited, a company held as to 100% by Jubilant Springtime, LP. Jubilant Winter Limited held 100% interests in Jubilant Springtime, LP as its limited partner. Jubilant Season Limited is the general partner of Jubilant Springtime, LP. Both of Jubilant Winter Limited and Jubilant Season Limited are held as to 100% by Boyu Capital Fund V, Pte, Ltd, which is in turn held as to 100% by Boyu Capital Fund V L.P. The general partner of Boyu Capital Fund V L.P. is Boyu Capital General Partner V, Ltd., which in turn held as to 100% by Boyu Group, LLC. Boyu Group, LLC is held as to 44.30% by XYXY Holdings Ltd., a company held as to 100% by Mr. Tong Xiaomeng. By virtue of the SFO, each of Top Yingchun Investment IV Ltd, Jubilant Summer Limited, Jubilant Springtime, LP, Jubilant Winter Limited, Jubilant Season Limited, Boyu Capital Fund V, Pte, Ltd, Boyu Capital Fund V L.P., Boyu Capital General Partner V, Ltd., Boyu Group, LLC, XYXY Holdings Ltd. and Mr. Tong Xiaomeng are deemed to be interested in the Shares held by Broad Gongga Investment Pte. Ltd..

(3) Thematic Bridge Investment Pte. Ltd. is 100% owned by Jubilant Autumn Limited, which is in turn 100% owned by Jubilant Summer Limited. Jubilant Summer Limited is 100% owned by Jubilant Springtime, LP. Jubilant Springtime, LP is managed by its general partner, Jubilant Season Limited and has one limited partner, Jubilant Winter Limited. Both Jubilant Season Limited and Jubilant Winter Limited are 100% owned by Boyu Capital Fund V, Pte, Ltd. Boyu Capital Fund V, Pte, Ltd is 100% owned by Boyu Capital Fund V L.P. Boyu Capital Fund V L.P. is managed by the Boyu Group, LLC. By virtue of the SFO, each of Jubilant Autumn Limited, Jubilant Summer Limited, Jubilant Springtime, LP, Jubilant Winter Limited, Jubilant Season Limited, Boyu Capital Fund V, Pte, Ltd, Boyu Capital Fund V L.P., Boyu Capital General Partner V, Ltd., Boyu Group, LLC, XYXY Holdings Ltd. and Mr. Tong Xiaomeng are deemed to be interested in the Shares held by Thematic Bridge Investment Pte. Ltd..

(4) Pursuant to a concert party agreement entered into between Jinke Property and Broad Gongga Investment Pte. Ltd. dated 15 December 2021, each of them is deemed to be interested in the Shares that the other person is interested in under section 317 of the SFO. Shenzhen Jinke Industrial Investment Fund Management Co., Ltd., a wholly-owned subsidiary of Jinke Property, holds 97,000 Shares.

(5) The general partner of Tianjin Hengye is Chongqing Jinhetong, which is wholly owned by Zhang Yuan. By virtue of the SFO, Chongqing Jinhetong and Zhang Yuan are deemed to be interested in the Shares held by Tianjin Hengye.

(6) According to the public information available, 41,209,700 Shares and 4,682,800 Shares were held by Hainan Shiwa and Shanghai Shiwa Private Fund Management Centre L.P.* (上海希瓦私募基金管理中心(有限合夥)) ("**Shanghai Shiwa**") as manager, respectively, for the private equity investment funds managed by them. The ultimate controller of Hainan Shiwa and Shanghai Shiwa is Liang Hong.

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

PRE-EMPTIVE RIGHTS AND TAX RELIEF OR EXEMPTION

There is no provision on pre-emptive rights in the Articles of Association. The Company is not aware of any tax relief or exemption available to any existing Shareholder by reason of his/her holding of the securities of the Company.

LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

The Company did not enter into any new loan agreement, which contained any covenant relating to specific performance of the controlling shareholders of the Company and shall be disclosed as required by Rule 13.18 of the Listing Rules.

CORPORATE GOVERNANCE OF THE COMPANY

Save as disclosed in the Corporate Governance Report, the Board is of the view that the Company has adopted, applied and complied with the principles and applicable code provisions as set out in the CG Code during the year ended 31 December 2023. The principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 44 to 61 of this annual report.

PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries of the Company as at 31 December 2023 are set out in note 14 to the consolidated financial statements.

BUSINESS REVIEW

The Group's business review and its future business development are set out in the Chairman's statement on pages 10 to 11 of this annual report. An analysis of the Group's business using financial key performance indicators, a description of the principal risks and uncertainties facing the Group are set out in the Management Discussion and Analysis on pages 12 to 34 of this annual report and note 3 to the consolidated financial statements.

A discussion on the Group's compliance with relevant laws and regulations that have a significant impact on the Group are set out in the sections headed "Compliance with Laws and Regulations" below. The Group's relationship with employees, customers and suppliers is set out in the section headed "Relationship with Stakeholders" below.

ENVIRONMENTAL PROTECTION

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 is committed to the long-term sustainability of the environment and communities in which it operates. The Group operates its business in compliance with applicable environmental protection laws and regulations and has implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations. Further details of the Group's environmental policies and performance, please refer to the 2023 Environmental, Social and Governance Report of the Company to be published on the websites of the Company and of the Stock Exchange on the same date of publication of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2023, the Group had, in all material respects, complied with all the relevant and applicable PRC laws and regulations governing the business of property development and management and the Group had obtained all licenses, permits and certificates for the purpose of operating its business.

LITIGATION

Save as disclosed in this annual report, during the year ended 31 December 2023, the Company was not involved in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

REPORT OF THE DIRECTORS

RELATIONSHIP WITH STAKEHOLDERS

The Group considers its employees as important stakeholders and cooperative partners. The Group has established an efficient incentive scheme to link its employees' performance with the Group's corporate goal, which further align their interest with the Group.

To attract and retain the core management team members of the Group and to motivate them to contribute to the development of the business of the Group, the Group implemented the 2017 Employee Stock Ownership Plan in 2017 which involved 137 of the Group's core management team members. Since then, the Group has witnessed rapid growth in its contracted GFA, GFA under management, revenue and net profit. To incentivize more frontline employees, the Group launched the 2022 H Share Award Scheme, which covered 91 of the Group's employees, including both of the Group's management team members and frontline employees.

In addition to constantly improving incentive mechanism of the Group, the Group also continue to optimize its talent recruitment, training and cultivation as well as selection and promotion systems to ensure that the Group's management team is experienced, young and efficient. In order to attract more young talents to join the Group, the Group has implemented a recruitment plan for fresh graduates, namely the "Star Student (星悦生)" training program, which aims to recruit young talents who share similar value with the Group and pursue growth and potential, so as to keep the vitality of the core team of the Group.

Meanwhile, the Group have set up a training platform, the "Jinke Services Institute (金科生活服務學院)" which provides learning plans for employees at different stages. The platform encompasses four major training systems, namely new emerging force training, managerial staff training, professional staff training and young talents training. For example, the "Jialing (嘉陵)" project in the managerial staff training programs provides trainings that cultivate the global vision for the middle and senior management teams of the Group. Adhering to the concept of unity of knowing and doing, the Group organize study tours in the "Jialing (嘉陵)" project in some globally renowned enterprises and universities.

The Group's customer base primarily consists of property developers, property owners, residents, tenants and governmental authorities. The Group has established various procedures and systems to monitor and maintain the quality of its services in its managed projects. During the ordinary course of the Group's business operations, the Group receives feedbacks, suggestions and complaints from property owners and residents of the properties that the Group manages from time to time regarding its services. The Group has set up a national service hotline to manage customers' feedbacks and complaints. Customers may also send feedbacks or fle for complaint through the Group's online platform "Jinke Grande Community APP" (金科大社區).

The Group's major suppliers primarily consists of sub-contractors of various services and vendors of various materials used for the services of the Group. During the year ended 31 December 2023, the Group selected sub-contractors through regular monitoring and evaluation of the performance of the sub-contractors.

CHARITABLE DONATIONS

The donations made by the Group during the year ended 31 December 2023 amounted to RMB46,658.8.

PERMITTED INDEMNITY PROVISIONS

According to the duty indemnity policy for the Directors, the Supervisors and the senior management of the Group, each Director, Supervisor and senior management of the Group is entitled to be indemnified by the Company against all losses or liabilities which he/she may sustain or incur in carrying out his/her functions. The Company has also arranged appropriate insurance in respect of potential legal actions against the Directors, the Supervisors and the senior management of the Group arising out of corporate activities.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 29 July 2022 and the circular of the Company dated 1 August 2022 in relation to, inter alia, the provision of a loan (the "**Loan**") in the principal amount of RMB1,500 million with the interest rate at 8.6% per annum for a term commencing from the date of drawdown and ending on 20 December 2024 (the "**Maturity Date**"). Pursuant to the loan agreement (the "**Loan Agreement**") entered into between the Company and Jinke Property on 29 July 2022, Jinke Property shall repay 20% of the principal amount of the Loan on 20 January 2023 and thereafter on a half-yearly basis commencing from 20 June 2023 (but with a two-month grace period for each repayment date) and repay the last instalment of the Loan on the Maturity Date. As at 31 December 2023, the Company had yet to receive any repayment from Jinke Property.

In view of the default to the obligations of Jinke Property under the Loan Agreement, the Company filed a petition with Chongqing No.1 Intermediate People's Court* (重慶市第一中級人民法院) (the "**Court**") on 10 May 2023 seeking repayment of the principal amount of the Loan and the accrued and unpaid interest, as well as seeking to exercise its rights to realise the charged assets pursuant to the Loan Agreement (the "**Claims**"). After proactive negotiation between the Company and Jinke Property under the auspices of the Court, the Company and Jinke Property reached a consensus on mediation and entered into a mediation agreement on 26 July 2023. On 29 March 2024, the Company received the Civil Mediation Letter (2023) Yu 01 Min Chu No. 415* (《民事調解書》(2023)渝 01 民初 415 號) from the Court confirming all the Claims. As at the date of this annual report, the litigation has reached the stage of applications for compulsory enforcement. The Company will fulfill its information disclosure obligations by disclosing the progress of the litigation in a timely manner as and when appropriate.

Save as disclosed above, as at the date of this annual report, the Group did not have any other significant event subsequent to 31 December 2023.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08(1)(a) of the Listing Rules provides that there must be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities. This normally means that at least 25% of the issuer's total issued shares must at all times be held by the public. The Company has applied to the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules, and the Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules. Therefore, the Company's public float shall be the higher of (i) 21.0% of its total issued share capital immediately following the completion of the global offering (assuming that the Over-allotment Option is not exercised); and (ii) such percentage of H Shares to be held by public immediately after completion of the global offering (as increased by the H Shares issued upon exercise of the Over-allotment Option), provided that the higher of (i) and (ii) above is below the minimum public requirement of 25% under Rule 8.08(1) of the Listing Rules (the "**Public Float Waiver**").

Based on the information that is publicly available to the Company and to the knowledge of the Directors, as at the date of this annual report, the Company has maintained a sufficient public float as required under the Public Float Waiver.

CHANGES IN DIRECTOR'S, SUPERVISOR'S AND CHIEF EXECUTIVE'S BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed in the section headed "Biographies of Directors, Supervisors and Senior Management," there is no other change in information of the Directors, Supervisors or the chief executive of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2023 have been audited by PricewaterhouseCoopers, the auditor of the Company. A resolution for the re-appointment of PricewaterhouseCoopers as the Company's auditor will be proposed at the forthcoming AGM of the Company.

There was no change in auditor of the Company in the past three years.

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

Chongqing, China, 27 March 2024

* *for identification purpose only*

REPORT OF THE SUPERVISORY COMMITTEE

During 2023, in accordance with the Listing Rules, the Articles of Association of the Company, the Rules of Procedure of the Supervisory Committee and other relevant regulations, the Supervisory Committee of Jinke Smart Services Group Co., Ltd. (the "Company") actively worked and performed the duties diligently in a spirit of dedication and diligence and with the aim to be responsible to our Shareholders. The Supervisory Committee closely monitored the operation of the Company, reviewed the financial condition of the Company, supervised the duty performance of Directors and senior management. In addition, members of the Supervisory Committee attended certain Board meetings and general meetings to express independent opinions on the lawful operation of the Company, and fully safeguarded the interests of all Shareholders. We hereby report on the work of the Supervisory Committee of the Company for 2023 as follows:

The Supervisory Committee is of the view that, during 2023, the Company operated strictly in accordance with the requirements of relevant laws and regulations, such as the Listing Rules, and the internal control management system, such as the Articles of Association of the Company, and the Directors, senior management of the Company performed their duties diligently and faithfully in accordance with laws, regulations and the Articles of Association of the Company, thereby effectively protecting the interests of the Company and the Shareholders.

I. MEMBERS OF THE SUPERVISORY COMMITTEE AND CHANGES IN THE MEMBERS DURING THE REPORTING PERIOD

In 2023, the Supervisory Committee of the Company completed the election, and the second session of the Supervisory Committee consists of three members, including a chairman of the Supervisory Committee, a Supervisor and an employee representative Supervisor. The terms of office of Supervisors shall be three years, and is renewable upon re-election after the expiry of his/her term in accordance with the requirements of Articles of Association of the Company.

The constitution of the Supervisory Committee is as follows:

Name	Position	Appointment Date	Duties
Mr. Yu Yong	Chairman of the Supervisory Committee	8 June 2023	Presiding over the work of the Supervisory Committee and supervising the Board and senior management of the Company
Mr. Luo Ruifeng	Supervisor	8 June 2023	Responsible for supervising the Board and the senior management of the Company
Ms. Ren Wenjuan	Employee Representative Supervisor	22 March 2023	Responsible for supervising the Board and the senior management of the Company

On 22 March 2023, Ms. Ren Wenjuan was elected as the employee representative Supervisor of the second session of the Supervisory Committee by the employee representative meeting of the Company; On 8 June 2023, Mr. Han Chong, a Supervisor of the Company, resigned due to personal reasons.

II. MAJOR WORK OF THE SUPERVISORY COMMITTEE IN 2023

During 2023, with the aim to be responsible to all our Shareholders, the members of the Supervisory Committee strengthened coordination and cooperation with the Board and the senior management, earnestly performed supervisory duties, listened to and considered all major proposals of the Company, kept abreast of the operating and performance of the Company to exercise their oversight role effectively, and promoted the standardized operation and healthy development of the Company, thus safeguarding the rights and interests of the Company and the Shareholders.

(I) Convening meetings of the Supervisory Committee according to laws, and earnestly performing supervisory duties

During the reporting period, the Supervisory Committee held three meetings of the Supervisory Committee and attended the general meeting and the Board meeting to listen to the production and operation, investment activities and financial operation of the Company, participated in the decision-making process of major matters of the Company, and reviewed the periodic reports of the Company and relevant information during the year in strict accordance with the regulations of the regulatory authorities.

The Supervisors reviewed the meeting materials carefully, studied and discussed the proposals fully before attending the meeting of the Supervisory Committee. They then attended the meeting and performed their duties as supervisors conscientiously. The details about the attendance of Supervisors at the meetings of the Supervisory Committee are as follows:

Name	Type of Supervisor	Number of meetings attended	Number of meetings convened	Attendance rate
Mr. Yu Yong (Chairman)	Shareholder Representative Supervisor	3	3	100%
Mr. Han Chong	Shareholder Representative Supervisor	1	1	100%
Mr. Luo Ruifeng	Shareholder Representative Supervisor	2	2	100%
Ms. Ren Wenjuan	Employee Representative Supervisor	3	3	100%

(II) Supervising the performance of duties by the Directors and senior management of the Company

During 2023, the members of the Supervisory Committee supervised the performance of duties by the Directors and senior management of the Company through attending the meetings of the Board, reviewing the resolutions of the Board, and inspecting the daily operation and management of the Company.

(III) Supervising the operation of the Company

During 2023, members of the Supervisory Committee participated in the discussion about major operating decisions by attending Board meetings and general meetings held by the Company, inspected financial condition, reviewed financial reports and reviewed and supervised the Company's operations. The Supervisory Committee is of the view that, the business activities of the Company were carried out in compliance with relevant laws and regulations and the Articles of Association of the Company. No matter to the prejudice of the interests of the Shareholders and the Company were found.

(IV) Exercising effective supervision with focus on the implementation of strategies

The chairman of the Supervisory Committee paid close attention to the Company's operations and major issues, actively supported the Company's priorities and played its role in supervision and promotion earnestly, by attending major meetings such as the CEO's office meeting and monthly business plan meetings for various business groups.

III. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE

(I) Lawful operation

The Company operated and managed its businesses in accordance with the laws and regulations, and its operational results were objective and true. There has been gradual improvement in its internal control management, and the internal control system was reasonable and effective. The Company's operational decision-making processes were legitimate. The Directors and senior management were cautious, conscientious and diligent in the business operations and management processes, and they were not found to have breached any laws, regulations, or the Articles of Association of the Company or harmed the interests of the Shareholders.

(II) Financial report

The Supervisory Committee of the Company conducted a careful and detailed inspection of the Company's financial condition, and reviewed the Group's audited financial report for the year ended 31 December 2023 and other financial information. It believed that the financial report has reflected the Company's operating results and financial condition in a comprehensive, truthful and objective manner. Financial accounts were unambiguous, accounting and financial management were in compliance with relevant regulations, and no problem was found, and the Company was not aware of any violation of the relevant accounting standards and legal requirements by the personnel who were involved in the preparation and review of the annual report; the unqualified opinion on financial report issued by the auditing institution was objective and fair.

(III) Evaluation results of the performance of Directors and senior management

The Directors and senior management of the Company carefully discharged their duties under the principles of diligence and integrity, and efficiently implemented the resolutions made at the general meetings. The Supervisory Committee is of the view that, the Directors and senior management of the Company observed laws and disciplines, exercised due diligence with pragmatism and dedication, performed their duties diligently and dutifully, and the decision-making procedures were lawful. Therefore, the interests of Shareholders and the Company have been protected. No violation of the laws, regulations or the Articles of Association of the Company

(IV) Continuing connected transactions

During 2023, continuing connected transactions of the Company were entered into on normal commercial terms. There was no prejudice against the interests of the Company. The deliberation, voting, disclosure and performance of continuing connected transactions were in compliance with relevant laws, regulations and the Articles of Association of the Company.

(V) Use of proceeds

During 2023, the Company used a total of approximately HK$620,166,000 of the proceeds mainly for merger and acquisition of Chengdu Shuchuan Property Service Co., Ltd. (成都市蜀川物業服務有限公司), Chengdu Xiqin Jinsha Property Management Service Co., Ltd. (成都喜沁金沙物業管理服務有限責任公司) and other third-party property management companies, thus effectively supplementing the size of the property under management of the property management service, the principal business of the Company. The Company repurchased and cancelled 28,826,200 shares from the open market with a total cost of approximately HK$291,547,971.

As of 31 December 2023, the accumulated proceeds utilized by the Company amounted to approximately HK$4,543,960,000, and the unutilized proceeds amounted to approximately HK$2,116,972,000.

(VI) Internal control and risk management

The Company is committed to building a scientific and sound risk management system to secure a positive development path. The Company strictly abides by the relevant laws and regulations as well as articles of association of the Company, including the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Basic Norms for the Internal Control of Enterprises. The Supervisory Committee conducted supervision and evaluation on the internal control evaluation of the Company's internal and external auditors for 2022 and reviewed the Self-evaluation Report on Jinke's Risk Management and Internal Control for 2023. The Supervisory Committee is of the view that the Company has basically established a relatively sound internal control system, formulated a relatively perfect and reasonable internal control system, the Company's internal control system is in compliance with the relevant national regulations and the requirements of the securities regulatory authorities, the internal controls are well implemented in all aspects of the Company's operation such as production and operation, and there are no major and significant deficiencies in the Company's internal control activities. The Self-evaluation Report on the Company's Internal Control for 2023 issued by the Board objectively reflected the actual situation of the Company's internal control, and truthfully and objectively evaluated the formulation, improvement and implementation of the Company's internal control system.

IV. MAJOR INITIATIVES OF THE SUPERVISORY COMMITTEE FOR 2024

The Supervisory Committee will strictly comply with the laws and regulations, Articles of Association of the Company and the Rules of Procedure of the Supervisory Committee and other requirements of the relevant provisions to conduct discussion of daily business of the Supervisory Committee and diligently and responsibly perform their duties, and supervise the standardized operation of the Company. It will strengthen the supervision of major matters of the Company to enhance the awareness of risk prevention, continuously promote internal control development, optimize corporate governance mechanisms, improve the level of corporate governance and practically protect the interests of all Shareholders. The important work for 2024 includes (1) to convene meetings of the Supervisory Committee according to the actual situation of the Company and review and consider various resolutions; (2) to review the Company's financial position by regularly understanding and reviewing financial reports, and monitor the financial operation of the Company in order to prevent against operational risks; and (3) actively participate in the Board meetings, general meetings and other important meetings as well as the decision-making process in relation to material matters, collect opinions from cadres and employees, earnestly fulfill supervision responsibilities, maintain supervision independence, enhance standardization, timeliness and effectiveness of supervision, to better safeguard the interests of the Company and all Shareholders.

