



Landsea Green Life Service Company Limited
朗詩綠色生活服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號 : 1965

2022 Interim Results Presentation

2022.08



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朗诗绿色生活
— LANDSEA GREEN LIFE —

PART 01

COMPANY OVERVIEW



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ONE

Financial highlight

Rapid expansion in scale

Contracted GFA	36.49 million sq.m.	↑ 30.5%
GFA under management	27.63 million sq.m.	↑ 42.1%
New contracted GFA	9.16 million sq.m.	↑ 599.2%
New GFA under management	8.82 million sq.m.	↑ 1108.2%

Comprehensive expansion from third-party

New contracted GFA from independent third-party	9.10 million sq.m.
New GFA under management from independent third-party	7.90 million sq.m.
Percentage of GFA under management by independent third parties	56.2% ↑ 13.9pct.
New contracted GFA from merger and acquisition	7.03 million sq.m.

Continuous growth in revenue

Total revenue	RMB 418 million	↑ 29.4%
Revenue from property management services	RMB 277 million	↑ 20.4%
Revenue from value-added services to non-property owners	RMB 108 million	↑ 52.1%
Revenue from community value-added services	RMB 33 million	↑ 50.0%

Continuous increase in profitability

Gross Profit	RMB 105 million	↑ 38.2%
Gross Profit Margin	25.1 %	↑ 1.4pct.
Net Profit	RMB 24 million	↑ 71.4%
Net Profit Margin	5.7 %	↑ 1.2pct.

1. Business scale comparing with that of 31 December 2021, revenue and profit comparing with that of 30 June 2021;
2. Listing expenses are not excluded from net profit and net profit margin measurement.

Continuous upgrades in customer connectivity diversity

Orderly advancement of digital intelligence tools

Strengthen the concept of green and sustainable development

Continuous outward expansion brings scale and efficiency improvement

Continued growth in financial results

- ◆ Adhere to customer orientation, satisfy the spiritual and cultural needs of customers. The Landsea Friends has stimulated and maintained the vitality of local communities through professional methods such as cultivating KOLs among the property owners and incubating owners community, to build a community with familiarity and enriched sense of belonging and joint contribution for residents;
- ◆ We proposed standardization of community cultural products and customer service chain, enhanced the convenience and interaction of community cultural experience for customers;
- ◆ A total of 11 city-level interest groups were established, and 146 community-level groups were connected, including 27 newly incubated community running groups. All interest groups are operated by property owner KOLs voluntarily;
- ◆ A total of 106 activities for the community brand activities, city community activities and online activities were held, of which 28% were independently organized by the property owners, covering more than 170,000 customers, with 8,193 families of property owners participated.
- ◆ Corporate service account covered all projects under management;
- ◆ Corporate WeChat basically achieved full coverage of families;
- ◆ Customer service mini program has been fully launched, and the online service contact and the service experience management system jointly established with the Service Account and the Corporate WeChat have been gradually improved.
- ◆ Responding to China “30 • 60” carbon peaking and neutrality goals, we participated and promoted “green development” in property management industry. We are exploring ways to carbon neutrality in sustainable community, committed to reducing carbon emission in the full scenario of residents’ urban community life, including community domestic energy, domestic water, residents’ travel, and harmless waste.
- ◆ Combining the post-O&M of green buildings with the preliminary consulting services, we provided with green building property management consulting services with a new contracted service area of 280,000 sqm
- ◆ Total contacted GFA was approximately 38.98 million sqm, of which, off-balance-sheet contracted GFA was approximately 2.49 million sqm; consolidated contracted GFA was approximately 36.49 million sqm, representing an increase of 30.5% compared to that of 31 December 2021
- ◆ Total GFA under management was approximately 29.90 million sqm, of which, off-balance-sheet GFA under management was approximately 2.27 million sqm; consolidated GFA under management was approximately 27.63 million sqm, representing an increase of 42.1% compared to that of 31 December 2021
- ◆ Revenue from main business increased by 29.4% comparing with corresponding period of last year;
- ◆ Gross profit margin was approximately 25.1%, representing a year-on-year increase of 1.4 percentage points

Overview of the Company

A fast-growing property management service provider with a strong presence in the Yangtze River Delta and a proven track record in providing green building property management services