Jinke Smart Services Group Co., Ltd.
The Supervisory Committee
27 March 2024

INDEPENDENT AUDITOR'S REPORT

羅兵咸永道

To the Shareholders of Jinke Smart Services Group Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

OPINION

What we have audited

The consolidated financial statements of Jinke Smart Services Group Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which are set out on pages 105 to 222, comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of trade receivables
- Impairment assessment of loan receivables and other receivables

Key Audit Matters	How our audit addressed the Key Audit Matters
Impairment assessment of trade receivables	
Refer to Note 4 "Critical accounting estimates and judgments" and Note 23 "Trade and bill and other receivables and prepayments" to the consolidated financial statements. As at 31 December 2023, the gross amount of trade receivables of the Group amounted to approximately RMB2,911,942,000, which represented approximately 38% of the total assets of the Group. Management has assessed the expected credit losses ("ECL") of trade receivables and the Group has recognized loss allowance on these trade receivables of approximately RMB1,369,516,000 as at 31 December 2023. The Group applied the HKFRS 9 simplified approach to measure lifetime ECL allowance for trade receivables. For trade receivables with remarkably different credit risk characteristics and occurrence of credit impairment, ECL assessment was performed on an individual basis. Management evaluated the expected cash flows under multiple scenarios based on experience of historical credit loss, business model, current situations and forecasts of future conditions of contract counterparties, and made corresponding provision for ECL according to loss rate and the related probability weight under different scenarios.	We have performed the following procedures to address this key audit matter: 1) Assessed the inherent risk of material misstatement of ECL of trade receivables by considering the degree of estimation uncertainty and level of other inherent risk factors; 2) Understood, evaluated and tested the key controls, on sample basis, in place over management's assessment on the ECL and ageing analysis review of trade receivables; 3) Evaluated the outcome of prior period assessment of provision for ECL of trade receivables to assess the effectiveness of management's estimation process by comparing the ECL as estimated in the prior year against the actual collection performance of the debtors in the current year.

Key Audit Matters	How our audit addressed the Key Audit Matters
For trade receivables without occurrence of credit impairment, management estimated the ECL rates of trade receivables collectively by grouping the trade receivables based on shared credit risk characteristics and aging periods, and considering the market conditions, their knowledge about the customers group (including their credit ratings, financial capability and payment histories), and the current and forward-looking information on macroeconomic factors that might affect the ability of the customers to settle the related receivables. The major management judgements and assumptions adopted in the measurement of expected credit loss mainly include: (1) selecting appropriate models to measure ECL and grouping customers with similar credit risk characteristics into one separate portfolios; (2) establishing criteria for significant increase of credit risk and occurrence of default credit impairment; (3) selecting appropriate economic indices, economic scenarios and the weights used in forward-looking parameters, as well as establishing future cash flow forecasts for separate assessments of specific trade receivables. We identified the impairment assessment of trade receivables as a key audit matter due to the significance of the balance to the consolidated financial statements, combined with the significant degree of estimation uncertainty and subjectivity in relation to the ECL assessment. Management's measurement of expected credit loss based on separate assessment involved significant managerial judgements and assumptions, and management's measurement of expected credit losses based on groups involved both complex models and significant managerial judgements and assumptions.	4) Assessed the reasonableness of methods and assumptions used and judgments made by management by (a) assessing the appropriateness of the expected credit loss provisioning methodology, (b) inquiring management regarding the credit worthiness of customers, (c) analyzing historical payment pattern of customers, (d) checking the accuracy, on a sample basis, of the key data inputs such as the aging schedule of trade receivables, (e) testing the accuracy of the calculations of expected credit loss rates based on the historical loss and forward-looking information, (f) evaluated the rationality of management's assumptions of expected cash flow distribution based on business model, and ECL rate and related probability weight under different scenarios and (g) evaluating the reasonableness of the forward-looking adjustments made by management; 5) Evaluated the results of management's sensitivity analysis using reasonably possible changes of the relevant key parameters; 6) Checked the mathematical accuracy of the ECL calculation for the loss allowance on trade receivables. Based on the above, we considered that the significant judgements and estimates made by management in relation to the impairment assessment of trade receivables were supportable by the evidence obtained and procedures performed.

Key Audit Matters	How our audit addressed the Key Audit Matters
Impairment assessment of loan receivables and other receivables	
Refer to Note 4 "Critical accounting estimates and judgments" and Note 21 "Loan receivables" and Note 23 "Trade and bill and other receivables and prepayments" to the consolidated financial statements. As at 31 December 2023, the gross amount of loan receivables and other receivables (including finance lease receivables) of the Group amounted to approximately RMB2,974,114,000, which represented approximately 39% of the total assets of the Group. Management has assessed the ECL of loan receivables and other receivables and the Group has recognized loss allowance on loan receivables and other receivables of approximately RMB2,067,434,000 as at 31 December 2023. The Group applied the 3-stage model approach to measure ECL allowance for loan receivables and other receivables. For loan receivables and other receivables with remarkably different credit risk characteristics and occurrence of credit impairment, ECL assessment was performed on an individual basis. Management evaluated the expected cash flows under multiple scenarios based on experience of historical credit loss, business model, current situations and forecasts of future conditions of contract counterparties, and made corresponding provision for ECL according to loss rate and the related probability weight under different scenarios. For other receivables without occurrence of credit impairment, management estimated the ECL rates of other receivables collectively by grouping the other receivables based on shared credit risk characteristics and aging periods, and considering the market conditions, their knowledge about the customers group (including their credit ratings, financial capability and payment histories), and the current and forward-looking information on macroeconomic factors that might affect the ability of the customers to settle the related receivables.	We have performed the following procedures to address this key audit matter: 1) Assessed the inherent risk of material misstatement of ECL of loan receivables and other receivables by considering the degree of estimation uncertainty and level of other inherent risk factors; 2) Evaluated the outcome of prior period assessment of provision for ECL of loan receivables and other receivables to assess the effectiveness of management's estimation process by comparing the ECL as estimated in the prior year against the actual collection performance of the debtors in the current year. 3) Assessed the reasonableness of methods and assumptions used and judgments made by management by (a) assessing the appropriateness of the expected credit loss provisioning methodology, (b) inquiring management regarding the credit worthiness of customers, (c) analyzing historical payment pattern of customers, (d) checking the accuracy, on a sample basis, of the key data inputs, (e) testing the accuracy of the calculations of expected credit loss rates based on the historical loss and forward-looking information, (f) evaluated the rationality of management's assumptions of expected cash flow distribution based on business model, and ECL rate and related probability weight under different scenarios and (g) evaluating the reasonableness of the forward-looking adjustments made by management;

Key Audit Matters	How our audit addressed the Key Audit Matters
The major management judgements and assumptions adopted in the measurement of expected credit loss mainly include: (1) selecting appropriate models to measure ECL and grouping businesses with similar credit risk characteristics into one separate portfolios; (2) establishing criteria for significant increase of credit risk and occurrence of default credit impairment; (3) selecting appropriate economic indices, economic scenarios and the weights used in forward-looking parameters, as well as establishing future cash flow forecasts for separate assessments of specific loan receivables and other receivables. We identified the impairment assessment of loan receivables and other receivables as a key audit matter due to the significance of the balance to the consolidated financial statements, combined with the significant degree of estimation uncertainty and subjectivity in relation to the ECL assessment. Management's measurement of expected credit loss based on separate assessment involved significant managerial judgements and assumptions, and management's measurement of expected credit losses based on groups involved both complex models and significant managerial judgements and assumptions.	4) Evaluated the results of management's sensitivity analysis using reasonably possible changes of the relevant key parameters; 5) Checked the mathematical accuracy of the ECL calculation for the loss allowance on loan receivables and other receivables. Based on the above, we considered that the significant judgements and estimates made by management in relation to the impairment assessment of loan receivables and other receivables were supportable by the evidence obtained and procedures performed.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Those Charged with Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yeung Chor Ho.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 27 March 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 RMB'000	2022 RMB'000
Revenue	6	**4,979,741**	5,005,059
Cost of sales	8	**(4,051,564)**	(4,061,857)
Gross profit		**928,177**	943,202
Selling and marketing expenses	8	**(2,150)**	(4,639)
Administrative expenses	8	**(602,763)**	(557,881)
Net impairment losses on financial assets	3.1.3	**(1,470,565)**	(2,152,408)
Other income	7	**149,703**	44,147
Other losses – net	10	**(166,354)**	(307,250)
Operating loss		**(1,163,952)**	(2,034,829)
Finance income		**46,455**	41,888
Finance cost		**(13,981)**	(10,217)
Finance income – net	11	**32,474**	31,671
Share of net profits of associates and joint ventures accounted for using the equity method	15	**11,933**	1,765
Loss before income tax		**(1,119,545)**	(2,001,393)
Income tax credit	12	**137,884**	161,458
Loss and total comprehensive income for the year		**(981,661)**	(1,839,935)
Loss and total comprehensive income attributable to:			
– Owners of the Company		**(951,038)**	(1,818,545)
– Non-controlling interests		**(30,623)**	(21,390)
		(981,661)	(1,839,935)
Losses per share (expressed in RMB per share)			
– Basic and diluted losses per share	13	**(1.49)**	(2.80)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	As at 31 December 2023 RMB'000	2022 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	16	**162,297**	163,866
Right-of-use assets	16	**256,916**	138,595
Investment properties	17	**18,859**	42,182
Goodwill	18	**324,681**	357,139
Other intangible assets	18	**289,297**	191,297
Investments in associates and joint ventures	15	**187,594**	180,106
Other receivables	23	**80,271**	81,203
Loan receivables	21	**–**	554,017
Prepayments for acquisition of equity interests	23	**14,219**	–
Term deposits	25	**120,000**	–
Financial assets at fair value through profit or loss ("FVPL")	27	**45,317**	51,000
Deferred income tax assets	34	**490,941**	247,192
		1,990,392	2,006,597
Current assets			
Inventories	19	**28,452**	29,955
Other assets	20	**11,673**	19,658
Loan receivables	21	**372,200**	832,649
Trade and bill and other receivables and prepayments	23	**2,093,827**	2,388,742
Financial assets at fair value through profit or loss	27	**3,000**	–
Restricted cash	26	**152,238**	9,374
Term deposits	25	**100,000**	–
Cash and cash equivalents	24	**2,905,545**	3,069,784
		5,666,935	6,350,162
Total assets		**7,657,327**	8,356,759

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	As at 31 December 2023 RMB'000	2022 RMB'000
Equity			
Equity attributable to owners of the Company			
Share capital	28	**639,479**	652,848
Other reserves	29	**5,428,993**	5,713,435
Accumulated losses	29	**(1,990,538)**	(1,039,500)
		4,077,934	5,326,783
Non-controlling interests		**19,313**	73,582
Total equity		**4,097,247**	5,400,365
Liabilities			
Non-current liabilities			
Lease liabilities	33	**97,417**	119,855
Financial instruments issued to investors	32	**44,989**	43,126
Deferred income tax liabilities	34	**44,871**	29,413
		187,277	192,394
Current liabilities			
Financial liabilities at fair value through profit or loss	27	**38,435**	–
Trade and bill and other payables	31	**2,372,376**	1,952,364
Lease liabilities	33	**26,515**	24,788
Contract liabilities	6(a)	**880,682**	740,199
Current income tax liabilities		**54,795**	46,649
		3,372,803	2,764,000
Total liabilities		**3,560,080**	2,956,394
Total equity and liabilities		**7,657,327**	8,356,759

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

The financial statements on pages 105 to 222 were approved by the Board of Directors on 27 March 2024 and were signed on its behalf.

Mr. Xia Shaofei	**Mr. Yan Lingyang**	**Mr. Qi Shihao**
Chairman & Executive Director	*Chief Financial Officer*	*Non-executive Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Attributable to owners of the Company					
		Share capital *RMB'000* *(Note 28)*	Other reserves *RMB'000* *(Note 29)*	Retained earnings/ (accumulated losses) *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2022		652,848	5,800,761	1,203,396	7,657,005	72,971	7,729,976
Comprehensive income							
Loss for the year		–	–	(1,818,545)	(1,818,545)	(21,390)	(1,839,935)
Transactions with owners of the Company							
Capital contribution from non-controlling interests		–	–	–	–	14,390	14,390
Acquisition of subsidiaries		–	–	–	–	22,477	22,477
Acquisition of additional interests in a subsidiary		–	(451)	–	(451)	(7,700)	(8,151)
Dividend declared to shareholders of the Company		–	–	(424,351)	(424,351)	–	(424,351)
Dividend declared to non-controlling Interests		–	–	–	–	(6,279)	(6,279)
Purchase of shares in connection with share award scheme	29	–	(86,875)	–	(86,875)	–	(86,875)
Deregistration of subsidiaries		–	–	–	–	(918)	(918)
Other transactions with non-controlling interests		–	–	–	–	31	31
Balance at 31 December 2022		652,848	5,713,435	(1,039,500)	5,326,783	73,582	5,400,365

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Attributable to owners of the Company					
		Share capital	Other reserves	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
		RMB'000 *(Note 28)*	*RMB'000* *(Note 29)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023		652,848	5,713,435	(1,039,500)	5,326,783	73,582	5,400,365
Comprehensive income							
Loss for the year		–	–	(951,038)	(951,038)	(30,623)	(981,661)
Transactions with owners of the Company							
Cancellation of shares	29(b)	(13,369)	13,369	–	–	–	–
Capital contribution from non-controlling interests		–	–	–	–	1,684	1,684
Acquisition of additional interests in a subsidiary		–	(84)	–	(84)	(2,056)	(2,140)
Share option scheme-value of employee services	9	–	14,616	–	14,616	–	14,616
Dividend declared to non-controlling Interests		–	–	–	–	(12,269)	(12,269)
Repurchase of shares of the Company	29	–	(266,979)	–	(266,979)	–	(266,979)
Purchase of shares in connection with share award scheme	29	–	(45,364)	–	(45,364)	–	(45,364)
Disposals of subsidiaries	38	–	–	–	–	(10,075)	(10,075)
Deregistration of subsidiaries		–	–	–	–	(930)	(930)
Balance at 31 December 2023		639,479	5,428,993	(1,990,538)	4,077,934	19,313	4,097,247

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 RMB'000	2022 RMB'000
Cash flows from operating activities			
Cash generated from operations	36(a)	**511,283**	557,698
Interest received		**46,455**	41,643
Income tax paid		**(106,622)**	(206,005)
Net cash generated from operating activities		**451,116**	393,336
Cash flows from investing activities			
Purchases of property, plant and equipment		**(47,808)**	(82,721)
Purchase of investment properties		**–**	(135,043)
Purchase of intangible assets		**(13,869)**	(11,530)
Proceeds from disposal of property, plant and equipment and intangible assets		**2,941**	328
Proceeds from disposal of an investment property		**14,254**	–
Proceeds from disposal of other assets		**2,237**	14,052
Acquisition of financial assets at fair value through profit or loss	3.3.1	**(3,000)**	(51,000)
Investment income from financial assets at fair value through profit or loss	10	**–**	379
(increase)/decrease in term deposits	25	**(220,000)**	245,169
Interest received		**–**	2,890
Decrease in performance guarantee deposits for acquisition of equity interests		**180,526**	79,000
Increase in restricted cash for performance guarantee to a joint venture		**(20,000)**	–
Loans to related parties	39(b)	**(29,000)**	(1,500,000)
Capital injection to the associates and joint ventures	15	**(10,812)**	(136,761)
Dividends received from investments accounted for using the equity method	15	**17,048**	303
Deregistration of an associate	15	**736**	–
Disposal of subsidiaries (net of cash and cash equivalents disposed)	38	**(9,282)**	–
Acquisition of subsidiaries (net of cash and cash equivalent acquired)	37	**(91,540)**	(136,284)
Settlement of financial liabilities for contingent consideration payable	3.3.2	**(2,770)**	–
Proceeds from partial disposal of equity interests in an associate		**–**	2,574
Prepayments for acquisition of equity interests	23	**(14,219)**	–
Settlement of outstanding considerations payable for business combinations in the prior year		**(30,511)**	(46,680)
Proceeds from finance lease		**5,396**	–
Net cash used in investing activities		**(269,673)**	(1,755,324)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 *RMB'000*	2022 *RMB'000*
Cash flows from financing activities			
Repayments of borrowings	36(b)	**–**	(2,407)
Dividends paid to shareholders	36(b)	**–**	(425,384)
Principal elements and interest elements of lease payments	36(b)	**(19,643)**	(25,906)
Dividends paid to non-controlling interests	36(b)	**(9,819)**	(6,524)
Listing expenses paid		**(1,284)**	(682)
Acquisition of additional interests in subsidiaries		**(1,570)**	(5,835)
Capital contribution from non-controlling interests		**1,484**	14,390
Purchase of shares for cancellation	29(b)	**(266,979)**	–
Purchase of shares for share award scheme	29(c)	**(45,364)**	(86,875)
Settlement of outstanding considerations payable for business combinations under common control in the prior year		**–**	(20,500)
Financial instruments issued to investors		**–**	41,341
Net cash used in financing activities		**(343,175)**	(518,382)
Net decrease in cash and cash equivalents		**(161,732)**	(1,880,370)
Cash and cash equivalents at beginning of year		**3,069,784**	4,922,276
Exchange (losses)/gains on cash and cash equivalents		**(2,507)**	27,878
Cash and cash equivalents at end of year		**2,905,545**	3,069,784

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

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

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

On 27 September 2022, the Company and Thematic Bridge Investment Pte. Ltd. (the "Offeror") jointly announced that the Offeror would make a voluntary conditional general cash offer to acquire all of the shares of the Company (the "Offer"). The Offeror is an investment holding company incorporated in Singapore which is controlled by funds managed by subsidiaries of Boyu Group, LLC ("Boyu") in their capacity as the general partner of such funds.

Before the completion of the Offer, Boyu was the second largest shareholder of Jinke Services, Boyu and its subsidiaries (the "Boyu Group") owned 22.69% of the total issued share capital of the Company at that moment. The Company's largest shareholder and original parent company was 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. Jinke Property owned 30.34% of the total issued share capital of the Company.

On 22 November 2022, the Offeror and the Company jointly announced the results of the Offer. Approximately 7.15% of the issued share capital of the Company were purchased by the Offeror on-market, and approximately 4.79% of the issued share capital of the Company had received valid acceptances by the Offeror, hence Boyu Group became the largest shareholder of the Company with shareholding ratio of 34.63%. Both Boyu and Jinke Property have significant influence over Jinke Services as a result of the Offer.

On 26 December 2023, 35,000,000 shares of the Company beneficially owned by Jinke Property had been transferred to a third-party as a result of an enforcement of judicial ruling against Jinke Property. Immediately following the transfer of shares, the shareholding of Jinke Property in the Company has decreased to 162,977,875 Shares, representing approximately 25.49% of the total issued share capital of the Company.

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the "Board") on 27 March 2024.

2 BASIS OF PREPARATION

(i) Compliance with HKFRS and Hong Kong Companies Ordinance ("HKCO")

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") and disclosure requirements of the HKCO Cap. 622.

(ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2023 and except for HKAS 12 Amendments described below, there is no material impact on the Group's consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The Group has adopted Amendments to HKAS 12 – Deferred tax related to assets and liabilities arising from a single transaction retrospectively from 1 January 2022. The amendment requires the Group to recognise a deferred tax asset and a deferred tax liability for the deductible and taxable temporary differences associated with lease liabilities and right of use assets respectively, rather on a net basis as in prior years. Hence, a reclassification on the balances between deferred tax assets and deferred tax liabilities was made accordingly.

There is no impact on the opening balance of retained earnings/accumulated losses and profit or loss for applying the amendment of HKAS 12.