Outstanding track record

As of 30 June 2022



Ranked **23**rd
in overall strength

Overall strength in Top 100 Property Management Companies in China 2021

As of 31 December 2021



Ranked **3**rd
in Top 100 Property Management Companies in China

Ranking of the Top 100 Property Management Companies in China based on the proportion of green buildings with 2-star or above certification in the building area under management

2018-2021



33.5%
Four-year compound annual growth rate of revenue

2018-2021



23.5%
Four-year compound annual growth rate of net profit

Operations as of 30 June 2022



27.63 million sqm

Including approximately 26.25 million sqm of residential properties under management, approximately 1.38 million sqm of commercial and office buildings, and 9 urban services projects (annual contracted revenue of approximately RMB18.13 million)



36.49 million sqm

Including approximately 34.89 million sqm of residential properties, approximately 1.60 million sqm of commercial and office buildings, and 9 urban services projects (annual contracted revenue of approximately RMB18.13 million)



35 cities

Property management services cover 35 cities, including 26 cities from the Yangtze River Delta and 9 other cities in the PRC



193 projects

193 properties under management, including 159 residential properties, 25 commercial and office buildings, and 9 urban services projects, providing services to over 230,000 households

A WARM COMMUNITY

Main business models

The Company derives its revenue from three main business lines: property management services, value-added services to non-property owners and community value-added services.

66.3%¹

Property management services

Providing property management services to property developers, property owners and residents of residential, commercial and office buildings, and urban services properties

A variety of property management services



Security services



Cleaning services



Gardening and landscaping services



Carpark management



Regular repairs and maintenance services



Customized services for non-residential properties

Serving a diverse business portfolio of residential, commercial and office buildings, and urban services

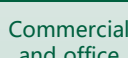
Residential



All types of residential communities



Houses



Commercial and office buildings



Office buildings



Rental apartments



Hospitals

Urban Services



Urban civil service



Public facilities



Industrial parks



Branches of bank

25.8%¹

Value-added services to non-property owners

Providing customized value-added services to Landsea and independent third parties



Sales assistance services: mainly includes 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



Property consultancy services: from the perspective of property management with respect to property development site selection, positioning, engineering and construction, as well as other pre-delivery services to property developers



Property agency services: including marketing and sales planning, market research and analysis, customer data management and analysis, organizing and training of sales staff to property developers

7.9%¹

Community value-added services

Provide a variety of community value-added services to property owners and residents in residential properties under management



Home-living services: such as house cleaning and home repair and maintenance services.



Public resources management services: mainly include leasing common areas and advertising.



Asset management services: property agency services in relation to the sale and lease of properties, parking space and parking rights.

1. Segment revenue share for the first half of 2022

PART 02

OPERATION REVIEW



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TWO

■ Policies to encourage industry development

1. An important part of promoting the construction of 15-Minute Urban Community Life Circles;
2. Pandemic prevention and control to accelerate the integration of the property management industry into social grassroots governance;
3. Encourage the promotion of smart community construction, to enhance the intelligent management of facilities and equipment.

Timetable	Area	Name of policy	Summary of the key components
January 2022	Nationwide	State Council "“14 th Five Year” Notice of Urban and Rural Community Service System Construction Planning”	Comprehensively promote the construction of 15-Minute Urban Community Life Circles, leading the market and society to develop community childcare, elderly care and other service industries. Encourage the development of living service industry, such as community properties, maintenance, housekeeping, catering, snacks, cosmetic and hairdressing; encourage qualified regions to introduce professional property services, constructing a sound two-way selection mechanism for owners and property service companies.
February 2022	Nationwide	State Council "“14 th Five Year” National Planning for Elderly Career Development and Elderly Care Service System”	Develop community elderly service organizations, support community elderly service organizations to establish and operate family nursing beds and extend their services to families; support property companies to leverage their advantages of being close to residents and cooperate with community elderly service organizations to provide home elderly services.
May 2022	Nationwide	General Office of the MOHURD and the State Post Bureau published "Notice on the Protection of Mail Delivery Services during the Prevention and Control of the Pandemic”	Integrate property service companies into the local pandemic prevention and control system, assist in solving the actual difficulties encountered by property service companies in the work of pandemic prevention and control, and instruct property service companies to do better in the prevention and control of pandemic in the management region.
May 2022	Nationwide	Nine departments such as Ministry of Civil Affairs, Central Political and Legal Affairs Commission and Cyberspace Administration of China, etc. "Opinions on the In-depth Promotion of Smart Community Construction”	Six key objectives were proposed to promote the construction of smart communities: first, to intensively construct of smart community platform; second, to expand smart community governance scenarios; third, to construct a new picture of community digital living; fourth, to promote the application of big data in the community; fifth, to simplify and consolidate community data entry; sixth, strengthen the construction and transformation of smart community infrastructure.