2 BASIS OF PREPARATION *(Continued)*

(iv) New standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements	1 January 2024
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's activities expose it to a variety of financial risks: foreign exchange risk, market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.1 Foreign exchange risk

The Group's businesses are principally conducted in RMB, which is the functional currency of the Group. 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 denominated in Hong Kong dollars ("HK$"). As at 31 December 2023, non-RMB assets are cash and cash equivalents of RMB7,904,000 and RMB6,151,000 denominated in HK$ and US$ respectively. Fluctuation of the exchange rates of RMB against foreign currency could affect the Group's results of operations. For the years ended 31 December 2023, no hedging activity was undertaken by the Group.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in RMB, was as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
– Cash and cash equivalents		
HK$	7,904	15,379
US$	6,151	6,966

The aggregate net foreign exchange losses recognized in profit or loss were:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Net foreign exchange (losses)/gains included in other losses – net	(2,507)	28,348

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.1 Foreign exchange risk (Continued)

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% appreciation/depreciation in RMB against the relevant currencies, the effect on the profit for the year is as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
5% increase in RMB against HK$	**(324)**	(631)
5% decrease in RMB against HK$	**324**	631
5% increase in RMB against US$	**(252)**	(286)
5% decrease in RMB against US$	**252**	286

3.1.2 Market risk

Cash flow and fair value interest rate risk

Other than interest-bearing cash and cash equivalents, term deposits, restricted cash and loan receivables, the Group has no other significant interest-bearing assets and liabilities. The directors of the Company do not anticipant there is any significant impact to interest-bearing assets and liabilities resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, term deposits, restricted cash, financial assets at fair value through profit or loss, trade and bill and other receivables and loan receivables. The carrying amounts of cash and cash equivalents, term deposits, restricted cash, financial assets at fair value through profit or loss and trade and bill and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

(a) Cash at banks, payment platforms and on hand, term deposits and restricted cash

The Group expects that there is no significant credit risk associated with cash at banks, payment platforms and on hand, term deposits and restricted cash since they are substantially deposited at state-owned banks, other medium or large-size listed banks and payment platforms. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(b) Financial assets at fair value through profit or loss

The Group is also exposed to credit risk in relation to a debt investment that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of the investment.

(c) Trade receivables

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected losses provision for trade receivables.

For trade receivables that do not share same risk characteristics with others, management assesses their expected credit losses on an individual basis. For trade receivables that share same risk characteristics with others, management calculates the expected credit loss using the roll rate model. The model first groups the customers based on their different risk characteristics, and then recalculates their respective historical credit loss information. The model further incorporates economic policies, macroeconomic conditions, industry risks and forward-looking adjustments to reflect management's forecasts of macroeconomic factors in different scenarios, as this affects the customers' ability to settle the receivables. Trade receivables are categorised as follows for assessment purpose:

Group 1: Trade receivables due from Jinke Property and its subsidiaries ("Jinke Property Group")
Group 2: Trade receivables due from third parties arising from resident properties
Group 3: Trade receivables due from third parties arising from non-resident properties and associates and joint ventures of Jinke Property Group and the Company

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

(d) Bill receivables

The Group uses the ECL model to determine the expected loss provision for bill receivables.

(e) Loan receivables and other receivables

The Group applied the 3-stage model approach to measure ECL allowance for loan receivables and other receivables.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of individual property owner or the borrower
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Group definition of category	Basis for recognition of ECL provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1).
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses (stage 2).
Non-performing	Interest and/or principal repayments are 90 days past due	Lifetime expected losses (stage 3).

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

As at 31 December 2023, trade receivables amounting to RMB617,278,000 (2022: RMB550,861,000) from Jinke Property and its subsidiaries was assessed on an individual basis as Jinke Property faced liquidity constraints. Trade receivables amounting to RMB165,173,000 (2022: RMB55,628,000) from third parties arising from resident properties was assessed on an individual basis as these receivables due from low-quality projects that the Group had withdrawn which leads to the low recoverability of related receivables. Trade receivables amounting to RMB508,511,000 (2022: RMB392,069,000) from certain customers were assessed on an individual basis since respective companies was insolvent and in operating difficulty, got involved in several litigations. The remaining trade receivables are assessed on a collective basis.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

The Group considers there has been a significant increase in credit risk on above mentioned trade receivables and evaluated the distribution of expected cash flows under multiple scenarios based on historical credit loss experience, operating model, current situations and forecasts of future conditions of contract counterparties under different situations, made corresponding provision for ECL according to ECL rate and the related probability weight under different scenarios, and prepared sensitivity analysis using reasonably possible changes of the relevant key parameters. As at 31 December 2023, the Group recognized loss allowance provision of RMB525,488,000 (2022: RMB445,646,000), RMB103,526,000 (2022: RMB30,767,000), RMB467,024,000 (2022: RMB347,197,000) for these trade receivables respectively.

Expect for that, trade receivables are subject to provision for loss allowance on the collective basis.

As at 31 December 2023, the loss allowance provision for the trade receivables was determined as follows. The ECL below also incorporated forward looking information.

	Life time expected credit loss rate	Gross carrying amount *RMB'000*	Lifetime expected credit loss *RMB'000*	Net carrying Amount *RMB'000*
Provision on individual basis				
At 31 December 2023				
Receivables from Jinke Property and its subsidiaries	85.13%	617,278	(525,488)	91,790
Receivables from third parties arising from resident properties	62.68%	165,173	(103,526)	61,647
Receivables from counterparties arising from non-resident properties	91.84%	508,511	(467,024)	41,487
		1,290,962	(1,096,038)	194,924
Provision on collective basis				
At 31 December 2023				
Group 2	15.77%	1,225,077	(193,165)	1,031,912
Group 3	20.29%	395,903	(80,313)	315,590
		1,620,980	(273,478)	1,347,502
Total		2,911,942	(1,369,516)	1,542,426

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

	Up to 1 year	Over 1 year	Total
Provision on collective basis			
At 31 December 2023			
Group 2			
Gross carrying amount (RMB'000)	728,780	496,297	1,225,077
Expected loss rate	7.66%	27.67%	
Loss allowance provision (RMB'000)	(55,822)	(137,343)	(193,165)
Group 3			
Gross carrying amount (RMB'000)	299,572	96,331	395,903
Expected loss rate	11.16%	48.68%	
Loss allowance provision (RMB'000)	(33,419)	(46,894)	(80,313)

As at 31 December 2022, the loss allowance provision for the trade receivables was determined as follows. The ECL below also incorporated forward looking information.

	Life time expected credit loss rate	Gross carrying amount *RMB'000*	Lifetime expected credit loss *RMB'000*	Net carrying Amount *RMB'000*
Provision on individual basis				
At 31 December 2022				
Receivables from Jinke Property and its subsidiaries	80.90%	550,861	(445,646)	105,215
Receivables from third parties arising from resident properties	55.31%	55,628	(30,767)	24,861
Receivables from counterparties arising from non-resident properties	88.56%	392,069	(347,197)	44,872
		998,558	(823,610)	174,948
Provision on collective basis				
At 31 December 2022				
Group 2	12.61%	1,064,329	(134,179)	930,150
Group 3	15.90%	451,070	(71,720)	379,350
		1,515,399	(205,899)	1,309,500
Total		2,513,957	(1,029,509)	1,484,448

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

	Up to 1 year	Over 1 year	Total
Provision on collective basis			
At 31 December 2022			
Group 2			
Gross carrying amount (RMB'000)	703,298	361,031	1,064,329
Expected loss rate	6.74%	24.04%	
Loss allowance provision (RMB'000)	(47,404)	(86,775)	(134,179)
Group 3			
Gross carrying amount (RMB'000)	337,523	113,547	451,070
Expected loss rate	9.28%	35.56%	
Loss allowance provision (RMB'000)	(31,338)	(40,382)	(71,720)

As at 31 December 2023, bill receivables amounting to RMB15,450,000 (2022: RMB17,032,000) were non-performing, and the Group had individually assessed that the ECL rate was 100% as the counter parties were experiencing significant financial difficulties.

As at 31 December 2023 and 2022, the loss allowance was determined as follows for bill receivables:

	As at 31 December	
	2023	2022
Bill receivables due from:		
Stage 1		
Gross carrying amount (RMB'000)	**4,018**	–
Expected loss rate	**–**	–
Loss allowance provision (RMB'000)	**–**	–
Stage 3		
Gross carrying amount (RMB'000)	**15,450**	17,032
Expected loss rate	**100.00%**	100.00%
Loss allowance provision (RMB'000)	**(15,450)**	(17,032)

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

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

As at 31 December 2023, loan receivables and other receivables from Jinke Property and its subsidiaries amounting to RMB2,097,135,000 (2022: RMB2,393,338,000) respectively were non-performing as Jinke Property faced liquidity constraints. Other receivables from certain third parties amounting to RMB531,723,000 (2022: RMB751,493,000) respectively were non-performing since respective companies were insolvent and in operating difficulty, got involved in several litigations.

The Group had individually assessed ECL of above other receivables by evaluating the distribution of expected cash flows under multiple scenarios based on historical credit loss experience, operating model, current situations and forecasts of future conditions of contract counter parties under different situations, and preparing sensitivity analysis using reasonably possible changes of the relevant key parameters. For the year ended 31 December 2023, the Group recognized loss allowance provision of RMB1,651,438,000 (2022: RMB707,101,000), RMB406,554,000 (2022: RMB483,025,000) for these other receivables respectively.

Expect for that, the Group has assessed that there is no significant increase of credit risk for other receivables since initial recognition. Thus, the Group use the 12 months ECL model to assess credit loss of other receivables.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

As at 31 December 2023, the loss allowance provision for loan receivables, other receivables and finance lease receivables was determined as follows:

	Stage	Expected credit loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Net carrying amount *RMB'000*
Loans to Jinke Property	3	77.08%	1,623,908	(1,251,708)	372,200
Other receivables and finance lease receivables due from related parties					
Refundable deposits paid to Jinke Property Group for the potential acquisition of Chongqing Jinke Zhemei Commercial Operation Management Co., Ltd.	3	84.35%	400,000	(337,392)	62,608
Refundable deposits paid to Jinke Property Group to secure the due performance or tendering process and others	3	85.13%	73,227	(62,338)	10,889
Refundable deposits paid to other related parties (except for Jinke Property Group) to secure the due performance or tendering process and others	1	1.17%	116,610	(1,364)	115,246
Subtotal			589,837	(401,094)	188,743
Other receivables and finance lease receivables due from third parties					
Refundable deposits paid to a third party for the potential acquisition of Shanghai Aiqinghai Commercial Group Co., Ltd.	3	62.25%	276,474	(172,101)	104,373
Refundable deposits paid to third parties to secure the due performance or tendering process and others	3	91.85%	255,249	(234,453)	20,796
Refundable deposits paid to third parties to secure the due performance or tendering process and others	1	3.53%	228,646	(8,078)	220,568
Subtotal			760,369	(414,632)	345,737
Total			2,974,114	(2,067,434)	906,680

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

As at 31 December 2022, the loss allowance provision for loan receivables, other receivables and finance lease receivables was determined as follows:

	Stage	Expected credit loss rate	Gross carrying amount *RMB'000*	Expected credit loss *RMB'000*	Net carrying amount *RMB'000*
Loans to Jinke Property	3	7.90%	1,505,609	(118,943)	1,386,666
Other receivables and finance lease receivables due from related parties					
Refundable deposits paid to Jinke Property Group for the potential acquisition of Chongqing Jinke Zhemei Commercial Operation Management Co., Ltd.	3	61.08%	400,000	(244,305)	155,695
Refundable deposits paid to Jinke Property Group to secure the due performance or tendering process and others	3	70.50%	487,729	(343,853)	143,876
Refundable deposits paid to other related parties (except for Jinke Property Group) to secure the due performance or tendering process and others	1	1.84%	96,124	(1,765)	94,359
Subtotal			983,853	(589,923)	393,930
Other receivables and finance lease receivables due from third parties					
Refundable deposits paid to a third party for the potential acquisition of Shanghai Aiqinghai Commercial Group Co., Ltd.	3	60.13%	421,000	(253,131)	167,869
Refundable deposits paid to third parties to secure the due performance or tendering process and others	3	69.56%	330,493	(229,894)	100,599
Refundable deposits paid to third parties to secure the due performance or tendering process and others	1	2.30%	229,412	(5,283)	224,129
Subtotal			980,905	(488,308)	492,597
Total			3,470,367	(1,197,174)	2,273,193

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.3 Credit risk (Continued)

The movement of loss allowance provision for trade receivables, loan receivables, other receivables and finance lease receivables and bill receivables are as follows:

	Trade receivables *RMB'000*	Loan receivables, other receivables and finance lease receivables *RMB'000*	Bill receivables *RMB'000*	Total *RMB'000*
At 1 January 2022	78,183	18,445	–	96,628
Provision for loss allowance recognized in profit or loss	957,524	1,177,852	17,032	2,152,408
Receivables written off during the year as uncollectible	(8,637)	(4)	–	(8,641)
Others	2,439	881	–	3,320
At 31 December 2022	1,029,509	1,197,174	17,032	2,243,715
At 1 January 2023	1,029,509	1,197,174	17,032	2,243,715
Provision/(reversal) for loss allowance recognized in profit or loss	344,282	1,127,865	(1,582)	1,470,565
Receivables written off during the year as uncollectible	(7,490)	(261,683)	–	(269,173)
Others	3,215	4,078	–	7,293
At 31 December 2023	**1,369,516**	**2,067,434**	**15,450**	**3,452,400**

As at 31 December 2023, the gross carrying amount of receivables including trade and bill receivables, loan receivables, other receivables and finance lease receivables was RMB5,905,524,000 (2022: RMB6,001,356,000), which represented the maximum exposure to credit loss as at the respective balance sheet dates.

3.1.4 Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

3.1.4 Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
As at 31 December 2023					
Financial liabilities					
Trade and bill and other payables (excluding accrued payroll and other taxes payables)	2,052,444	–	–	–	2,052,444
Financial liabilities at fair value through profit or loss	40,498	–	–	–	40,498
Lease liabilities (including interest payments)	27,919	18,513	51,493	59,104	157,029
Financial instruments issued to investors	–	–	53,278	–	53,278
	2,120,861	18,513	104,771	59,104	2,303,249

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
As at 31 December 2022					
Financial liabilities					
Trade and bill and other payables (excluding accrued payroll and other taxes payables)	1,716,064	–	–	–	1,716,064
Lease liabilities (including interest payments)	26,039	27,455	60,479	73,250	187,223
Financial instruments issued to investors	–	–	53,278	–	53,278
	1,742,103	27,455	113,757	73,250	1,956,565

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the asset-liability ratio. This ratio is calculated as total liabilities divided by total assets.

As at 31 December 2023 and 2022, asset-liability ratio of the Group is as follows:

	As at 31 December	
	2023	2022
Asset – liability ratio	**46%**	35%

3.3 Fair value estimation

3.3.1 Fair value hierarchy

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

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
	Level 3	Level 3
Recurring fair value measurements		
Financial assets at FVPL		
Fund with limited life (i)	**45,317**	51,000
Wealth management products	**3,000**	–
	48,317	51,000
Financial liabilities at FVPL		
Contingent consideration payable (ii)	**38,435**	–

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.1 Fair value hierarchy (Continued)

The different levels have been defined as follows:

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

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

The Group did not measure any financial assets and liabilities at fair value on a non-recurring basis as at 31 December 2023.

(i) Fund with limited life comprises investment in unlisted companies. The fair value of the investment is determined using the latest round financing, i.e., the prior transaction price or the third-party pricing information.

The investment consideration was determined with reference to the fair value of those unlisted entities. If the fair value of the investment had been 5% higher/lower, the loss before income tax for the years ended 31 December 2023 and 2022 would have been approximately RMB2,266,000 lower/higher and RMB2,550,000 lower/higher, respectively.

(ii) Pursuant to the acquisition agreements, the acquired entity Shuchuan Services owns a number of property management projects which are contracted but undelivered. The contingent consideration arrangement requires the Group to pay the former owner of Shuchuan Services the consideration of contracted but undelivered projects depending on the performance of these projects when those projects are actual delivered.

A third-party appraiser has been engaged to evaluate the fair value of the contingent consideration on the acquisition date and contingent consideration is recognized as financial liabilities at FVPL in the consolidated balance sheet.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.2 Fair value measurements using significant unobservable inputs (level 3)

The Group's financial assets and liabilities at fair values included fund with limited life, wealth management products and financial liabilities for contingent consideration payable, fair value of which are estimated based on unobservable inputs (level 3). The following table presents the changes in level 3 instruments for the years ended 31 December 2023 and 2022.

	Financial assets at FVPL		Financial liabilities for contingent consideration payable
	Fund with limited life	Wealth management products	
	RMB'000	*RMB'000*	*RMB'000*
Opening balance as at 1 January 2022	–	–	–
Addition	51,000	–	–
Closing balance as at 31 December 2022	51,000	–	–

	Financial assets at FVPL		**Financial liabilities for contingent consideration payable**
	Fund with limited life	**Wealth management products**	
	RMB'000	***RMB'000***	***RMB'000***
Opening balance as at 1 January 2023	**51,000**	**–**	**–**
Addition	**–**	**3,000**	**(50,684)**
Net fair value (losses)/gains on FVPL	**(5,683)**	**–**	**9,479**
Settlement	**–**	**–**	**2,770**
Closing balance as at 31 December 2023	**45,317**	**3,000**	**(38,435)**

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

3.3.2 Fair value measurements using significant unobservable inputs (level 3) (Continued)

(a) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value at 31 December 2023 *RMB'000*	Unobservable input	Range (probability-weighted average)	Relationship of unobservable inputs to fair value
Wealth management products	3,000	Expected interest rate per annum	6.80%	A change in expected interest rate per annum +/- 10% results in a change in fair value by RMB20,400
Contingent consideration payable	38,435	Expected discount rate	3.45%	An increase/decrease in discount rate by 1% results in a decrease/increase in fair value by RMB558,000/574,000

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Allowance on doubtful receivables

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rate. The Group used judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of loan receivables and trade and bill and other receivables and impairment loss in the periods in which such estimate has been changed. For details of the key assumptions and inputs used, see Note 3.1.3 above.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(b) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. The outcome of their actual utilisation may be different.

(c) Estimated impairment of goodwill

The Group tests whether goodwill has suffered any impairment annually, or more frequently if events or changes in circumstances predict that goodwill may be impaired, in accordance with the accounting policy stated in Note 42.8, where the recoverable amounts of CGUs is determined based on value-in-use ("VIU") calculations. These calculations require the use of estimates. Details of impairment assessment, key assumptions and impact of possible changes in key assumptions are disclosed in Note 18.

(d) Estimation of useful life of customer relationship identified in business combination

Customer relationship identified in the business combination on respective acquisition date (Note 37) is recognized as intangible assets (Note 18). Customer relationship primarily related to the existing contracts of acquirees on the acquisition date. A large portion of the existing contracts of acquirees are with no specific expiration date and the remaining contracts are with contract periods of one to ten years. Based on the past experience, termination or non-renewal of property management contracts with the property developers or property owners' association are uncommon. The Group thus estimate the useful life and determines the amortisation period of the customer relationship to be ten years based on the expected contract duration of the property management contracts.

However, the actual useful life may be shorter or longer than estimate, depending on acquirees' ability to secure its contracts and relationships with property developers or renew the contracts with property owners' associations in the future. Where the actual contract duration is different from the original estimate, such difference will impact the carrying amount of the intangible asset or customer relationship and the amortisation expenses in the periods in which such estimate has been changed.

5 SEGMENT INFORMATION

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

During the years ended 31 December 2023 and 2022, the Group is principally engaged in the provision of space property management services, local catering services, community value-added services and smart living technology solutions in the PRC.

During the years ended 31 December 2023 and 2022, 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.

As at 31 December 2023, all of the assets were located in the PRC except for cash and cash equivalents of HK$5,000 (equivalent to RMB5,000) (2022: HK$15,460,000 (equivalent to RMB13,810,000)) and US$868,000 (equivalent to RMB6,148,000) (2022: US$1,000,000 (equivalent to RMB6,965,000)) in Hong Kong.

6 REVENUE

Revenue mainly comprises of proceeds from space property management services, local catering services, community value-added services and smart living technology solutions. An analysis of the Group's revenue by category for the years ended 31 December 2023 and 2022 is as follows:

	Year ended 31 December	
	2023 *RMB'000*	2022 *RMB'000*
Recognized over time		
– Space property management services	4,092,028	4,088,782
– Local catering services	64,879	30,191
– Community value-added services	253,540	160,842
– Smart living technology solutions	44,980	52,782
	4,455,427	4,332,597
Recognized at a point in time		
– Space property management services	–	12,376
– Local catering services	449,015	457,740
– Community value-added services	63,529	172,009
– Smart living technology solutions	11,770	30,337
	524,314	672,462
	4,979,741	5,005,059

6 REVENUE *(Continued)*

For the year ended 31 December 2023, all customers individually contributed less than 10% of the Group's revenue.

For the year ended 31 December 2022, revenue from the Jinke Property Group contributed 10% of the Group's revenue. 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 31 December	
	2023	2022
	RMB'000	*RMB'000*
Space property management services	**856,406**	710,555
Local catering services	**12,297**	12,987
Community value-added services	**8,278**	10,217
Smart living technology solutions	**3,701**	6,440
	880,682	740,199

(i) Significant changes in contract liabilities

Contract liabilities mainly arise from the advance payments made by customers while the underlying services are yet to be provided. The increase in contract liabilities was mainly due to business expansion.

6 REVENUE *(Continued)*

(a) Contract liabilities *(Continued)*

(ii) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year		
Space property management services	**710,555**	571,398
Local catering services	**12,987**	890
Community value-added services	**10,217**	9,130
Smart living technology solutions	**6,440**	4,774
	740,199	586,192

(iii) Unsatisfied performance obligations

For space property management services, the Group recognizes revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts. The term of the contracts for value-added services to non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For local catering services, community value-added services and smart living technology solutions, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

6 REVENUE *(Continued)*

(b) Assets recognized from incremental costs to obtain a contract

For the year 31 December 2023, there were no significant incremental costs to obtain a contract (2022: same).