Capable in established and leading position in the green building management

Benefit from the Landsea Group's "Green Differentiation Strategy", we have developed extensive experience, strengths and competencies in providing property services to green buildings

Green building management development will be given new opportunities, the Ministry of Housing and Construction and other ministries and state agencies require the proportion of "green building" area in new buildings to reach at least **70%¹** by 2022



- ◆ As at 31 December 2021, green projects under management accounted for **28.9%** of the total property area under management, significantly higher than the average of the top 100 properties at **4.2%**
- ◆ The proportion of **two-star or above** certified green buildings under management to the floor area under management, ranking **third** among the Top 100 Property Management Companies in China; as at 31 December 2021, ranking **sixth** among the Top 100 Property Management Companies in China in terms of gross floor area under management in green buildings



- ◆ Received the first **BREEAM In-Use V6** certification for a residential project in 2020
- ◆ In 2021, we signed a strategic cooperation agreement with the Building Research Establishment (BRE) in the UK and became the exclusive **BREEAM In-Use** Green Building O&M Standard (Residential) certification assessor in the PRC
- ◆ In December 2021, awarded the highest 6-star certification for BREEAM In-Use V6 residential project in the world

As at 30 June 2022:

Types	No. of green projects	No. of residents	GFA delivered ('10,000 sqm)
Residential	49	53,214	733
Commercial and office buildings	2	N/A	6
Total	51	53,214	739

Committed to:

- ◆ Implementation of the BREEAM In-Use green building O&M standard in **100** of the Group's residential projects
- ◆ Joint training of green building certification and assessment personnel and O&M management personnel
- ◆ Joint promotion of green building O&M concepts and standards

1. In July 2020, the Ministry of Housing and Urban-Rural Development, the National Development and Reform Commission, the Ministry of Education of the People's Republic of China, the Ministry of Industry and Information Technology of the People's Republic of China, the People's Bank of China, the National Government Offices Administration and the China Banking and Insurance Regulatory Commission jointly promulgated the Notice on the Issuance of the Action Plan for the Creation of Green Buildings, which requires that the proportion of "green building" area in new buildings should reach at least 70% by 2022, and reaffirms the commitment to continue to promote the rapid development of "green buildings"

Exploring the Path to Carbon Neutrality in Sustainable Communities

As a green and low-carbon community life service provider and city operator, Landsea Green Life actively builds the “Low-carbon Living Community” model, and is committed to reducing carbon emission in the full scenario of residents’ urban community life, including community domestic energy, domestic water, residents’ travel, and harmless waste.

朗诗绿色生活碳中和實現路徑
Landsea Green Life's path to carbon neutrality

範圍 Area	路徑 Path
範圍一和二 Scope 1 & 2	<ul style="list-style-type: none">辦公空間的綠色節能改造；增加可再生能源電力的使用；推動綠色辦公和員工行為的節能減碳。 <ul style="list-style-type: none">Green energy-saving transformation of office space;Increase the use of renewable energy and electricity;Promote energy conservation and carbon reduction in green office and employee behavior.
範圍三 Scope 3	<ul style="list-style-type: none">推動供應鏈加快綠色低碳轉型；宣導員工綠色出行，並通過開通企業碳積分系統進行激勵。 <ul style="list-style-type: none">Accelerate the green and low-carbon transformation of the supply chain;Advocate employees' green travel, and encourage them by opening the enterprise carbon score system.
範圍三 + (推動社區生態減排) Scope 3 + (promoting carbon emission reduction in communities)	<ul style="list-style-type: none">2023 年實現 100 個依據 BREEAM In-Use 綠色建築運維標準打造的朗詩社區；積極構建“可持續社區朗詩低碳模式”，推廣社區資源回收、節能節水等相關技術措施，及社區碳排放管理平台的開發；宣導社區居民的低碳生活方式，組織開展低碳公益活動，推動社區碳普惠。 <ul style="list-style-type: none">In 2023, 100 Landsea communities in line with the BREEAM In-Use green building operation and maintenance standard will be built;Actively build “Sustainable Community Landsea Low-carbon Model”, promote community resource recovery, energy conservation and water saving and other related technical measures, and develop a community carbon emission management platform;Advocate the low-carbon lifestyle of community residents, organize low-carbon public welfare activities, and promote community carbon inclusiveness.