(c) Revenue recognition

Revenues are recognized when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

The Group provides space property management services, local catering services, community value-added services and smart living technology solutions.

(i) Space property management services

For space property management services provided to resident and non-resident properties, the Group bills a fixed amount for services provided on a monthly basis and recognizes as revenue in the amount to which the Group has a right to bill and that corresponds directly with the value of performance completed. Revenue from providing space property management services is recognized in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's performance when the Group performs.

For space property management services income from properties managed under lump sum basis, where the Group acts as principal and is responsible for providing the property management services to the property owners, the Group is entitled to revenue at the value of property management services fee received or receivable and recognizes all related property management costs as its cost of service.

For space property management service income from properties managed under commission basis, where the Group acts as an agent of the property owner, the Group recognizes the commission, which is calculated by a pre-determined percentage of the property management fee receivable by the properties.

6 REVENUE *(Continued)*

(c) Revenue recognition *(Continued)*

(i) Space property management services (Continued)

Space property management services provided to non-property owners primarily consist of: (i) sales assistance services, primarily include visitors reception, on-site cleaning, security, repair and maintenance services to assist property developers in showcasing and marketing their properties at the pre-sale stage of property sales, (ii) pre-delivery services, including cleaning, inspection, repair and maintenance services to non-property owners at the pre-delivery stage and to a lesser extent, repair and maintenances services after delivery where such services are required by property developers based on inspection of relevant properties, and (iii) consultancy and other services including consultancy services for property developers and property management companies on project planning and management as well as other value-added services such as printing and documentation services, and (iv) sales of customized goods.

The Group agrees the price for each service with the customers upfront and issues the monthly or quarterly bill to the customers which varies based on the actual level of service completed in that month. Revenue is recognized when the services are rendered.

(ii) Community value-added services

Community value-added services primarily consist of: (i) home-living services, which primarily include sales of goods, and home cleaning services, (ii) community management services, which primarily include common area maintenance services, such as waste disposal services, as well as public resources management services, such as public spaces leasing, delivery services and advertising services, (iii) home decoration services, which refers to home decoration services and move-in furnishing services, and (iv) comprehensive living and traveling services, which primarily include property agency services and travel agency services.

Revenue is recognized when the related community value-added services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered to the customer.

For sales of goods, the Group procures merchandise from suppliers and sells goods to the property owners and corporate customers. Sales of goods are recognized when the Group delivers the goods to the customers.

The Group acts as a sales agent for property owners and provides residential property agency services, which charge such property owners a commission calculated based on the contract purchase price.

6 REVENUE *(Continued)*

(c) Revenue recognition *(Continued)*

(iii) Local catering services

Local catering services primarily include (i) group meals, which refers to providing canteen management for non-property owners, (ii) hotel management, (iii) community stores, which refers to stores opened in community such as cafe, restaurants, (iv) supply chain operations, which refers to supply management of group meals.

Revenue is recognized when the local catering services are rendered to the customer. Payment is due in full at the time when the services are rendered or the goods are provided. Room rental revenue is recognized on a daily basis when rooms are occupied. Food and beverage revenue and other goods and services revenue are recognized when they have been delivered or rendered to the guests as the respective performance obligations are satisfied.

(iv) Smart living technology solutions

Smart living technology solutions primarily include (i) smart design services, which refers to providing smart function solutions in relation to project construction for property developers and selling technology products to property owners, (ii) smart on-site service, which refers to providing technology services for property developers during the pre-sale or property sales stages, (iii) smart integrated operation platform services, including the development, customization, installation and maintenance of IBMS (intelligent building management system) operation platforms.

Revenue is recognized when the smart living technology solutions are rendered to the customer.

For sales of goods, the Group procures merchandise from suppliers and sells goods to the property owners and corporate customers. Sales of goods are recognized when the Group delivers the goods to the customers.

If contracts involve the sale of multiple services, the transaction price allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contract in the statements of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

7 OTHER INCOME

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Interest income from loans to a related party (Note 39(b))	**111,603**	5,609
Government grants (Note (a))	**23,310**	19,859
VAT deductible (Note (b))	**10,233**	18,462
Interest income on finance lease	**3,611**	–
Others	**946**	217
	149,703	44,147

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

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

8 EXPENSES BY NATURE

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Employee benefit expenses (Note 9)	**1,938,155**	2,038,331
Greening and cleaning expenses	**849,628**	774,059
Security charges	**528,055**	478,236
Utilities	**262,128**	214,850
Maintenance costs	**244,085**	233,225
Consumable, food and beverage	**156,737**	113,394
Depreciation and amortization charges	**87,889**	67,872
Office expenses	**57,396**	64,432
Cost of goods sold	**50,794**	209,478
Travelling and entertainment expenses	**45,456**	34,912
Raw materials	**33,413**	37,942
Community activities expenses	**27,913**	30,029
Impairment charges of property, plant and equipment (Note 16)	**25,100**	–
Bank and payment platform charges	**20,571**	18,000
Taxes and other levies	**18,340**	20,564
Short-term lease expenses (Note 33)	**17,869**	14,319
Construction costs	**14,598**	34,538
Audit services		
– Audit services	**5,615**	5,189
– Non-audit services	**4,517**	5,134
Advertising expenses	**7,787**	24,171
Impairment charges of investment properties (Note 17)	**5,114**	–
Sub-contract expenses for property agency services	**3,559**	10,483
Others	**251,758**	195,219
Total cost of sales, selling and marketing expenses and administrative expenses	**4,656,477**	4,624,377

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Wages, salaries and bonuses	**1,547,011**	1,646,138
Social insurance expenses and housing benefits (Note (a))	**307,142**	328,936
Share-based payments	**14,616**	–
Other employee benefits (Note (b))	**69,386**	63,257
	1,938,155	2,038,331

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

No forfeited contributions were utilized for the years ended 31 December 2023 and 2022 to offset the Group's contribution to the abovementioned retirement benefit schemes.

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

(c) Five highest paid individuals

The five highest paid individuals of the Group for the years ended 31 December 2023 and 2022 are analysed as follows:

	Number of individuals Year ended 31 December	
	2023	2022
Directors and supervisors	1	3
Non-directors and supervisors, the highest paid individuals	4	2
	5	5

9 EMPLOYEE BENEFIT EXPENSES *(Continued)*

(c) Five highest paid individuals *(Continued)*

Details of the emoluments of the above directors and supervisors are reflected in the analysis shown in Note 41. Details of the emoluments of the above non-directors and supervisors, the highest paid individuals for the years ended 31 December 2023 and 2022 are as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Wages and salaries	**6,388**	3,191
Discretionary bonuses	**2,055**	919
Contribution to pension scheme	**130**	69
Housing allowances	**97**	52
Share-based payments	**2,264**	–
Other social insurances	**90**	51
	11,024	4,282

All of these individuals have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office for the years ended 31 December 2023 and 2022.

The emoluments fell within the following bands:

	Number of individuals Year ended 31 December	
	2023	2022
Emolument bands (in HK dollar)		
HK$2,000,001 – HK$2,500,000	**1**	2
HK$2,500,001 – HK$3,000,000	**1**	–
HK$3,000,001 – HK$3,500,000	**1**	–
HK$3,500,001 – HK$4,000,000	**1**	–
	4	2

10 OTHER LOSSES – NET

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Impairment of goodwill (Note 18)	**(142,381)**	(288,130)
Impairment of other assets	**(10,381)**	(5,840)
Fair value losses on equity investments at FVPL (Note 27)	**(5,683)**	–
Net foreign exchange (losses)/gains	**(2,507)**	28,348
Losses on disposal of property, plant and equipment and intangible assets	**(1,386)**	(4,691)
Losses on disposal of other assets	**(127)**	(16,772)
Fair value gains on financial liabilities at fair value through profit or loss (Note 27)	**9,479**	–
Gains on early termination of lease contracts	**8,202**	8,790
Gains from bargain purchase (Note 37)	**965**	–
Losses on partial disposal of equity interests in an associate	**–**	(2,702)
Losses on derecognition of investment properties	**(3,469)**	(9,447)
Investment income from financial assets at fair value through profit or loss	**–**	379
Others	**(19,066)**	(17,185)
	(166,354)	(307,250)

11 FINANCE INCOME – NET

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Finance income		
Interest income from bank deposits	**46,455**	41,888
Finance costs		
Interest expense of lease liabilities (Note 33)	**(9,128)**	(8,395)
Others	**(4,853)**	(1,822)
	(13,981)	(10,217)
Finance income – net	**32,474**	31,671

12 INCOME TAX CREDIT

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	**110,793**	67,841
Deferred income tax (Note 34)		
– PRC corporate income tax	**(248,677)**	(229,299)
	(137,884)	(161,458)

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

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Loss before income tax	**(1,119,545)**	(2,001,393)
Tax charge at effective rate applicable to losses in the respective group entities	**(211,353)**	(387,137)
Tax effects of:		
– Expenses not deductible for tax purposes	**31,000**	45,146
– Tax effect of super deduction	**(1,478)**	(2,110)
– Effect of income not subject to income tax	**(2,276)**	(4,415)
– Tax losses and deductible temporary differences for which no deferred tax asset was recognized	**42,966**	203,659
– The impact of change in tax rate applicable to subsidiaries	**3,257**	(301)
– Adjustments on income tax for prior year which affect current profit or loss (Note(a))	**–**	(16,300)
Total income tax credit	**(137,884)**	(161,458)

(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.

12 INCOME TAX CREDIT *(Continued)*

Hong Kong profits tax

No Hong Kong profits tax was applicable to the Group for the year ended 31 December 2023. There was a subsidiary incorporated in Hong Kong. No Hong Kong profits 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 year ended 31 December 2023 (2022: nil).

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 PRC is 25%. The Company and some 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 year ended 31 December 2023, 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 25% of their taxable income.

13 LOSSES PER SHARE

The basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares during the years ended 31 December 2023 and 2022.

The share award scheme (Note 30) granted and remained unexercised are not included in the calculation of diluted losses per share because performance conditions has not been met at the end of the reporting period.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2023, the Company had share-based awards (Notes 30). For the year ended 31 December 2023, these potential ordinary shares were not included in the calculation of loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2023 is the same as basic loss per share.

	Year ended 31 December	
	2023	2022
Loss attributable to owners of the Company (RMB’000)	**(951,038)**	(1,818,545)
Weighted average number of ordinary shares (in thousands)	**639,562**	650,148
Basic and diluted losses per share for loss attributable to the owners of the Company during the year (expressed in RMB per share)	**(1.49)**	(2.80)

14 SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the net profits of the Group at 31 December 2023 and 2022:

Company name	Place and date of incorporation/ establishment and kind of legal entity	Registered/ issued and paid-in capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities and place of operation	Note
			2023	2022	2023	2022		
Directly owned:								
Chongqing Kangcheng Air Ticket Agent Co., Ltd.* 重慶康程航空票務代理有限公司	The PRC, 21 January 2013, limited liability company	RMB500,000/ RMB500,000	100%	100%	–	–	Tickets agency in Chongqing	
Chongqing Kangcheng International Travel Service Co., Ltd.* 重慶康程國際旅行社有限公司	The PRC, 22 August 2014, limited liability company	RMB510,000,000/ RMB500,000,000	100%	100%	–	–	Travel services in Chongqing	
Chongqing Jinbosi Education Technology Co., Ltd.* 重慶金博思教育科技有限公司	The PRC, 25 September 2017, limited liability company	RMB16,000,000/ RMB16,000,000	60%	60%	40%	40%	Education services in Chongqing	
Chongqing Jinxiaoxinyue Catering Management Co., Ltd.* 重慶金曉心悅餐飲管理有限公司	The PRC, 14 March 2019, limited liability company	RMB300,000,000/ RMB148,690,000	100%	100%	–	–	Catering service in Chongqing	
Chongqing Jinhongtong Construction Project Management Co., Ltd.* 重慶金鴻通建築工程項目管理有限公司	The PRC, 5 November 2019, limited liability company	RMB10,000,000/ RMB10,000,000	100%	100%	–	–	Construction management services in Chongqing	
Chongqing Tianzhihuiqi Technology Co., Ltd.* 重慶天智慧啟科技有限公司	The PRC, 23 October 2016, limited liability company	RMB18,181,818/ RMB10,000,000	55%	55%	45%	45%	Technology services in Chongqing	(i)
Chongqing Tengjie Trading Co., Ltd.* 重慶騰界商貿有限公司	The PRC, 25 March 2016, limited liability company	RMB30,000,000/ RMB30,000,000	100%	100%	–	–	Trading services in Chongqing	
Chongqing Xinshengyue Media Co., Ltd.* 重慶鑫生悅傳媒有限公司	The PRC, 27 August 2020, limited liability company	RMB5,000,000/ RMB5,000,000	100%	100%	–	–	Advertising services in Chongqing	
Jinyifang (Chongqing) Enterprise Management Co., Ltd.* 金易房(重慶)企業管理有限公司	The PRC, 1 September 2020, limited liability company	RMB5,000,000/ Nil	100%	100%	–	–	Real estate agency in Chongqing	
Chongqing Haoshengjin Business Information Consulting Co., Ltd.* 重慶昊生金商務資訊諮詢有限公司	The PRC, 15 October 2020, limited liability company	RMB10,000,000/ Nil	100%	100%	–	–	Consulting services in Chongqing	
Sichuan Tongyong Property Services Co., Ltd.* 四川通用物業管理有限責任公司	The PRC, 29 January 1997, limited liability company	RMB3,000,000/ RMB3,000,000	100%	100%	–	–	Property management in Chengdu	

14 SUBSIDIARIES *(Continued)*

The following list contains only the particulars of subsidiaries which principally affected the net profits of the Group at 31 December 2023 and 2022: *(Continued)*

Company name	Place and date of incorporation/ establishment and kind of legal entity	Registered/issued and paid-in capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities and place of operation	Note
			2023	2022	2023	2022		
Directly owned (Continued):								
Chongqing Jinlai Smart Life Service Co., Ltd.* 重慶金來智慧生活服務有限公司	The PRC, 24 November 2021, limited liability company	RMB5,000,000/ Nil	90%	90%	10%	10%	Property management in Chongqing	
Henan Jinke Smart City Service Co., Ltd.* 河南金科智慧城市服務有限公司	The PRC, 20 December 2021, limited liability company	RMB50,000,000/ Nil	100%	100%	-	–	Property management in Zhengzhou	
Indirectly owned:								
Shanghai Jinfangli Network Technology Co., Ltd.* 上海金房裡網路科技有限公司	The PRC, 3 February 2021, limited liability company	RMB3,000,000/ Nil	51%	51%	49%	49%	Real estate agency in Shanghai	
Chongqing Tianhuibao Enterprise Management Consulting Co., Ltd.* 重慶天匯寶企業管理諮詢有限公司	The PRC, 4 February 2021, limited liability company	RMB2,000,000/ Nil	55%	55%	45%	45%	Technology services in Chongqing	(i)
Guizhou Jinxinji Agricultural Science and Technology Co., Ltd.* 貴州省金信吉農業科技有限責任公司	The PRC, 5 August 2021, limited liability company	RMB30,000,000/ RMB2,000,000	51%	51%	49%	49%	Agricultural products trading services in Guiyang	

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

(i) In January 2022, Chongqing Tianzhihuiqi Technology Co., Ltd. ("Tianqi Technology") entered into agreements with employee investors and institutional investors and issued financial instruments of Tianqi Technology with preference rights, pursuant to which the investors would subscribed for 45% of the equity interest of Tianqi Technology at a total consideration of RMB73,882,000, of which RMB41,341,000 has been paid by way of cash injected in Tianqi Technology during the year ended 31 December 2022 (Note 32).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Year ended 31 December	
	2023 *RMB'000*	2022 *RMB'000*
Opening carrying amount	**180,106**	47,159
Additions	**10,812**	136,761
Share of net profits	**11,933**	1,765
Dividends declared	**(17,048)**	(303)
Disposal of subsidiaries to an associate and a joint venture (Note 38)	**6,853**	–
Step acquisition from a joint venture to a subsidiary	**(4,326)**	–
Deregistration of an associate	**(736)**	–
Partial disposal of equity interests in an associate	**–**	(5,276)
Closing carrying amount	**187,594**	180,106

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

	Buildings *RMB'000*	Equipment and machinery *RMB'000*	Vehicles *RMB'000*	Furniture *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Subtotal *RMB'000*	Right-of-use assets (Note 33) *RMB'000*	Total *RMB'000*
Year ended 31 December 2022									
Opening net book amount	9,096	27,674	4,767	682	25,096	22,904	90,219	192,625	282,844
Additions	47,969	13,668	1,839	271	17,635	10,688	92,070	56,785	148,855
Acquisition of subsidiaries	–	4,867	122	267	6,616	–	11,872	1,063	12,935
Transfer	–	–	–	–	26,753	(26,753)	–	–	–
Disposals	–	(697)	(371)	(20)	(891)	(5,510)	(7,489)	(84,670)	(92,159)
Depreciation charge	(991)	(8,934)	(1,523)	(286)	(11,072)	–	(22,806)	(27,208)	(50,014)
Closing net book amount	56,074	36,578	4,834	914	64,137	1,329	163,866	138,595	302,461
As at 31 December 2022									
Cost	57,394	85,472	8,675	2,873	86,961	1,329	242,704	174,832	417,536
Accumulated depreciation	(1,320)	(48,894)	(3,841)	(1,959)	(22,824)	–	(78,838)	(36,237)	(115,075)
Net book amount	56,074	36,578	4,834	914	64,137	1,329	163,866	138,595	302,461
Year ended 31 December 2023									
Opening net book amount	56,074	36,578	4,834	914	64,137	1,329	163,866	138,595	302,461
Additions	246	22,563	1,864	169	23,204	23,709	71,755	291,211	362,966
Acquisition of subsidiaries (Note 37)	–	640	348	44	175	–	1,207	–	1,207
Transfer	–	–	–	–	20,895	(20,895)	–	–	–
Disposal of subsidiaries	–	(225)	(25)	(14)	(14,792)	–	(15,056)	(83,386)	(98,442)
Disposals	–	(2,089)	(25)	(18)	(2,183)	–	(4,315)	(63,502)	(67,817)
Depreciation charge	(2,282)	(10,708)	(1,450)	(268)	(15,352)	–	(30,060)	(26,002)	(56,062)
Impairment	–	–	–	–	(25,100)	–	(25,100)	–	(25,100)
Closing net book amount	54,038	46,759	5,546	827	50,984	4,143	162,297	256,916	419,213
As at 31 December 2023									
Cost	57,640	102,518	10,677	3,164	113,040	4,143	291,182	302,406	593,588
Accumulated depreciation	(3,602)	(55,759)	(5,131)	(2,337)	(36,956)	–	(103,785)	(45,490)	(149,275)
Accumulated Impairment charge	–	–	–	–	(25,100)	–	(25,100)	–	(25,100)
Net book amount	54,038	46,759	5,546	827	50,984	4,143	162,297	256,916	419,213

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

Depreciation expenses were charged in the consolidated statement of comprehensive income and capitalized in the statement of financial position to the following categories:

	Year ended 31 December	
	2023 *RMB'000*	2022 *RMB'000*
Cost of sales	**41,494**	34,906
Selling and marketing expenses	**–**	16
Administrative expenses	**11,668**	10,416
Subtotal	**53,162**	45,338
Construction in progress	**2,900**	4,676
Total	**56,062**	50,014

(i) Non-current assets pledged as security

No property, plant and equipment is restricted or pledged as security for liabilities as at 31 December 2023 and 2022.

(ii) Revaluation, depreciation methods and useful lives

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or, in case of leasehold improvements, and certain leased plants and equipment, the shorter lease term, as follows:

– Buildings	35 years
– Equipment and machinery	5-10 years
– Vehicles	5 years
– Furniture	5 years
– Leasehold improvements	2-10 years
– Right-of-use assets	1-20 years

See Note 42.6 for the other accounting policies relevant to property, plant and equipment.

17 INVESTMENT PROPERTIES

	Land and buildings *RMB'000*	Right-of-use assets *RMB'000*	Total *RMB'000*
Year ended 31 December 2022			
Opening net book amount	–	–	–
Additions	20,699	114,344	135,043
Depreciation charge	(20)	(87)	(107)
Derecognition	(12,840)	(79,914)	(92,754)
Closing net book amount	7,839	34,343	42,182

	Land and buildings *RMB'000*	**Right-of-use assets** *RMB'000*	**Total** *RMB'000*
Year ended 31 December 2023			
Opening net book amount	**7,839**	**34,343**	**42,182**
Depreciation charge	**(229)**	**(748)**	**(977)**
Disposals	**(2,902)**	**(14,330)**	**(17,232)**
Impairment	**(688)**	**(4,426)**	**(5,114)**
Closing net book amount	**4,020**	**14,839**	**18,859**

(i) Investment properties, principally nursery properties freehold or held under leases, are held for rental yields or for capital appreciation or both and are not occupied by the Group. The Group measured its investment properties at cost, including related transaction costs and where applicable borrowing costs. Depreciation is calculated using the straight-line method to allocate their cost over their useful life or lease term varying from 20 to 44 years.