Green operation & maintenance for low-carbon cities

- Deepen the eight operation & maintenance systems
- Create a low-carbon and waste-free community atmosphere
- Protecting community biodiversity

Integrate with the property industry for boosting green transformation

- Boost green transformation of the property industry: to participate in Sustainable Development (Carbon Peaking and Carbon Neutrality) Professional Committee of Shanghai Property Management Association

Release the Road Map of Carbon Neutrality

- Release the road map of carbon neutrality, clarifying the timetable and realization road map of carbon neutrality of the Company
- To promote reduction carbon emission in the full scenario of residents’ urban as an important goal for the future development of the Company

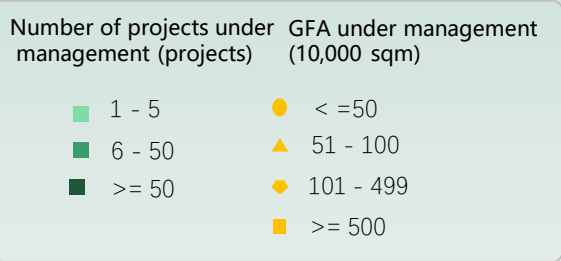
Well-established in the highly attractive regional market of the Yangtze River Delta

Starting from the first project in Nanjing, we’ve built up a wide brand influence, reputation and high market expansion and operational capability in the Yangtze River Delta

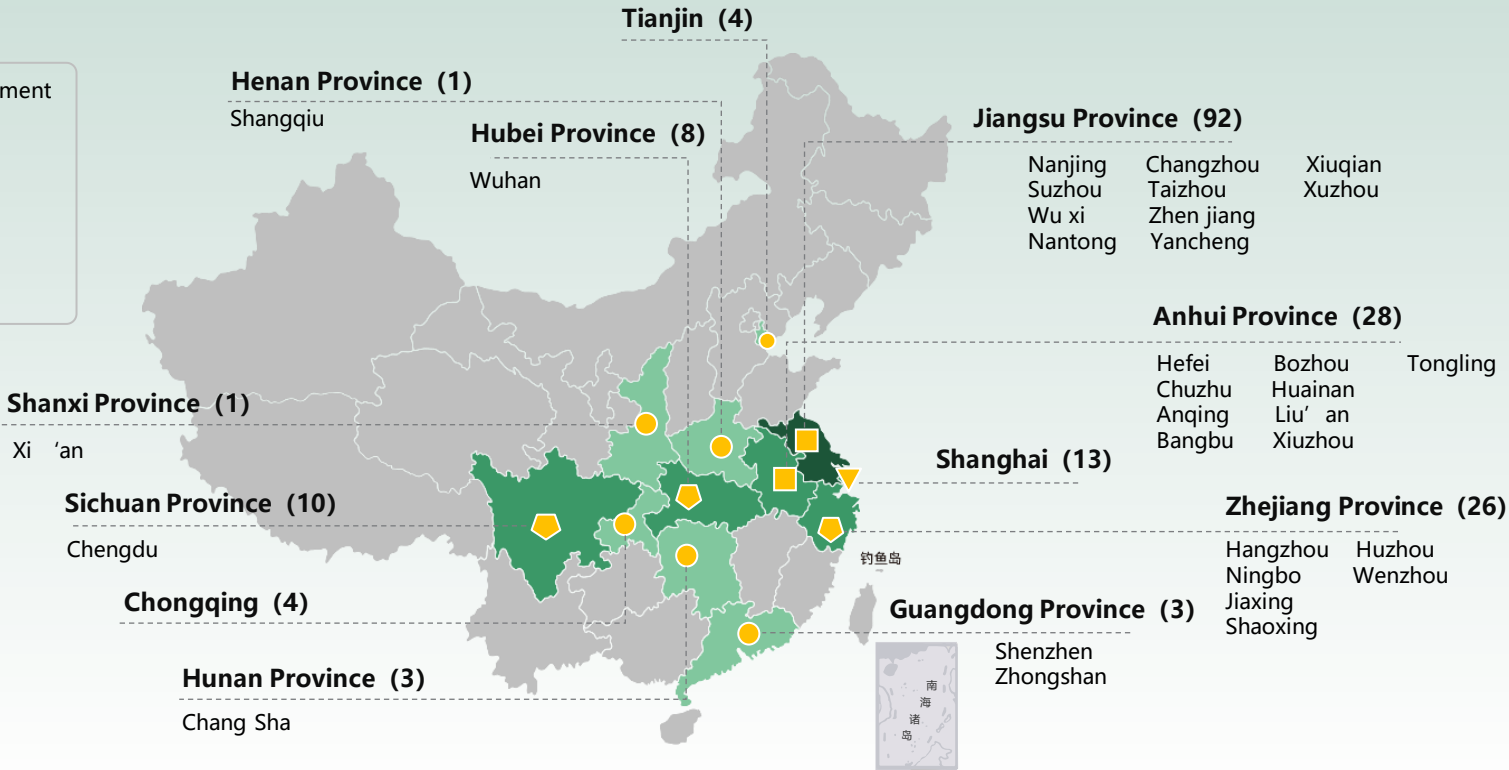


26 of the 35 cities under our business coverage are located in the Yangtze River Delta

Data as at: 30 June 2022

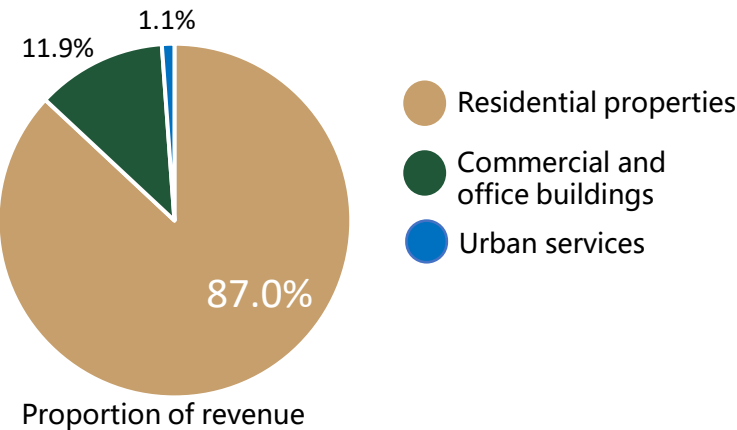


Of the 193 projects under management, 159 are located in the Yangtze River Delta, accounting for 86% of the area under management



Enhanced services profession, diversified business portfolio

Diversified business portfolio, percentage of revenue from commercial and office buildings increased by 2.1 pct.



Expansion of property management scale, continuous enhancement in brand awareness and standardization of services



In June 2021, we obtained ISO:27001 Information Security Management System Certification



In March 2021, we obtained ISO:50001 Energy Management System Certification

On 30 June 2022, the Group's average property management fee per unit was RMB2.15, with residential property management fee per unit was **RMB 2**, and commercial and office buildings management fee per unit was **RMB 6.40**

Residential Properties

All types of residential properties, including green residential properties

As at 30 June 2022, **159** residential properties under management in total, of which **36** were added in the first half of 2022;

Commercial and office buildings

Including office buildings, rental apartments and commercial buildings etc.

As at 30 June 2022, **25** commercial and office buildings under management in total, of which **7** were added in the first half of 2022; GFA under management was approximately **1.38** million sqm, representing an increase of **185.7%** as compared with the end of last year

Urban services

Including urban civil services, public facilities, industrial parks and branches of banks etc.

As at 30 June 2022, **9** urban services properties under management in total, of which **6** were added in the first half of 2022