As at 31 December 2023 and 2022, the fair values of investment properties approximate their net book amounts.

18 INTANGIBLE ASSETS

	Goodwill *RMB'000*	Customer relationship *RMB'000*	Software and others *RMB'000*	Total *RMB'000*
Year ended 31 December 2022				
Opening net book amount	410,041	113,118	17,634	540,793
Additions	–	–	12,878	12,878
Acquisition of subsidiaries	235,228	69,429	666	305,323
Disposals	–	–	(1)	(1)
Amortization	–	(16,511)	(5,916)	(22,427)
Impairment (Note (iv))	(288,130)	–	–	(288,130)
Closing net book amount	357,139	166,036	25,261	548,436
As at 31 December 2022				
Cost	645,269	187,159	41,853	874,281
Accumulated amortization	–	(21,123)	(16,592)	(37,715)
Accumulated impairment	(288,130)	–	–	(288,130)
Net book amount	357,139	166,036	25,261	548,436
Year ended 31 December 2023				
Opening net book amount	**357,139**	**166,036**	**25,261**	**548,436**
Additions	**–**	**–**	**13,869**	**13,869**
Acquisition of subsidiaries (Note 37)	**109,923**	**117,900**	**77**	**227,900**
Disposal of subsidiaries	**–**	**–**	**(84)**	**(84)**
Disposals	**–**	**–**	**(12)**	**(12)**
Amortization	**–**	**(26,173)**	**(7,577)**	**(33,750)**
Impairment (Note (iv))	**(142,381)**	**–**	**–**	**(142,381)**
Closing net book amount	**324,681**	**257,763**	**31,534**	**613,978**
As at 31 December 2023				
Cost	**755,192**	**305,059**	**55,497**	**1,115,748**
Accumulated amortization	**–**	**(47,296)**	**(23,963)**	**(71,259)**
Accumulated impairment	**(430,511)**	**–**	**–**	**(430,511)**
Net book amount	**324,681**	**257,763**	**31,534**	**613,978**

18 INTANGIBLE ASSETS *(Continued)*

Amortization of intangible assets has been charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cost of sales	**26,633**	16,742
Selling and marketing expenses	**–**	18
Administrative expenses	**7,117**	5,667
	33,750	22,427

(i) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

– Software	5-10 years
– Customer relationship	10 years

(ii) Software

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products, for example, applications, controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;
- There is an ability to use the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the research and development and to use the software product are available; and
- The expenditure attributable to the software product during its research and development can be reliably measured.

18 INTANGIBLE ASSETS *(Continued)*

(ii) Software *(Continued)*

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(iii) Customer relationships

Customer relationship is recognized through business combinations (Note 37). Customer relationship acquired in a business combination is 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. Amortization is calculated using the straight-line method over the expected life of 10 years for the customer relationship.

See Note 42.8 for the other accounting policies relevant to intangible assets, and Note 42.9 for the Group's policy regarding impairments.

(a) During the year ended 31 December 2023, the Group acquired several property management companies (Note 37). Total identifiable net assets of these entities acquired as at their respective acquisition dates were amounted RMB117,647,000, including identified customer relationship of RMB117,900,000 recognized by the Group.

(b) An independent valuation was performed by an independent valuer to determine the amount of the customer relationship recognized by the Group as at 31 December 2023. Methods and key assumptions in determining the fair value of the customer relationship as at respective acquisition dates are disclosed as follows:

	Valuation technique	Discount rate	Expected life of the intangible assets
Customer Relationship	Discounted cash flow	15.0% – 18.0%	10 years

18 INTANGIBLE ASSETS *(Continued)*

(iv) Impairment tests for Goodwill

(a) As at 31 December 2023, goodwill of RMB755,192,000 (2022: RMB645,269,000) has been allocated to each group of cash-generating units for impairments testing. Goodwill of RMB169,149,000, RMB68,777,000, RMB65,017,000 and RMB143,406,000 (2022: RMB169,149,000, nil, RMB65,017,000 and RMB143,406,000) were allocated to the property management business operated by Sichuan Tongyong Property Services Co., Ltd. ("Tongyong Services"), Chengdu Shuchuan Property Services Co., Ltd. ("Shuchuan Services"), Sichuan Ruide Property Services Co., Ltd. ("Ruide Services") and the catering business operated by Chongqing Yunhan Catering Culture Co., Ltd. and its subsidiaries ("Yunhan Catering"), respectively.

Management performed an impairment assessment on the goodwill as at 31 December 2023. The recoverable amount of the property management business and catering business operated by the acquired subsidiaries have been assessed by an independent valuer or the management and determined based on VIU calculations. The calculations used cash flow projections based on financial budgets covering a five-year period approved by management.

As at 31 December 2023, the recoverable amount of the CGU in Shuchuan Services and Yunhan Catering is RMB105,325,000 and RMB68,207,000, respectively.

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

	Year ended 31 December 2023					Year ended 31 December 2022			
	Ruide Services	Tongyong Services	Shuchuan Services	Yunhan Catering	Other subsidiaries	Ruide Services	Tongyong Services	Yunhan Catering	Other subsidiaries
Compound annual growth rate of revenue during the projection period (%)	0.2%	0.03%	8.0%	6.6%	0.0%-1.8%	1.6%	1.6%	6.6%	1.6%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period (%)	29.6%	31.6%-31.7%	25.4%-27.4%	7.6%-10.0%	7.3%-33.3%	21.9%-22.0%	36.6%	12.2%-13.0%	16.1%-23.1%
Long term growth rate (%)	2.2%	2.2%	2.2%	2.2%	0.0%-2.2%	2.0%	2.0%	2.0%	2.0%
Pre-tax discount rate (%)	16.5%	16.6%	17.3%	17.5%	16.5%-19.2%	18.5%	18.6%	17.7%	18.5%

18 INTANGIBLE ASSETS *(Continued)*

(iv) Impairment tests for Goodwill *(Continued)*

(a) *(Continued)*

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Compound annual growth rate of revenue	Based on the past performance and management's expectations of market development.
EBITDA margin	Based on the past performance and management's expectations for the future.
Long term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.
Pre-tax discount rate	Reflect specific risks relating to the relevant cash-generating units.

The recoverable amount of this CGU would equal its carrying amount if the key assumptions were to change as follows:

	Year ended 31 December 2023						Year ended 31 December 2022					
	Ruide Services		Tongyong Services		Other subsidiaries		Ruide Services		Tongyong Services		Other subsidiaries	
	From	To	From	To	From	To	From	To	From	To	From	To
Compound annual growth rate of revenue during the projection period (%)	0.2%	-6.7%	0.03%	-1.1%	0.0%–1.8%	-8.1%–0.7%	NA	NA	NA	NA	6.6%	6.4%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period (%)	29.6%	28.4%–29.6%	31.6%–31.7%	31.5%–31.7%	7.3%–33.3%	7.0%–32.9%	NA	NA	NA	NA	12.2%–13.0%	11.8%–12.3%
Long term growth rate (%)	2.2%	-6.7%	2.2%	1.1%	0.0%–2.2%	-16.1%–-0.2%	NA	NA	NA	NA	2.0%	1.3%
Pre-tax discount rate (%)	16.5%	21.4%	16.6%	17.2%	16.5%–19.2%	17.8%–25.8%	NA	NA	NA	NA	17.7%	18.7%

18 INTANGIBLE ASSETS *(Continued)*

(iv) Impairment tests for Goodwill *(Continued)*

(b) The recoverable amounts of Chongqing Yunhan Catering Culture Co., Ltd. and its subsidiaries ("Yunhan Catering") and Chengdu Shuchuan Property Service Co., Ltd. ("Shuchuan Services") at 31 December 2023 were determined based on VIU calculations. The impairment charge of RMB142,381,000 recognized during the year of which RMB117,278,000 related to the CGU of Yunhan Catering, and RMB25,103,000 to the CGU of Shuchuan Services.

19 INVENTORIES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Merchandise goods	**14,063**	14,868
Consumables	**9,528**	11,961
Raw materials	**4,861**	3,126
	28,452	29,955

Costs of purchased inventory are determined after deducting rebates and discounts. See Note 42.12 for the Group's other accounting policies for inventories.

20 OTHER ASSETS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Parking lots (i)	**20,132**	25,498
Commercial properties	**7,762**	–
Less: allowance for impairment	**(16,221)**	(5,840)
	11,673	19,658

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

See Note 42.13 for the Group's other accounting policies for other assets.

21 LOAN RECEIVABLES

	As at 31 December 2023 RMB'000	As at 31 December 2022 RMB'000
Loans to a related party		
– A related party (Note 39(d))	**1,623,908**	1,505,609
Less: allowance for impairment of loan receivables	**(1,251,708)**	(118,943)
	372,200	1,386,666
Less: non-current portion of loan receivables	**–**	(601,538)
Addition: allowance for non-current portion of loan receivables	**–**	47,521
	–	(554,017)
Current portion of loan receivables	**372,200**	832,649
Loans to a related party		
Beginning of the year	**1,386,666**	–
Loans advanced	**–**	1,500,000
Interest charged	**118,299**	5,609
Loss allowance charged	**(1,132,765)**	(118,943)
	372,200	1,386,666

Loans to a related party represented the loan in the principal amount of RMB1,500 million advanced by the Company to Jinke Property (the "Loan"). Pursuant to the loan agreement, the Loan bearing with fixed interest rate 8.6% per annum was secured by certain assets owned by Jinke Property Group as collaterals. The fair value of the collaterals as at 31 December 2023 was RMB2,067,090,000 (2022: RMB2,282,029,000), which has been valued by an independent professional valuer.

In March 2023, Jinke Property was default in repaying the Loan. Management assessed the allowance of the Loan by considering macroeconomic variables, scenarios weightings change due to Jinke Property Group's operation status and other factors. Management considered the allowance of the Loan provided at 31 December 2023 is appropriate, and it may affect the allowance of the Loan if the macroeconomic variables, scenarios weightings change.

22 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Financial assets at amortized cost		
Trade and bill and other receivables (excluding prepayments, input VAT to be deducted) (Note 23)	**2,080,924**	2,370,975
Loan receivables (Note 21)	**372,200**	1,386,666
Cash and cash equivalents (Note 24)	**2,905,545**	3,069,784
Restricted cash (Note 26)	**152,238**	9,374
Term deposits (Note 25)	**220,000**	–
Financial assets at fair value		
Fund with limited life (Note 27)	**45,317**	51,000
Wealth management products (Note 27)	**3,000**	–
	5,779,224	6,887,799
Financial liabilities at amortized cost		
Trade and bill and other payables (excluding accrued payroll and other taxes payables) (Note 31)	**2,052,444**	1,716,064
Financial instruments issued to investors (Note 32)	**44,989**	43,126
Lease liabilities (Note 33)	**123,932**	144,643
Financial liabilities at fair value		
Contingent consideration payable (Note 27)	**38,435**	–
	2,259,800	1,903,833

23 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables (Note (a))		
– Third parties	**2,235,628**	1,916,515
– Related parties (Note 39(d))	**676,314**	597,442
	2,911,942	2,513,957
Less: allowance for impairment of trade receivables	**(1,369,516)**	(1,029,509)
	1,542,426	1,484,448
Bill receivables		
– Third parties	**4,018**	500
– Related parties (Note 39(d))	**15,450**	16,532
	19,468	17,032
Less: allowance for impairment of bill receivables	**(15,450)**	(17,032)
	4,018	–
Other receivables		
– Third parties	**757,983**	977,091
– Related parties (Note 39(d))	**510,588**	904,360
	1,268,571	1,881,451
Less: allowance for impairment of other receivables	**(815,726)**	(1,078,231)
	452,845	803,220

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Prepayments		
– Third parties	**57,957**	59,361
– Related parties (Note 39(d))	**7,184**	7,692
	65,141	67,053
Finance lease receivables (Note (b))		
– Third parties	**2,386**	3,814
– Related parties (Note 39(d))	**79,249**	79,493
	81,635	83,307
Input VAT to be deducted	**42,252**	31,917
	2,188,317	2,469,945
Less: non-current portion of other receivables		
– Finance lease receivables (Note (b))	**(80,271)**	(81,203)
Less: non-current portion of prepayments	**(14,219)**	–
Current portion of trade and bill and other receivables and prepayments	**2,093,827**	2,388,742

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

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

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

(b) As at 31 December 2023 and 2022, certain leased properties were classified as finance leases as the terms of lease transfer substantially all the risks and rewards incidental to lessees. Amounts due from lessees under finance lease are recognized as finance lease receivables which included in the non-current and current other receivables.

A maturity analysis of finance lease receivables of the Group is shown in the table as at 31 December 2023 and 2022:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Minimum lease receivable due:		
– Within one year	**6,840**	6,153
– More than one year but not exceeding two years	**5,803**	6,109
– More than two years but not exceeding five years	**15,302**	15,911
– More than five years	**132,097**	137,140
	160,042	165,313
Less: future finance income	**(78,407)**	(82,006)
Present value of finance lease receivables	**81,635**	83,307

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

(c) As at 31 December 2023 and 2022, the ageing analysis of the trade receivables based on invoice date were as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Up to 1 year	**1,311,561**	1,564,824
Over 1 year	**1,600,381**	949,133
	2,911,942	2,513,957

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9. As at 31 December 2023 and 2022, a provision of RMB1,369,516,000 and RMB1,029,509,000 was made against the gross amounts of trade receivables (Note 3.1.3).

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1.3 for a description of the Group's impairment policies.

24 CASH AND CASH EQUIVALENTS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cash at banks, payment platforms and on hand (Note(i))		
– Denominated in RMB	**2,891,490**	3,047,439
– Denominated in HK$	**7,904**	15,379
– Denominated in US$	**6,151**	6,966
	2,905,545	3,069,784

(i) 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.

25 TERM DEPOSITS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Term deposits held at the bank with original maturity over three months	**220,000**	–
Less: amount included under "current assets"	**(100,000)**	–
	120,000	–

As at 31 December 2023, the term deposits held at the bank were dominated in RMB, with original maturity over three months have annual interest rates ranging from 2.2% to 3.0%.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See Note 42.14 for the group's other accounting policies on cash and cash equivalents.

26 RESTRICTED CASH

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Deposits for bank acceptance notes and performance guarantee	136,305	2,387
Others	15,933	6,987
	152,238	9,374

27 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Classification of financial assets and liabilities at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL)

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognize fair value gains and losses through OCI.

Financial assets and liabilities mandatorily measured at FVPL include the following:

	As at 31 December 2023	As at 31 December 2022
	RMB'000	*RMB'000*
Financial assets		
Non-current assets		
Fund with limited life (Note 3.3.1)	45,317	51,000
Current assets		
Wealth management products (Note 3.3.1)	3,000	–
Financial liabilities		
Contingent consideration (Note 3.3.1)	38,435	–

See Note 42.10 for the remaining relevant accounting policies.

27 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

(ii) Amounts recognized in profit or loss

During the year, the following (losses)/gains were recognized in profit or loss:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Fair value losses on fund with limited life recognized in other losses – net (Note 10)	(5,683)	–
Fair value gains on contingent consideration recognized in other losses – net (Note 10)	9,479	–

(iii) Risk exposure and fair value measurements

For information about the methods and assumptions used in determining fair value see Note 3.3.1.

28 SHARE CAPITAL

The Group and the Company

	Number of ordinary shares	Share capital
		RMB'000
Issued and fully paid		
As at 31 December 2022	652,848,100	652,848

	Number of ordinary shares	Share capital
		RMB'000
Issued and fully paid		
As at 1 January 2023	652,848,100	652,848
Cancellation of shares (Note 29(b))	(13,369,000)	(13,369)
As at 31 December 2023	639,479,100	639,479

29 RESERVES

	Treasury Shares	Shares held for share award scheme	Capital reserves	Employee share-based compensation reserves	Statutory reserves	Total other reserves	Retained earnings/ (accumulated losses)	Total reserves
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2022	–	(13,281)	5,679,480	–	134,562	5,800,761	1,203,396	7,004,157
Loss for the year	–	–	–	–	–	–	(1,818,545)	(1,818,545)
Acquisition of additional interests in a subsidiary	–	–	(451)	–	–	(451)	–	(451)
Dividend declared to shareholders of the Company (Note 35)	–	–	–	–	–	–	(424,351)	(424,351)
Purchase of shares in connection with share award scheme (Note (c))	–	(86,875)	–	–	–	(86,875)	–	(86,875)
Balance at 31 December 2022	–	(100,156)	5,679,029	–	134,562	5,713,435	(1,039,500)	4,673,935
Balance at 1 January 2023	-	(100,156)	5,679,029	-	134,562	5,713,435	(1,039,500)	4,673,935
Loss for the year	-	-	-	-	-	-	(951,038)	(951,038)
Cancellation of shares (Note (b))	129,395	-	(116,026)	-	-	13,369	-	13,369
Acquisition of additional interests in a subsidiary	-	-	(84)	-	-	(84)	-	(84)
Repurchase of shares of the Company (Note (b))	(266,979)	-	-	-	-	(266,979)	-	(266,979)
Purchase of shares in connection with share award scheme (Note (c))	-	(45,364)	-	-	-	(45,364)	-	(45,364)
Share option scheme-value of employee services	-	-	-	14,616	-	14,616	-	14,616
Balance at 31 December 2023	(137,584)	(145,520)	5,562,919	14,616	134,562	5,428,993	(1,990,538)	3,438,455

(a) In accordance with relevant rules and regulations in the PRC, the PRC Group entities are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective Group entities.

(b) During the year ended 31 December 2023, the Company repurchased 28,826,200 of its own shares from the market and 13,369,000 shares were subsequently cancelled (2022: nil). The shares were acquired at prices ranging from HK$7.88 to HK$12.56, with an average price of HK$10.11 per share, totalling HK$292,208,000 (equivalent to approximately RMB266,979,000).

29 RESERVES *(Continued)*

(c) The Board of the Company adopted the Share Award Scheme on 9 September 2021. The Board has appointed a trustee to purchase shares of the Company on the Stock Exchange out of the Company's resources. On 30 December 2022, major terms of the Share Award Scheme were determined and approved. The purchase was made in advance such that the shares purchased could be awarded to the selected participant of the Share Award Scheme as soon as it is adopted.

As of 31 December 2023, the trustee has purchased 4,312,042 shares of the Company which unit price at HK$10.92 to HK$13.28, totalling HK$50,225,000 (equivalent to approximately RMB45,364,000) (Note 40), under the Share Award Scheme (2022: purchased 5,171,490 shares of the Company which unit price at HK$11.35 to HK$27.44, totalling HK$101,381,000 and equivalent to approximately RMB86,875,000) (Note 40).

30 SHARE-BASED PAYMENTS

(a) On 30 December 2022, the Board of the Company approved a scheme under which shares would be purchased on the Stock Exchange by the Company and grant to employees for no cash consideration. In June 2023, the Company granted an aggregate of 4,290,000 shares to employees. Pursuant to the terms of the share award scheme, the shares granted are subject to certain service and performance conditions.

The share award scheme is administered by the the Group's Employee Share Trust, which is consolidated in accordance with the principles in Note 42.1(i). When the shares granted are exercised, the trust transfers the appropriate amount of shares to the employee.

The shares granted to the grantees will be vested based on the following rates on the first HKEX trading date after the same date of grant for the relevant financial year, taking into consideration that the vesting conditions above are satisfied in the relevant financial year: (i) 30% of the total number of the shares will be vested in the financial year in which the share are granted (the "Grant Year"); (ii) 30% of the total number of the shares will be vested in the financial year immediately following the Grant Year; and (iii) 40% of the total number of the shares will be vested in the second financial year after the Grant Year. If the vesting conditions above have not been fulfilled during the relevant financial year, the corresponding share granted will lapse.

30 SHARE-BASED PAYMENTS *(Continued)*

(a) *(Continued)*

Movement in the number of shares granted to directors and employees are as follows:

	Average price per share	Number of shares
As at 1 January 2023		–
Granted	HK$11.60	4,290,000
Forfeited	HK$11.60	(30,000)
As at 31 December 2023		4,260,000

The total expense of equity-settled transactions is recognized in administrative expenses (Note 8), together with a corresponding increase in equity (Note 29).

(b) On 30 March 2023, the Board of the Company approved a scheme under which shares would be purchased on the Stock Exchange by the Company and granted to employees or non-employees for no cash consideration. In December 2023, the Company granted an aggregate of 2,967,500 shares. Pursuant to the terms of the share award scheme, the shares granted are subject to performance contribution.

The share award scheme is administered by the the Group's Employee Share Trust, which is consolidated in accordance with the principles in Note 42.1(i). When the shares granted are exercised, the trust transfers the appropriate amount of shares to the employees or non-employees.

The shares granted to the grantees will be vested on the first HKEX trading date twelve months after the date of grant to eligible participants.

Movement in the number of shares granted to employees and non-employees are as follows:

	Average price per share	Number of shares
As at 1 January 2023		–
Granted	HK$10.96	2,967,500
As at 31 December 2023		2,967,500

31 TRADE AND BILL AND OTHER PAYABLES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade payables (Note (a))		
– Third parties	996,020	803,792
– Related parties (Note 39(d))	17,032	6,719
	1,013,052	810,511
Bill payables		
– Third parties	105,572	28,255
– Related parties (Note 39(d))	4,995	–
	110,567	28,255
Other payables		
– Third parties	864,543	841,835
– Related parties (Note 39(d))	64,282	35,463
	928,825	877,298
Accrued payroll	248,303	179,502
Other taxes payables	71,629	56,798
	319,932	236,300
	2,372,376	1,952,364

As at 31 December 2023 and 2022, the carrying amounts of trade and bill and other payables approximated their fair values.

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

(a) As at 31 December 2023 and 2022, the ageing analysis of the trade payables based on invoice date are as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Up to 1 year	**944,673**	766,457
Over 1 year	**68,379**	44,054
	1,013,052	810,511

32 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

	As at 31 December 2023	As at 31 December 2022
	RMB'000	*RMB'000*
Financial liabilities at amortized cost		
Financial instruments issued to investors	**44,989**	43,126

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

32 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS *(Continued)*

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

Redemption Rights

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

Liquidation Preferences

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

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

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

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

32 FINANCIAL INSTRUMENTS ISSUED TO INVESTORS *(Continued)*

Liquidation Preferences *(Continued)*

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

	From issuance date to 31 December 2022 *RMB'000*
Carrying amount at the issuance date	41,341
Accrued interest	1,785
Carrying amount at 31 December 2022	43,126

	From 1 January 2023 to 31 December 2023 ***RMB'000***
Carrying amount at 1 January 2023	**43,126**
Accrued interest	**1,863**
Carrying amount at 31 December 2023	**44,989**

33 LEASES

(i) Amounts recognized in the statements of financial position

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Right-of-use assets (Note 16)		
– Properties	256,916	138,595
Lease liabilities		
– Current	26,515	24,788
– Non-current	97,417	119,855
	123,932	144,643

(ii) Amounts recognized in the consolidated statement of comprehensive income and consolidated statement of financial position

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Depreciation charge (Note 16)		
– Properties (included in cost of sales, selling and marketing expenses and administrative expenses)	23,102	22,532
– Properties (included in construction in progress)	2,900	4,676
	26,002	27,208
Interest expense (included in finance cost) (Note 11)	9,128	8,395
Interest expense (included in construction in progress)	–	2,416
Expenses relating to short-term leases (included in cost of sales, selling and marketing expenses and administrative expenses) (Note 8)	17,869	14,319
Total cash outflows for leases	37,512	40,225

33 LEASES *(Continued)*

(iii) A maturity analysis of lease liabilities is shown in the table below:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Leases are payable:		
Within 1 year	**27,919**	26,039
1 to 2 years	**18,513**	27,455
2 to 5 years	**51,493**	60,479
More than 5 years	**59,104**	73,250
Minimum lease payments	**157,029**	187,223
Future finance charge	**(33,097)**	(42,580)
Total lease liabilities	**123,932**	144,643
The present value of lease liabilities is as follows:		
Within 1 year	**26,515**	24,788
1 to 2 years	**16,632**	24,675
2 to 5 years	**41,289**	48,418
More than 5 years	**39,496**	46,762
Total lease liabilities	**123,932**	144,643

33 LEASES *(Continued)*

(iv) The Group's leasing activities and how these are accounted for

The Group leases certain properties. Rental contracts are typically made for fixed periods of 1 to 20 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and

- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

34 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

	As at 31 December	
	2023 *RMB'000*	2022 *RMB'000* (Restated)
Deferred income tax assets:		
– Deferred income tax assets to be recovered after more than 12 months	506,773	248,962
– Deferred income tax assets to be recovered within 12 months	7,124	21,945
	513,897	270,907
– Set-off of deferred income tax liabilities pursuant to set-off provisions	(22,956)	(23,715)
	490,941	247,192
Deferred income tax liabilities:		
– Deferred income tax liabilities to be settled after more than 12 months	(43,729)	(20,744)
– Deferred income tax liabilities to be settled within 12 months	(24,098)	(32,384)
	(67,827)	(53,128)
– Set-off of deferred income tax assets pursuant to set-off provisions	22,956	23,715
	(44,871)	(29,413)
	446,070	217,779

34 DEFERRED INCOME TAX *(Continued)*

The movement in deferred income tax assets/(liabilities) during the years ended 31 December 2023 and 2022, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	DTA							DTL				
	Allowance on doubtful debts	Impairment of Investment properties and other assets	Tax losses	Lease liabilities	Excess of tax bases of other intangible assets over the carrying amount	Fair value changes of financial assets	Subtotal	Excess of carrying amount of property, plant and equipment over the tax bases	Recognition upon business combination	Right-of-use assets	Subtotal	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022 (Restated) (Note 2(iii))	18,875	–	5,479	–	–	–	24,354	(4,418)	(16,968)	–	(21,386)	2,968
Credited to profit or loss	204,371	902	19,818	20,802	–	–	245,893	343	2,734	(19,671)	(16,594)	229,299
Acquisition of subsidiaries	660	–	–	–	–	–	660	–	(15,179)	–	(15,179)	(14,519)
Deregistration of subsidiaries	–	–	–	–	–	–	–	31	–	–	31	31
As at 31 December 2022	223,906	902	25,297	20,802	–	–	270,907	(4,044)	(29,413)	(19,671)	(53,128)	217,779
As at 1 January 2023	223,906	902	25,297	20,802	-	-	270,907	(4,044)	(29,413)	(19,671)	(53,128)	217,779
Credited to profit or loss	248,391	1,713	(6,616)	(2,590)	1,002	641	242,541	(2,136)	5,377	2,895	6,136	248,677
Acquisition of subsidiaries (Note 37)	364	-	-	-	-	-	364	-	(20,015)	-	(20,015)	(19,651)
Deregistration of subsidiaries	85	-	-	-	-	-	85	-	(820)	-	(820)	(735)
As at 31 December 2023	472,746	2,615	18,681	18,212	1,002	641	513,897	(6,180)	(44,871)	(16,776)	(67,827)	446,070

(a) The Group has not recognized deferred tax assets in respect of cumulative tax losses of RMB33,253,000 (2022: RMB12,950,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses shall expire in five years from year of occurrence under current tax legislation. Tax losses of approximately RMB1,835,000, RMB1,133,000, RMB7,515,000, RMB47,333,000 and RMB89,800,000 will expire in 2024, 2025, 2026, 2027 and 2028 respectively.

35 DIVIDENDS

The Company resolved not to declare any dividend for the year ended 31 December 2023 (2022: nil).

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Loss before income tax	**(1,119,545)**	(2,001,393)
Adjustments for:		
– Depreciation of property, plant and equipment and right-of-use assets (Note 16)	**53,162**	45,338
– Depreciation of investment properties (Note 17)	**977**	107
– Amortization of intangible assets (Note 18)	**33,750**	22,427
– Impairment of goodwill (Note 18)	**142,381**	288,130
– Impairment of other assets (Note 10)	**10,381**	5,840
– Impairment of investment properties (Note 8)	**5,114**	–
– Impairment of property, plant and equipment (Note 8)	**25,100**	–
– Net foreign exchange losses/(gains)	**2,507**	(26,845)
– Net impairment losses on financial assets (Note 3.1.3)	**1,470,565**	2,152,408
– Losses on disposal of property, plant and equipment and intangible assets (Note 10)	**1,386**	4,691
– Losses on disposal of other assets (Note 10)	**127**	16,772
– Gains on early termination of lease contracts (Note 10)	**(8,202)**	(8,790)
– Rent concessions	**–**	(5,167)
– Losses on derecognition of investment properties (Note 10)	**3,469**	9,447
– Finance income – net	**(35,464)**	(31,671)
– Interest income from loans to a related party (Note 7)	**(111,603)**	(5,609)
– Interest income from finance lease (Note 7)	**(3,611)**	–
– Investment income from financial assets at fair value through profit or loss (Note 10)	**–**	(379)
– Fair value gains on financial liabilities at fair value through profit or loss (Note 10)	**(9,479)**	–
– Fair value losses on equity investments at FVPL (Note 10)	**5,683**	–
– Losses on partial disposal of equity interests in an associate (Note 10)	**–**	2,702

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(a) Cash generated from operations *(Continued)*

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
– Share of net profits of associates and joint ventures accounted for using the equity method (Note 15)	**(11,933)**	(1,765)
– Other transactions with non-controlling interests	**–**	(887)
– Losses on disposal of subsidiaries (Note 38)	**910**	–
– Losses on disposal of a joint venture	**531**	–
– Gains on deregistration of subsidiaries	**(930)**	–
– Share option scheme-value of employee services (Note 9)	**14,616**	–
– Gains from bargain purchase (Note 10)	**(965)**	–
	468,927	465,356
Changes in working capital:		
– Inventories	**1,940**	(5,718)
– Trade and bill and other receivables and prepayments	**(332,883)**	(162,295)
– Contract liabilities	**110,952**	140,120
– Trade and bill and other payables	**385,211**	127,526
– Restricted cash	**(122,864)**	(7,291)
Cash generated from operations	**511,283**	557,698

36 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) **The reconciliation of liabilities arising from financial activities is as follow:**

	Financial instruments issued to investors *RMB'000*	Borrowings and interest payables *RMB'000*	Lease liabilities *RMB'000*	Dividends payable *RMB'000*	Total *RMB'000*
As at 1 January 2022	–	–	200,274	245	200,519
Cash flows					
– Inflow from financing activities	41,341	–	–	–	41,341
– Outflow from financing activities	–	(2,407)	(25,906)	(431,908)	(460,221)
Non-cash changes					
– Acquisition – leases	–	–	56,785	–	56,785
– Acquisition of subsidiaries	–	2,400	1,052	–	3,452
– Rent concessions	–	–	(5,167)	–	(5,167)
– Disposal – leases	–	–	(93,206)	–	(93,206)
– Finance expense recognized	1,785	7	8,395	–	10,187
– Finance expense (included in construction in progress)	–	–	2,416	–	2,416
– Foreign exchange losses	–	–	–	1,033	1,033
– Accrued dividends payable	–	–	–	430,630	430,630
As at 31 December 2022	43,126	–	144,643	–	187,769
As at 1 January 2023	43,126	–	144,643	–	187,769
Cash flows					
– Inflow from financing activities	–	–	–	–	–
– Outflow from financing activities	–	–	(19,643)	(9,819)	(29,462)
Non-cash changes					
– Acquisition – leases	–	–	147,262	–	147,262
– Disposal – leases	–	–	(71,704)	–	(71,704)
– Disposal of subsidiaries	–	–	(85,754)	–	(85,754)
– Finance expense recognized	1,863	–	9,128	–	10,991
– Accrued dividends payable	–	–	–	12,269	12,269
As at 31 December 2023	44,989	–	123,932	2,450	171,371

37 BUSINESS COMBINATIONS

During the year ended 31 December 2023, the Group completed several acquisitions of equity interests in certain property management companies at an aggregate purchase consideration of RMB226,605,000. Goodwill of RMB109,923,000 and total identifiable net assets of RMB117,647,000 were recognized. The directors of the Company consider that the acquisition of Shuchuan Services and Huayikeer Services constituted a substantial acquisition for the Group while other subsidiaries acquired during the year were not significant to the Group. Thus, only financial information of Shuchuan Services and Huayikeer Services on the acquisition date were disclosed individually.

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

	Shuchuan Services *RMB'000*	Huayikeer Services *RMB'000*	Others *RMB'000*	Total *RMB'000*
Purchase Consideration				
– Cash paid	45,160	49,062	25,583	119,805
– Consideration payable	42,096	7,371	2,854	52,321
– Contingent consideration	50,684	–	–	50,684
– Fair value of interests in a joint venture	–	–	3,795	3,795
Total purchase consideration	137,940	56,433	32,232	226,605
Recognized amounts of identifiable assets acquired and liabilities assumed				
Cash and cash equivalents (Note (i))	14,928	3,435	9,902	28,265
Property, plant and equipment (Note 16)	735	23	449	1,207
Other intangibles assets (excluding customer relationship) (Note 18)	77	–	–	77
Customer relationship (included in other intangible assets) (Note 18)	66,000	28,600	23,300	117,900
Deferred income tax assets (Note 34)	–	332	32	364
Trade and other receivables and prepayments	37,976	14,032	23,319	75,327
Inventories	–	69	379	448
Trade and other payables	(29,185)	(3,867)	(13,934)	(46,986)
Contract liabilities	(9,024)	(6,332)	(19,608)	(34,964)
Current income tax liabilities	(2,444)	–	(1,532)	(3,976)
Deferred income tax liabilities (Note 34)	(9,900)	(4,290)	(5,825)	(20,015)
Total identifiable net assets	69,163	32,002	16,482	117,647
Less: non-controlling interests	–	–	–	–
Identifiable net assets attributable to the Company	69,163	32,002	16,482	117,647
Goodwill (Note 18)	68,777	24,431	16,715	109,923
Gains from bargain purchase (Note 10)	–	–	(965)	(965)
	68,777	24,431	15,750	108,958

37 BUSINESS COMBINATIONS *(Continued)*

(i) Net cash outflow arising from the acquisitions during the year ended 31 December 2023:

	Shuchuan Services *RMB'000*	Huayikeer Services *RMB'000*	Others *RMB'000*	Total *RMB'000*
Cash consideration paid	45,160	49,062	25,583	119,805
Cash and cash equivalents acquired on the acquisition date	(14,928)	(3,435)	(9,902)	(28,265)
Net cash outflow on acquisitions	30,232	45,627	15,681	91,540

(ii) Revenue and profit contribution

The acquired businesses contributed revenue of RMB99,971,000 and net profit of RMB9,859,000 to the Group for the period from their respective acquisition dates to 31 December 2023.

If the acquisitions had occurred on 1 January 2023, the consolidated statement of comprehensive income for the year ended 31 December 2023 would show pro-forma revenue of RMB5,032,932,000 and net loss of RMB979,911,000, respectively.

38 DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2023, the Group disposed of interests in several subsidiaries to third parties. Details of the disposals are as follows:

	Total
	RMB'000
Cash received	4,141
Outstanding and included in other receivables	734
Fair value of interests in an associate and a joint venture	6,853
Total disposal considerations	11,728
Total net assets of subsidiaries disposed of	22,713
Less: non-controlling interests disposed of	(10,075)
	12,638
Losses on disposals	(910)
Cash proceeds from disposals, net of cash disposed of	
Cash considerations received	4,141
Less: cash and cash equivalents in the subsidiaries disposed of	(13,423)
Net cash outflow on disposals	(9,282)

39 RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name	Relationship
Jinke Property Group	Has significant influence over Jinke Services
Chongqing Bijinhui Property Development Co., Ltd.* 重慶市碧金輝房地產開發有限公司	Joint venture of Jinke Property
Dalian Jinke Jiuli Real Estate Development Co., Ltd.* 大連金科九裡房地產開發有限公司	Joint venture of Jinke Property
Changzhou Baijun Property Development Co., Ltd.* 常州百俊房地產開發有限公司	Joint venture of Jinke Property
Zhumadian City Bisheng Real Estate Co., Ltd.* 駐馬店市碧盛置業有限公司	Joint venture of Jinke Property
Chongqing Jinjiahai Real Estate Development Co., Ltd.* 重慶金嘉海房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jinmeiyuan Real Estate Development Co., Ltd.* 重慶金美圓房地產開發有限公司	Joint venture of Jinke Property
Chongqing Xidao Property Development Co., Ltd.* 重慶西道房地產開發有限公司	Joint venture of Jinke Property
Chongqing Wisler Construction Co., Ltd.* 重慶威斯勒建設有限公司	Joint venture of Jinke Property
Tianjin Junye Gongchuang Real Estate Co., Ltd.* 天津駿業共創置業有限公司	Joint venture of Jinke Property
Dalian Jinheng Yaohui Real Estate Development Co., Ltd.* 大連金恒耀輝房地產開發有限公司	Joint venture of Jinke Property
Taicang Zhuorun Real Estate Development Co., Ltd.* 太倉卓潤房地產開發有限公司	Joint venture of Jinke Property
Jiujiang Huadi Jinda Real Estate Co., Ltd.* 九江華地金達房地產有限公司	Joint venture of Jinke Property
Sishui Jinmengquan Real Estate Development Co., Ltd.* 泗水金孟泉房地產開發有限公司	Joint venture of Jinke Property
Guizhou Longli Tianchen Real Estate Development Co., Ltd.* 貴州龍裡天宸房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jinjiahe Property Development Co., Ltd.* 重慶金佳禾房地產開發有限公司	Joint venture of Jinke Property
Guizhou Huasheng Yongxin Real Estate Co., Ltd.* 貴州華勝永信置業有限公司	Joint venture of Jinke Property
Shenyang Junhan Real Estate Development Co., Ltd.* 瀋陽駿瀚房地產開發有限公司	Joint venture of Jinke Property
Shanxi Yunheng Property Development Co., Ltd.* 山西運恒房地產開發有限公司	Joint venture of Jinke Property
Liuzhou Luzhai Jinrun Real Estate Development Co., Ltd.* 柳州鹿寨金潤房地產開發有限公司	Joint venture of Jinke Property

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

Name	Relationship
Huaian Jinji Property Service Co., Ltd.* 淮安金吉物業服務有限公司	Joint venture of Jinke Property
Chongqing Jinyuhui Real Estate Development Co., Ltd.* 重慶金煜輝房地產開發有限公司	Joint venture of Jinke Property
Guangxi Huixian Real Estate Co., Ltd.* 廣西匯賢置業有限公司	Joint venture of Jinke Property
Wuhan Yejin Real Estate Development Co., Ltd.* 武漢業錦房地產開發有限公司	Joint venture of Jinke Property
Wuhan Yeshuo Real Estate Development Co., Ltd.* 武漢業碩房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jinjunrui Real Estate Development Co., Ltd.* 重慶金俊瑞房地產開發有限公司	Joint venture of Jinke Property
Jinan Jinke Xicheng Property Development Co., Ltd.* 濟南金科西城房地產開發有限公司	Joint venture of Jinke Property
Chongqing Kunxiang Yutang Property Development Co., Ltd.* 重慶昆翔譽棠房地產開發有限公司	Joint venture of Jinke Property
Henan Zhongshu Enterprises Co., Ltd.* 河南中書置業有限公司	Joint venture of Jinke Property
Hunan Jinke Jingchao Industry Development Co., Ltd.* 湖南金科景朝產業發展有限公司	Joint venture of Jinke Property
Changzhou Jinke Property Development Co., Ltd.* 常州金科房地產開發有限公司	Joint venture of Jinke Property
Foshan Jinji Real Estate Development Co., Ltd.* 佛山市金集房地產開發有限公司	Joint venture of Jinke Property
Dalian Jinhongji Real Estate Development Co., Ltd.* 大連金泓基房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jinke Junzhi Property Development Co., Ltd.* 重慶市金科駿志房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jitai Real Estate Development Co., Ltd.* 重慶基泰房地產開發有限公司	Joint venture of Jinke Property
Chongqing Meike Property Development Co., Ltd.* 重慶美科房地產開發有限公司	Joint venture of Jinke Property
Ji'an Jinsong Real Estate Development Co., Ltd.* 吉安金頌房地產開發有限公司	Joint venture of Jinke Property
Chengdu Jinkang Intelligent Operation Management Co., Ltd.* 成都金康智慧園區運營管理有限公司	Joint venture of Jinke Property
Xinxiang Jinke Jingchao Industry Development Co., Ltd.* 新鄉金科景朝產業發展有限公司	Joint venture of Jinke Property

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

Name	Relationship
Chongqing Meichengjin Property Development Co., Ltd.* 重慶美城金房地產開發有限公司	Joint venture of Jinke Property
Dalian Fengmao Enterprises Co., Ltd.* 大連豐茂置業有限公司	Joint venture of Jinke Property
Suqian Tongjinhong Real Estate Co., Ltd.* 宿遷市通金弘置業有限公司	Joint venture of Jinke Property
Guigang Yuegui Real Estate Development Co., Ltd.* 貴港悦桂房地產開發有限公司	Joint venture of Jinke Property
Chongqing Pinjinyue Property Development Co., Ltd.* 重慶品錦悦房地產開發有限公司	Joint venture of Jinke Property
Chongqing Jinjianglian Property Development Co., Ltd.* 重慶金江聯房地產開發有限公司	Joint venture of Jinke Property
Chongqing Xilianjin Property Development Co., Ltd.* 重慶西聯錦房地產開發有限公司	Joint venture of Jinke Property
Beijing Jinke Jinbi Real Estate Co., Ltd.* 北京金科金碧置業有限公司	Joint venture of Jinke Property
Hebei Guokong Lancheng Property Development Co., Ltd.* 河北國控藍城房地產開發有限公司	Joint venture of Jinke Property
Nanjing Yuhong Property Development Co., Ltd.* 南京裕鴻房地產開發有限公司	Joint venture of Jinke Property
Shanghai Longjun Property Development Co., Ltd.* 上海瓏竣房地產開發有限公司	Joint venture of Jinke Property
Shangrao Kesong Enterprises Co., Ltd.* 上饒市科頌置業有限公司	Joint venture of Jinke Property
Guangxi Tangpeng Investment Co., Ltd.* 廣西唐鵬投資有限公司	Joint venture of Jinke Property
Changsha Jingke Real Estate Co., Ltd.* 長沙景科置業有限公司	Joint venture of Jinke Property
Chongqing Jinnan Shengtang Property Development Co., Ltd.* 重慶金南盛唐房地產開發有限公司	Joint venture of Jinke Property
Shijiazhuang Jinke Property Development Co., Ltd.* 石家莊金科房地產開發有限公司	Joint venture of Jinke Property
Dalian Jinkun Real Estate Development Co., Ltd.* 大連金坤房地產開發有限公司	Joint venture of Jinke Property
Chongqing Lanbo Bay Real Estate Co., Ltd.* 重慶藍波灣置業有限公司	Joint venture of Jinke Property
Zhengzhou Xinyinke Enterprises Co., Ltd.* 鄭州新銀科置業有限公司	Joint venture of Jinke Property
Nanning Qingzhou Real Estate Development Co., Ltd.* 南寧晴洲房地產開發有限公司	Joint venture of Jinke Property

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

Name	Relationship
Qingdao Hengmei Real Estate Co., Ltd.* 青島恒美置業有限公司	Joint venture of Jinke Property
Yulin Longhe Country Garden Real Estate Development Co., Ltd.* 玉林市龍河碧桂園房地產開發有限公司	Joint venture of Jinke Property
Dalian Hongkun Enterprises Co., Ltd.* 大連弘坤實業有限公司	Joint venture of Jinke Property
Chongqing Bangtai Rongfeng Real Estate Development Co., Ltd.* 重慶邦泰蓉峰房地產開發有限公司	Joint venture of Jinke Property
Zhuzhou Jingke Real Estate Co., Ltd.* 株洲景科置業有限公司	Joint venture of Jinke Property
Xinmi Shouli Real Estate Co., Ltd.* 新密首利置業有限公司	Joint venture of Jinke Property
Henan Jinshangbaishi Enterprises Co., Ltd.* 河南金上百世置業有限公司	Joint venture of Jinke Property
Zhengzhou Qianshang Real Estate Co., Ltd.* 鄭州千上置業有限公司	Joint venture of Jinke Property
Shijiazhuang Jinke Tianyao Property Development Co., Ltd.* 石家莊金科天耀房地產開發有限公司	Joint venture of Jinke Property
Huaian Jinji Real Estate Co., Ltd.* 淮安金吉置業有限公司	Joint venture of Jinke Property
Chongqing Yingtai Boyuan Real Estate Co., Ltd.* 重慶盈泰博遠置業有限公司	Joint venture of Jinke Property
Fujian Hilton Holiday Hotel Co., Ltd.* 福建希爾頓假日大酒店有限公司	Joint venture of Jinke Property
Xuchang Jinyao Property Co., Ltd.* 許昌金耀房地產有限公司	Joint venture of Jinke Property
Chongqing Bijiayi Property Development Co., Ltd.* 重慶市碧嘉逸房地產開發有限公司	Joint venture of Jinke Property
Dalian Runyu Property Development Co., Ltd.* 大連潤譽房地產開發有限公司	Joint venture of Jinke Property
Henan Zhongjian Jinlun Enterprises Co., Ltd.* 河南中建錦倫置業有限公司	Joint venture of Jinke Property
Changsha Jinchao Real Estate Co., Ltd.* 長沙金朝置業有限公司	Joint venture of Jinke Property
Chongqing Western Consumer Poverty Alleviation Industry Development Co., Ltd.* 重慶西部消費扶貧產業發展有限公司	Associate of Jinke Property
Yunnan Jinke Xinhaihui Enterprises Co., Ltd.* 雲南金科鑫海匯置業有限公司	Associate of Jinke Property

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

Name	Relationship
Suzhou Xincheng Jinyue Property Development Co., Ltd.* 宿州新城金悅房地產開發有限公司	Associate of Jinke Property
Yidu Jiaotou Jinwei Property Development Co., Ltd.* 宜都交投金緯房地產開發有限公司	Associate of Jinke Property
Chengdu Chenpan Real Estate Co., Ltd.* 成都辰攀置業有限公司	Associate of Jinke Property
Chongqing Meichen Property Development Co., Ltd.* 重慶美宸房地產開發有限公司	Associate of Jinke Property
Changzhou Jinchen Real Estate Development Co., Ltd.* 常州金宸房地產開發有限公司	Associate of Jinke Property
Jian Jinchen Property Development Co., Ltd.* 吉安金晨房地產開發有限公司	Associate of Jinke Property
Linquan County Jiarun Property Development Co., Ltd.* 臨泉縣嘉潤房地產開發有限公司	Associate of Jinke Property
Chongqing Keshijin Real Estate Co., Ltd.* 重慶科世金置業有限公司	Associate of Jinke Property
Suzhou Zhuojun Real Estate Development Co., Ltd.* 蘇州卓竣房地產開發有限公司	Associate of Jinke Property
Hai'an Baijun Real Estate Development Co., Ltd.* 海安市百俊房地產開發有限公司	Associate of Jinke Property
Chongqing Jinghuanjin Real Estate Co., Ltd.* 重慶景煥金置業有限公司	Associate of Jinke Property
Yunnan Jinjia Real Estate Development Co., Ltd.* 雲南金嘉房地產開發有限公司	Associate of Jinke Property
Nanyang Zhongliang Chengtong Enterprises Co., Ltd.* 南陽中梁城通置業有限公司	Associate of Jinke Property
Tianjin Sunshine City Jinke Real Estate Development Co., Ltd.* 天津陽光城金科房地產開發有限公司	Associate of Jinke Property
Nanning Jinhong Xianghui Real estate Development Co., Ltd.* 南寧金鴻祥輝房地產開發有限公司	Associate of Jinke Property
Wuhan Fanxiu Real Estate Development Co., Ltd.* 武漢市藩秀房地產開發有限公司	Associate of Jinke Property
Nanjing Jinjun Real Estate Development Co., Ltd.* 南京金俊房地產開發有限公司	Associate of Jinke Property
Guizhou Changsa Real Estate Development Co., Ltd.* 貴州昌薩房地產開發有限公司	Associate of Jinke Property
Guangzhou Jingyu Real Estate Development Co., Ltd.* 廣州景譽房地產開發有限公司	Associate of Jinke Property
Shangrao Yuesheng Property Development Co., Ltd.* 上饒市悅盛房地產開發有限公司	Associate of Jinke Property

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

Name	Relationship
Wenzhou Jingrong Real Estate Co., Ltd.* 溫州景容置業有限公司	Associate of Jinke Property
Guangxi Yuanshan Investment Co., Ltd.* 廣西元善投資有限公司	Associate of Jinke Property
Xinyang Jinshao Real Estate Co., Ltd.* 信陽金紹置業有限公司	Associate of Jinke Property
Jinxiao Real Estate Development Co., Ltd.* 茂名市茂南區金驍房地產開發有限公司	Associate of Jinke Property
Ya'an Shengyu Real Estate Development Co., Ltd.* 雅安聖域房地產開發有限公司	Associate of Jinke Property
Chongqing Zhongliang Yongsheng Real Estate Development Co., Ltd.* 重慶中梁永昇房地產開發有限公司	Associate of Jinke Property
Xiangyang Jinlun Real Estate Development Co., Ltd.* 襄陽金綸房地產開發有限公司	Associate of Jinke Property
Yunnan Jinhongya Real Estate Development Co., Ltd.* 雲南金宏雅房地產開發有限公司	Associate of Jinke Property
Chongqing Shuchen Real Estate Development Co., Ltd.* 重慶蜀宸房地產開發有限公司	Associate of Jinke Property
Nanyang Jinyaohengdu Real Estate Co., Ltd.* 南陽金耀恒都置業有限公司	Associate of Jinke Property
Hubei Jiaotou Hailujing Suizhou Enterprises Co., Ltd.* 湖北交投海陸景隨州置業開發有限公司	Associate of Jinke Property
Guangxi Miaotai Real Estate Investment Co., Ltd.* 廣西淼泰房地產投資有限公司	Associate of Jinke Property
Anqing Jinshixiang Property Development Co., Ltd.* 安慶金世祥房地產開發有限公司	Associate of Jinke Property
Shenyang Junyu Property Development Co., Ltd.* 瀋陽駿宇房地產開發有限公司	Associate of Jinke Property
Suzhou Zhengnuo Real Estate Development Co., Ltd.* 蘇州正諾房地產開發有限公司	Associate of Jinke Property
Jiaxing Jinya Real Estate Development Co., Ltd.* 嘉興金雅房地產開發有限公司	Associate of Jinke Property
Taicang Xingyu Real Estate Co., Ltd.* 太倉興裕置業有限公司	Associate of Jinke Property
Wenzhou Kaiyi Enterprises Co., Ltd.* 溫州市凱壹置業有限公司	Associate of Jinke Property
Chongqing Taijun Property Development Co., Ltd.* 重慶泰駿房地產開發有限公司	Associate of Jinke Property
Suzhou Xiaojun Real Estate Development Co., Ltd.* 蘇州驍竣房地產開發有限公司	Associate of Jinke Property

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

Name	Relationship
Suzhou Pingtai Real Estate Co., Ltd.* 蘇州平泰置業有限公司	Associate of Jinke Property
Chongqing Jinyonghe Property Development Co., Ltd.* 重慶金永禾房地產開發有限公司	Associate of Jinke Property
Yuxi Jinke Junhui Real Estate Development Co., Ltd.* 玉溪金科駿輝房地產開發有限公司	Associate of Jinke Property
Yuxi Zhangtai Real Estate Development Co., Ltd.* 玉溪彰泰房地產開發有限公司	Associate of Jinke Property
Hangzhou Dexin Chaoyang Real Estate Co., Ltd.* 杭州德信朝陽置業有限公司	Associate of Jinke Property
Tianjin Languang Hejun Cultural Tourism Entertainment Development Co., Ltd.* 天津藍光和駿小站文旅娛樂發展有限公司	Associate of Jinke Property
Handan Liangrui Real Estate Development Co., Ltd.* 邯鄲梁瑞房地產開發有限公司	Associate of Jinke Property
Xiaogan Chenhui Real Estate Development Co., Ltd.* 孝感宸輝房地產開發有限公司	Associate of Jinke Property
Chongqing Jinyuyang Real Estate Development Co., Ltd.* 重慶金宇洋房地產開發有限公司	Associate of Jinke Property
Shenyang Liangming Property Development Co., Ltd.* 瀋陽樑銘房地產開發有限公司	Associate of Jinke Property
Hubei Jiaotou Hailu JingYandi Real Estate Development Co., Ltd.* 湖北交投海陸景炎帝置業開發有限公司	Associate of Jinke Property
Suqian Liangyue Real Estate Co., Ltd.* 宿遷梁悅置業有限公司	Associate of Jinke Property
Chongqing Weicheng Real Estate Co., Ltd.* 重慶韋成置業有限公司	Associate of Jinke Property
Taizhou Shimao New Milestone Real Estate Co., Ltd.* 台州世茂新里程置業有限公司	Associate of Jinke Property
Lanxi Zhonglianglong Enterprises Co., Ltd.* 蘭溪中梁龍置業有限公司	Associate of Jinke Property
Chongqing Jinyuehui Real Estate Development Co., Ltd.* 重慶金悅匯房地產開發有限責任公司	Associate of Jinke Property

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

Name	Relationship
Suining Chuanda Real Estate Development Co., Ltd.* 遂甯川達房地產開發有限公司	Associate of Jinke Property
Chongqing Jinchen Jinyu Real Estate Development Co., Ltd.* 重慶金宸錦宇房地產開發有限公司	Associate of Jinke Property
Handan Rongkai Real Estate Development Co., Ltd.* 邯鄲榮凱房地產開發有限公司	Associate of Jinke Property
Guangxi Yuanjia Investment Co., Ltd.* 廣西元嘉投資有限公司	Associate of Jinke Property
Liuzhou Tongxin Real Estate Development Co., Ltd.* 柳州同鑫房地產開發有限公司	Associate of Jinke Property
Hunan Baize Property Management Co., Ltd.* 湖南白澤物業管理有限公司	Joint venture of Jinke Services
Shanghai Jinyue Le Fang Commercial Management Co., Ltd.* 上海金悅樂方商業管理有限公司	Joint venture of Jinke Services
Chongqing Jinyue Le Fang Commercial Management Co., Ltd.* 重慶金悅樂方商業管理有限公司	Joint venture of Jinke Services
Shanghai Jinyue Longji Business Management Co., Ltd.* 上海金悅隆際商業經營管理有限公司	Joint venture of Jinke Services
Chongqing Jinke Xinci Business Management Co., Ltd.* 重慶金科鑫磁商業管理有限公司	Joint venture of Jinke Services
Wuhan Wenfu Jinju Wisdom Service Management Co., Ltd.* 武漢文服金聚智慧服務管理有限公司	Joint venture of Jinke Services
Gansu Jinya Intelligent Life Service Co., Ltd.* 甘肅金雅智慧生活服務有限公司	Joint venture of Jinke Services
Anhui Kejian Property Service Co., Ltd.* 安徽科建物業服務有限公司	Joint venture of Jinke Services

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

Name	Relationship
Nanning Weikai Intelligent Property Services Co., Ltd.* 南寧威凱智慧物業服務有限公司	Associate of Jinke Services
Chongqing Jinrui Smart Life Service Co., Ltd.* 重慶金瑞智慧生活服務有限公司	Associate of Jinke Services
Urumqi Tianjierenhe Labor Dispatching Co., Ltd.* 烏魯木齊天潔仁和勞務派遣有限公司	Associate of Jinke Services
Beijing Yitu Exit-entry Service Co., Ltd.* 北京壹途因私出入境服務有限公司	Associate of Jinke Services
Jiangxi Jinke Haimian City Smart Service Co., Ltd.* 江西金科海綿城市智慧服務有限公司	Associate of Jinke Services
Leshan High-tech Investment Smart City Operation Property Management Co., Ltd.* 樂山高新投智慧城市運營物業管理有限公司	Associate of Jinke Services
Nanjing Meihao Aijia Household Products Co., Ltd.* 南京美好艾佳家居用品有限公司	Associate of Jinke Services
Neijiang Road Intelligence Property Service Co., Ltd.* 內江路科智慧物業服務有限公司	Associate of Jinke Services
Renhuai Chengke Property Service Co., Ltd.* 仁懷市城科物業服務有限公司	Associate of Jinke Services
Ningxia High-speed Rail Jinke City Service Co., Ltd.* 寧夏高鐵金科城市服務有限責任公司	Associate of Jinke Services
Neijiang Jinchen Wisdom Property Service Co., Ltd.* 內江市金宸智慧物業服務有限公司	Associate of Jinke Services
Chongqing Jinke Jiefu Education Technology Co., Ltd.* 重慶市金科傑夫教育科技有限公司	Associate of Jinke Services
Chongqing Tianhuitong Technology Co., Ltd.* 重慶天匯通科技有限公司	Associate of Jinke Services
Chongqing Jinjia Huike Technology Co., Ltd.* 重慶金家惠客科技有限責任公司	Associate of Jinke Services

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

39 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Transactions with related parties

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Provision of services		
– Jinke Property Group	**125,559**	507,488
– Joint ventures of Jinke Property	**25,014**	49,031
– Associates of Jinke Property	**–**	47,480
– Joint ventures and associates of Jinke Services	**41,442**	9,201
	192,015	613,200
Acquisition of properties and right-of-use assets		
– Jinke Property Group (ii)	**143,949**	183,011
– Joint ventures of Jinke Property	**4,760**	–
	148,709	183,011
Acquisition of an associate		
– Jinke Property Group	**–**	130,822
Purchase of goods and services		
– Joint ventures and associates of Jinke Services	**26,261**	13,885
– Jinke Property Group	**3,488**	1,487
– Joint ventures of Jinke Property	**608**	257
	30,357	15,629
Rental expenses		
– Jinke Property Group	**–**	360
Interest expense for lease liabilities		
– Jinke Property Group	**2,213**	2,838

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Payment of lease liabilities		
– Jinke Property Group	2,113	7,018
Loans to related parties		
– Jinke Property Group (Note 21)	–	1,500,000
– Joint ventures of Jinke Services	29,000	–
	29,000	1,500,000
Interest income from loans to a related party		
– Jinke Property Group (Note 7)	111,603	5,609

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

(c) Key management compensation

Compensations for key management other than those for directors and supervisors as disclosed in Note 41 is set out below.

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Salaries and other short-term employee benefits	5,325	3,294
Discretionary Bonuses	1,740	919
Contribution to pension scheme	120	69
Share-based payments	2,213	–
	9,398	4,282

39 RELATED PARTY TRANSACTIONS *(Continued)*

(d) Balances with related parties

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables		
– Jinke Property Group	**617,278**	550,861
– Joint ventures of Jinke Property	**49,524**	44,075
– Joint ventures and associates of Jinke Services	**9,512**	2,506
	676,314	597,442
Bill receivables		
– Jinke Property Group	**15,450**	16,532
Loans to a related party		
– Jinke Property Group	**1,623,908**	1,505,609
Other receivables		
– Jinke Property Group (i)(ii)	**473,227**	887,730
– Joint ventures of Jinke Property	**6,963**	16,024
– Joint ventures and associates of Jinke Services	**30,398**	606
	510,588	904,360
Finance lease receivables		
– Associates of Jinke Services	**79,249**	79,493
Prepayments		
– Jinke Property Group	**7,184**	7,692

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade payables		
– Jinke Property Group	**2,956**	1,030
– Joint ventures and associates of Jinke Services	**14,070**	5,428
– Joint ventures of Jinke Property	**6**	261
	17,032	6,719
Bill Payables		
– A joint venture of Jinke Services	**4,995**	–
Other payables		
– Jinke Property Group	**62,501**	34,098
– A joint venture and associates of Jinke Services	**267**	1,100
– Joint ventures of Jinke Property	**1,514**	265
	64,282	35,463
Contract liabilities		
– Jinke Property Group	**4,172**	4,281
– Joint ventures of Jinke Property	**685**	877
– Associates of Jinke Services	**3**	50
	4,860	5,208

Above trade receivables, bill receivables, trade payables, bill payables and contract liabilities due from/to related parties are trade in nature, while the other receivables and other payables due from/to related parties, except performance guarantee deposits and collection of parking lots sales on behalf of the Jinke Property Group, are non-trade in nature.

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

39 RELATED PARTY TRANSACTIONS *(Continued)*

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

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

(ii) The acquisition is related to the debt settlement transaction and the details are as follows.

The Group entered into the Debt Settlement Agreement with Jinke Property in December 2023. Pursuant to the Debt Settlement Agreement, the Group and Jinke Property has settled partial of the other receivables through the right-of-use assets of parking lots. The initial cost of right-of-use assets is measured at fair value amounted to RMB143,949,000, which is equal to the fair value of the receivables given up.

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

		As at 31 December	
	Note	2023 *RMB'000*	2022 *RMB'000*
Assets			
Non-current assets			
Property, plant and equipment		**81,388**	81,352
Right-of-use assets		**4,312**	6,482
Investment properties		**18,859**	42,182
Intangible assets		**33,789**	21,229
Investment in subsidiaries		**2,258,581**	1,661,337
Investment in associates and joint ventures		**163,464**	151,335
Loan receivables		**–**	554,017
Other receivables		**80,271**	81,203
Term deposits		**120,000**	–
Financial assets at fair value through profit or loss		**45,317**	51,000
Deferred income tax assets		**423,072**	205,640
		3,229,053	2,855,777

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

	Note	As at 31 December 2023 RMB'000	2022 RMB'000
Current assets			
Inventories		3,192	5,106
Other assets		11,657	19,658
Loan receivables		372,200	832,649
Trade and bill and other receivables and prepayments		2,531,262	2,541,006
Restricted cash		120,690	2,821
Term deposits		100,000	–
Cash and cash equivalents		2,548,772	2,762,281
		5,687,773	6,163,521
Total assets		8,916,826	9,019,298
Equity			
Equity attributable to owners of the Company			
Share capital	28	639,479	652,848
Other reserves	(a)	5,699,385	5,983,743
Accumulated losses	(a)	(1,009,137)	(278,841)
Total equity		5,329,727	6,357,750
Liabilities			
Non-current liabilities			
Lease liabilities		1,724	2,975
		1,724	2,975

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

	Note	As at 31 December 2023 RMB'000	2022 RMB'000
Current liabilities			
Financial liabilities at fair value through profit or loss		**38,435**	–
Trade and bill and other payables		**2,821,497**	2,028,582
Lease liabilities		**2,750**	3,692
Contract liabilities		**705,802**	608,959
Current income tax liabilities		**16,891**	17,340
		3,585,375	2,658,573
Total liabilities		**3,587,099**	2,661,548
Total equity and liabilities		**8,916,826**	9,019,298

The balance sheet of the Company was approved by the Board of Directors on 27 March 2024 and were signed on its behalf.

Mr. Xia Shaofei	**Mr. Yan Lingyang**	**Mr. Qi Shihao**
Chairman & Executive Director	*Chief Financial Officer*	*Non-executive Director*

40 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(a) Reserve movement of the Company

	Treasury Shares	Shares held for share award scheme	Capital reserves	Employee share-based compensation reserves	Statutory reserves	Total other reserves	Retained earnings/ (accumulated losses)	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2022	–	(13,281)	5,949,337	–	134,562	6,070,618	881,446	6,952,064
Loss for the year	–	–	–	–	–	–	(735,936)	(735,936)
Dividend declared to shareholders of the Company	–	–	–	–	–	–	(424,351)	(424,351)
Purchase of shares in connection with share award scheme (Note 29(c))	–	(86,875)	–	–	–	(86,875)	–	(86,875)
Balance at 31 December 2022	–	(100,156)	5,949,337	–	134,562	5,983,743	(278,841)	5,704,902
Balance at 1 January 2023	–	(100,156)	5,949,337	–	134,562	5,983,743	(278,841)	5,704,902
Loss for the year	–	–	–	–	–	–	(730,296)	(730,296)
Cancellation of shares	129,395	–	(116,026)	–	–	13,369	–	13,369
Repurchase of shares of the Company	(266,979)	–	–	–	–	(266,979)	–	(266,979)
Purchase of shares in connection with share award scheme (Note 29(c))	–	(45,364)	–	–	–	(45,364)	–	(45,364)
Share option scheme-value of employee services (Note 9)	–	–	–	14,616	–	14,616	–	14,616
Balance at 31 December 2023	(137,584)	(145,520)	5,833,311	14,616	134,562	5,699,385	(1,009,137)	4,690,248

41 DIRECTORS' AND SUPERVISORS' BENEFITS AND INTERESTS

(a) Directors' and supervisors' emoluments

The directors and supervisors received emoluments from the Group for the year ended 31 December 2023 as follows:

Name	Fees	Salaries	Bonuses	Housing allowance	Employer's contribution to a retirement benefit scheme	Share-based payments	Other allowance and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors								
Mr. Xia Shaofei	206	2,206	1,050	26	35	1,475	24	5,022
Non-executive Directors								
Mr. Xu Guofu (Note (i))	207	292	–	6	9	–	6	520
Mr. Shi Cheng (Note (ii))	17	–	–	–	–	–	–	17
Mr. Luo Licheng (Note (iii))	90	–	–	–	–	–	–	90
Mr. Liang Zhongtai (Note (iv))	173	–	–	–	–	–	–	173
Mr. Wu Xiaoli (Note (vii))	–	–	–	–	–	–	–	–
Ms. Lin Ke (Note (vii))	–	–	–	–	–	–	–	–
Mr. Qi Shihao (Note (v)(vii))	–	–	–	–	–	–	–	–
Mr. Wei Yi (Note (vi)(vii))	–	–	–	–	–	–	–	–

41 DIRECTORS' AND SUPERVISORS' BENEFITS AND INTERESTS *(Continued)*

(a) Directors' and supervisors' emoluments *(Continued)*

The directors and supervisors received emoluments from the Group for the year ended 31 December 2023 as follows: *(Continued)*

Name	Fees *RMB'000*	Salaries *RMB'000*	Bonuses *RMB'000*	Housing allowance *RMB'000*	Employer's contribution to a retirement benefit scheme *RMB'000*	Share-based payments *RMB'000*	Other allowance and benefits in kind *RMB'000*	Total *RMB'000*
Independent non-executive directors								
Ms. Xiao Huilin (Note (viii))	175	–	–	–	–	–	–	175
Ms. Yuan Lin	295	–	–	–	–	–	–	295
Mr. Tung Woon Cheung (Note (ix))	75	–	–	–	–	–	–	75
Mr. Cao Guohua (Note (x))	120	–	–	–	–	–	–	120
Mr. Chan Chi Fung (Note (x))	120	–	–	–	–	–	–	120
Mr. Wong Yik Chung (Note (xi))	25	–	–	–	–	–	–	25
Supervisors								
Mr. Yu Yong	130	808	294	26	37	274	25	1,594
Ms. Ren Wenjuan	130	222	84	14	21	137	14	622
Mr. Luo Ruifeng (Note (xii))	70	–	–	–	–	–	–	70
Mr. Han Chong (Note (xiii))	60	–	–	–	–	–	–	60
	1,893	3,528	1,428	72	102	1,886	69	8,978

41 DIRECTORS' AND SUPERVISORS' BENEFITS AND INTERESTS *(Continued)*

(a) Directors' and supervisors' emoluments *(Continued)*

The directors and supervisors received emoluments from the Group for the year ended 31 December 2022 as follows:

Name	Fees	Salaries	Bonuses	Housing allowance	Employer's contribution to a retirement benefit scheme	Other allowance and benefits in kind	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors							
Mr. Xia Shaofei	180	1,633	1,360	26	35	25	3,259
Mr. Luo Chuansong (Note (xiv))	105	925	1,055	26	35	25	2,171
Mr. Xu Guofu	180	1,056	500	26	35	25	1,822
Non-executive Directors							
Mr. Luo Licheng	180	–	–	–	–	–	180
Mr. Liang Zhongtai	180	–	–	–	–	–	180
Ms. Fu Ting	105	–	–	–	–	–	105
Independent non-executive directors							
Mr. Cao Guohua	240	–	–	–	–	–	240
Mr. Chan Chi Fung	240	–	–	–	–	–	240
Ms. Yuan Lin	240	–	–	–	–	–	240
Supervisors							
Mr. Yuyong	120	658	650	26	35	25	1,514
Mr. Hanchong	120	–	–	–	–	–	120
Ms. Ren Wenjuan	120	193	125	15	24	15	492
	2,010	4,465	3,690	119	164	115	10,563

41 DIRECTORS' AND SUPERVISORS' BENEFITS AND INTERESTS *(Continued)*

(a) Directors' and supervisors' emoluments *(Continued)*

(i) Mr. Xu Guofu re-designated from an executive director to a non-executive director on 13 February 2023.

(ii) Mr. Shi Cheng was appointed as non-executive director on 7 December 2023.

(iii) Mr. Luo Licheng retired and no longer served as non-executive director on 8 June 2023.

(iv) Mr. Liang Zhongtai resigned the position of non-executive director on 3 November 2023.

(v) Mr. Qi Shihao was appointed as non-executive director on 7 December 2023.

(vi) Mr. Wei Yi was appointed as non-executive director on 8 June 2023 and resigned on 3 November 2023.

(vii) The non-executive Directors, Mr. Wu Xiaoli, Ms. Lin Ke, Mr. Qi Shihao and Mr. Wei Yi have respectively made arrangements with the Company under which they have waived or agreed to waive their emoluments, and they did not receive any emoluments from the Group for the year ended 31 December 2023.

(viii) Ms. Xiao Huilin was appointed as independent non-executive director on 8 June 2023.

(ix) Mr. Tung Woon Cheung was appointed as independent non-executive director on 13 October 2023.

(x) Mr. Cao Guohua and Mr. Chan Chi Fung retired and no longer served as independent non-executive director on 8 June 2023.

(xi) Mr. Wong Yik Chung was appointed as independent non-executive director on 8 June 2023 and resigned on 27 June 2023.

(xii) Mr. Luo Ruifeng was appointed as supervisor on 8 June 2023.

(xiii) Mr. Han Chong retired and no longer served as supervisor on 8 June 2023.

(xiv) Mr. Luo Chuansong resigned the position of executive director and remained the position of executive general manager in the Company on 27 June 2022.

All of these individuals have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office.

41 DIRECTORS' AND SUPERVISORS' BENEFITS AND INTERESTS *(Continued)*

(b) Directors' retirement benefits and termination benefits

There were no retirement benefits was paid to or receivable by directors during the year ended 31 December 2023 by defined benefit pension plans operated by the Group and there were no director's termination benefits subsisted during the year ended 31 December 2023 (2022: nil).

(c) Consideration provided to third parties for making available directors' services

There was no consideration provided to third parties for making available directors' services subsisted during the year ended 31 December 2023 (2022: nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted during the year ended 31 December 2023 (2022: nil).

(e) Directors' material interests in transactions, arrangements or contracts

There were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the year ended 31 December 2023 (2022: nil).

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

42.1 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 42.2).

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see Note 42.1(iv) below), after initially being recognized at cost.

(iii) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures.

Interests in joint ventures are accounted for using the equity method (see Note 42.1(iv) below), after initially being recognized at cost in the consolidated statement of financial position.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.1 Principles of consolidation and equity accounting *(Continued)*

(iv) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 42.9.

(v) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.2 Business combinations

The acquisition method of accounting is used to account for all business combinations not under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.2 Business combinations *(Continued)*

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

42.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries arc accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

42.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized within "Other losses – net" in the consolidated statement of comprehensive income.

42.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Construction in progress represents the direct costs of construction incurred of property, plant and equipment less any impairment losses. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and put into use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other losses – net" in the consolidated statement of comprehensive income.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.7 Investment properties

Investment properties, principally nursery properties freehold or held under leases, are held for rental yields or for capital appreciation or both and are not occupied by the Group. The Group measured its investment properties at cost, including related transaction costs and where applicable borrowing costs. Depreciation is calculated using the straight-line method to allocate their cost over their useful life or lease term varying from 20 to 44 years.

42.8 Intangible assets

(i) Goodwill

Goodwill is measured as described in Note 42.2. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(ii) Software

Computer software are initially recognized and measured at costs incurred to acquire and bring them to use. Computer software are amortized over their estimated useful lives (generally 5 or 10 years, based on management's expectation on the technological lives of the systems), using the straight-line method which reflects the pattern in which the intangible asset's future economic benefits are expected to be consumed.

(iii) Customer relationships

Customer relationship is recognized through business combinations (Note 37). Customer relationship acquired in a business combination is 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. Amortization is calculated using the straight-line method over the expected life of 10 years for the customer relationship.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets other than goodwill suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

42.10 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI"). For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.10 Investments and other financial assets *(Continued)*

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "Other losses – net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "Other losses – net." Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other losses – net" and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within "Other losses – net" in the period in which it arises.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.10 Investments and other financial assets *(Continued)*

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in "Other losses – net" in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 23 for further details. The provision matrix is determined based on historical observed default rates over the expected life of trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables from third parties and related parties are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

42.12 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

42.13 Other assets

Other assets represent parking lots and commercial properties are initially recognized and measured at costs incurred to acquire. Other assets are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price of disposals, less the estimated costs of completion and the estimated costs necessary to make the disposals.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within “Other losses – net” in the consolidated statement of comprehensive income.

42.14 Cash and cash equivalents, term deposits and restricted cash

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank deposits with initial terms of over three months are included in “Term deposits” in the consolidated statement of financial position.

Bank deposits which are restricted to use are included in “Restricted cash” in the consolidated statement of financial position.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

42.16 Share-based payments

The Company operates a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as in exchange for equity instruments ("equity-settled transactions").

The total amount to be expensed is measured by reference to the fair value of the share at the date at which they are granted.

The total expense of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired. The charge or credit to the consolidated income statement for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not considered when determining the fair value of awards at grant date, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

The grant by the Company of its shares to the employees of the subsidiaries of the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the fair value at grant date, is recognized over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent entity accounts.

42.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.18 Financial instruments issued to investors

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

As the Group does not have the unconditional right to avoid delivering cash or another financial assets to settle contractual obligation, the Group recognized a financial liability which recognized initially at the present value of the redemption amount. The financial liabilities are subsequently measured at amortized cost. Interests from the financial instruments are charged in "Finance cost". Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect the present value of revised estimated future cash outflows at the financial instrument's original effective interest rate, and the adjustments will be recognized as "Finance cost" (Note 32). The redemption liabilities are classified as current liabilities unless the preferential rights can only be exercised after 12 months after the end of each reporting period.

42.19 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.19 Current and deferred income tax *(Continued)*

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.20 Employee benefits

(i) Pension obligations

The Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(ii) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.20 Employee benefits *(Continued)*

(iv) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statements of financial position.

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

42.21 Provisions

Provisions for legal claims, service warranties and make good obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

42.22 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortized cost calculated using the effective interest method is recognized in profit or loss and presented in the consolidated statement of comprehensive income as "Other income".

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.23 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

42.24 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, and

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

42 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(Continued)*

42.25 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group complies with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

43 EVENT AFTER THE BALANCE SHEET DATE

Save as disclosed in this report, there are no material subsequent event undertaken by the Company or by the Group.

FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December				
	2023	2022	2021	2020	2019
	(RMB'000)	*(RMB'000)*	*(RMB'000)* (Restated)	*(RMB'000)*	*(RMB'000)*
Revenue	**4,979,741**	5,005,059	5,968,448	3,371,878	2,327,657
Cost of sales	**(4,051,564)**	(4,061,857)	(4,122,014)	(2,362,589)	(1,691,979)
Gross profit	**928,177**	943,202	1,846,434	1,009,289	635,678
Selling and marketing expenses	**(2,150)**	(4,639)	(3,073)	(1,672)	(3,021)
Administrative expenses	**(602,763)**	(557,881)	(481,288)	(251,600)	(233,390)
Net impairment losses on financial assets	**(1,470,565)**	(2,152,408)	(68,728)	(8,209)	(4,018)
Other income	**149,703**	44,147	25,223	47,908	52,146
Other (losses)/gains – net	**(166,354)**	(307,250)	(26,957)	(37,269)	1,788
Operating profit	**(1,163,952)**	(2,034,829)	1,291,611	758,447	449,183
Finance income	**46,455**	41,888	26,732	85,394	160,731
Finance cost	**(13,981)**	(10,217)	(1,591)	(76,988)	(159,962)
Finance income/(cost) – net	**32,474**	31,671	25,141	8,406	769
Share of net profits/(losses) of associates and joint ventures accounted for using the equity method	**11,933**	1,765	4,101	(845)	160
(Loss)/profit before income tax	**(1,119,545)**	(2,001,393)	1,320,853	766,008	450,112
Income tax credit/(expense)	**137,884**	161,458	(244,023)	(133,791)	(75,728)
(Loss)/profit and total comprehensive income for the year	**(981,661)**	(1,839,935)	1,076,830	632,217	374,384
(Loss)/profit and total comprehensive income attributable to:					
– Owner of the Company	**(951,038)**	(1,818,545)	1,057,182	616,616	366,452
– Non-controlling interests	**(30,623)**	(21,390)	19,648	15,601	7,932
	(981,661)	(1,839,935)	1,076,830	632,217	374,384
(Losses)/earnings per share (expressed in RMB per share)					
– Basic and diluted (losses)/earnings per share	**(1.49)**	(2.80)	1.62	1.24	0.80

FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December				
	2023 *(RMB'000)*	2022 *(RMB'000)*	2021 *(RMB'000)* (Restated)	2020 *(RMB'000)*	2019 *(RMB'000)*
Assets					
Non-current assets	**1,990,392**	2,006,597	983,506	109,416	1,191,346
Current assets	**5,666,935**	6,350,162	9,455,987	8,515,147	2,902,547
Total assets	**7,657,327**	8,356,759	10,439,493	8,624,563	4,093,893
Equity					
Equity attributable to owners of the Company	**4,077,934**	5,326,783	7,657,005	7,198,336	482,700
Non-controlling interests	**19,313**	73,582	72,971	38,311	22,295
Total equity	**4,097,247**	5,400,365	7,729,976	7,236,647	504,995
Liabilities					
Non-current liabilities	**187,277**	192,394	193,249	46,082	1,148,468
Current liabilities	**3,372,803**	2,764,000	2,516,268	1,341,834	2,440,430
Total liabilities	**3,560,080**	2,956,394	2,709,517	1,387,916	3,588,898
Total equity and liabilities	**7,657,327**	8,356,759	10,439,493	8,624,563	4,093,893

GLOSSARY AND DEFINITION

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

"2017 Employee Stock Ownership Plan"	the employee stock ownership plan approved by Jinke Property in January 2017
"2020 Employee Stock Ownership Plan"	the employee stock ownership plan adopted by the Company on 7 April 2020
"2022 H Share Award Scheme"	the H Share award scheme adopted by the Company on 30 December 2022
"2023 Share Award Scheme"	the share award scheme adopted by the Company on 30 March 2023
"AGM"	the annual general meeting of the Company for 2023 to be convened and held on Friday, 7 June 2024
"Articles of Association" or "Articles"	the articles of association of the Company
"Audit Committee"	the audit committee of the Board
"Award"	an award of H Shares to a Selected Participant determined by the Board under the 2022 H Share Award Scheme
"Awarded Share(s)"	in respect of a Selected Participant, such number of Scheme Shares as determined by the Board and awarded to each of the Selected Participant(s) for the purpose of the Award
"Board"	the board of Directors
"Board Committees"	the Audit Committee, ESG Committee, Nomination Committee and Remuneration Committee, collectively
"Board Diversity Policy"	the board diversity policy of the Company
"CG Code"	Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company" or "Jinke Services"	Jinke Smart Services Group Co., Ltd.* (金科智慧服務集團股份有限公司), a limited liability company established in the PRC on 18 July 2000 and converted into a joint stock company with limited liability on 28 May 2020, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9666)

GLOSSARY AND DEFINITION

"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Delegatee"	the management committee, person(s) or board committee(s) to which the Board has delegated its authority to administer the 2022 H Share Award Scheme
"Director(s)"	the director(s) of the Company
"Directors' Remuneration Policy"	the Directors' remuneration policy of the Company
"ESG"	environmental, social and governance
"ESG Committee"	the environmental, social and governance committee of the Board
"Grant Letter"	letter issued by the Company to each Selected Participant in such form as the Board or the Delegatee may from time to time determine, specifying the Grant Date, the manner of acceptance of the Award, the value of the Award, the number of Awarded Shares, the vesting criteria and conditions, and the vesting date and such other details, terms and conditions as they may consider necessary and in compliance with the 2022 H Share Award Scheme
"GFA"	gross floor area
"Group"	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
"H Share Registrar"	Tricor Investor Services Limited
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Administrative Region of the PRC
"Independent Third Party(ies)"	individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates (within the meaning of the Listing Rules)

"Jinke Property"	Jinke Property Group Co., Ltd.* (金科地產集團股份有限公司), a joint stock company with limited liability established in the PRC on 29 March 1994, listed on the Shenzhen Stock Exchange (stock code: 000656.SZ)
"Jinke Property Group"	Jinke Property and its subsidiaries
"Listing 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 C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"Nomination Policy"	the nomination policy of the Company
"Over-allotment Option"	the option granted by the Company to allot and issue up to 19,936,700 additional H Shares in connection with the global offering of the Company as disclosed in the Prospectus
"Prospectus"	the prospectus of the Company dated 5 November 2020
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period" or "Year"	the year ended 31 December 2023
"Returned Shares"	H Shares that the Selected Participants have no entitlement pursuant to the 2022 H Share Award Scheme, such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the 2022 H Share Award Scheme, or such other H Shares being deemed to be Returned Shares in accordance with the terms of the 2022 H Share Award Scheme, or such awarded Shares which are not vested and/or forfeited in accordance with the terms of the 2023 Share Award Scheme, where applicable
"RMB" or "Renminbi"	the lawful currency of the People's Republic of China
"Scheme Shares"	the H Shares purchased by the Trustee that have not been allocated by the Trustee as Awarded Shares, and the Returned Shares in connection with the 2022 H Share Award Scheme

GLOSSARY AND DEFINITION

"Selected Participant(s)"	eligible participants selected by the Board and Delegatee to participate in the 2022 H Share Award Scheme, or a participant who has been selected by the Administrative Committee to participate in the 2023 Share Award Scheme, where applicable
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the H Shares only
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"Trust"	the trust constituted by the Trust Deed to service the 2022 H Share Award Scheme
"Trust Deed"	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time) for the 2022 H Share Award Scheme
"Trustee"	being the trustee or trustees for the time being of the trusts declared in the Trust Deed
"sq.m."	square meter(s)
"USA"	the United States of America
"US$" or "United States dollars"	US dollars, the lawful currency of the United States of America
"%"	percent

* *for identification purpose only*

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