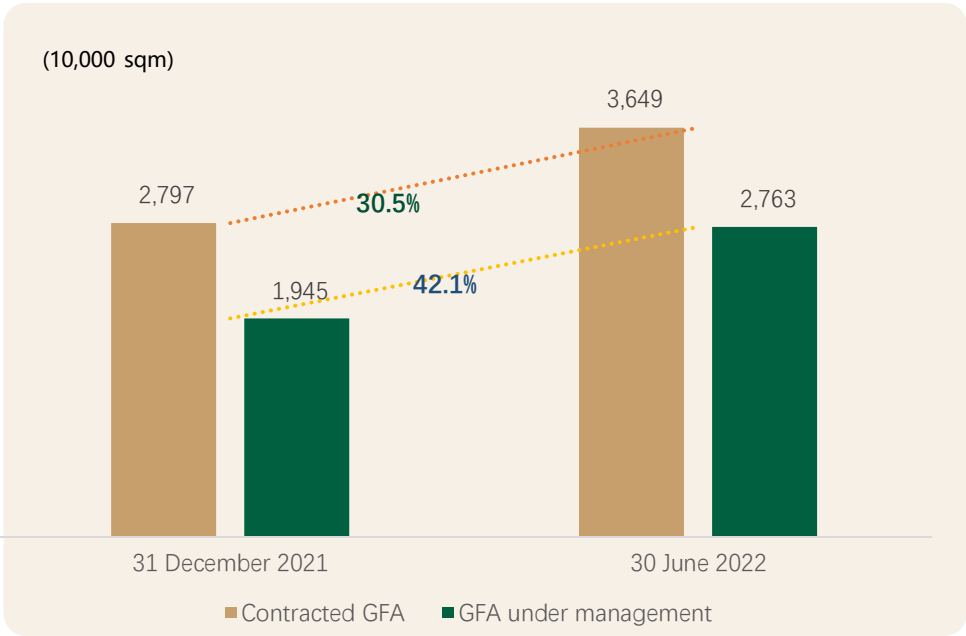


A WARM COMMUNITY

Management scale continues to improve, independent third-party area ratio over 50%

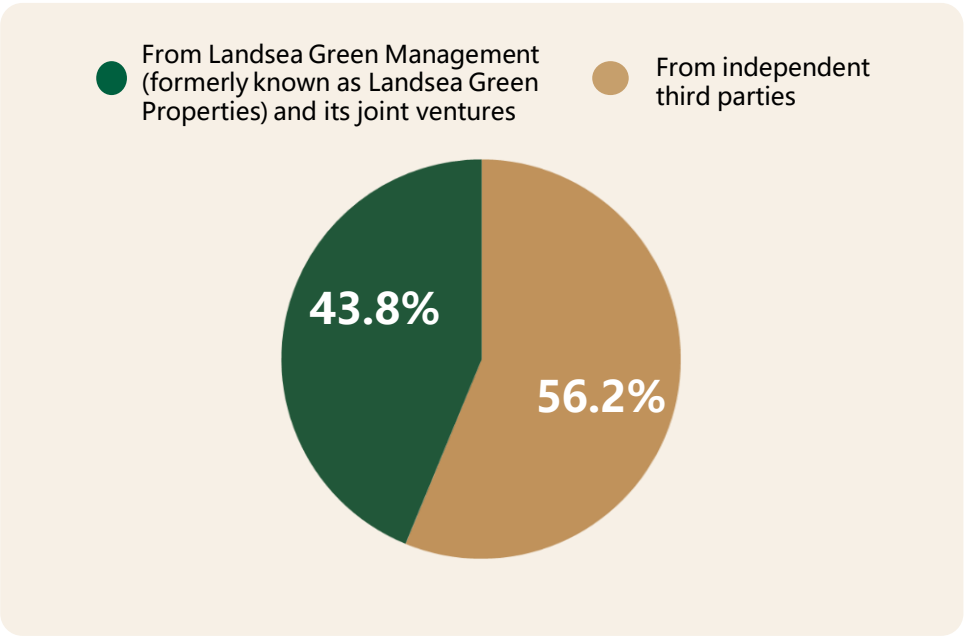
As at the end of June 2022, the contracted GFA and GFA under management were approximately **36.49** million sqm and **27.63** million sqm respectively

Continued improvement in management scale



2018-2021, the proportion of GFA under management from independent third parties surged from 16.6% to 42.3%; the ratio has reached **56.2%** at the end of June 2022

GFA under management by independent third parties of more than 50%



Continued to accelerate external expansion through partner companies and completed the equity transfer of the first acquisition

Relying on its brand influence, quality services, efficient management and market-oriented cooperation approach, the Group has entered into strategic cooperation with the government, state-owned enterprises, regional property developers and others, and set up partner companies to accelerate the process of external expansion; the breakdown of the new partner companies as at 30 June 2022 is as follows.:

	No. of companies	No. of projects	GFA under management (10,000 sq.m.)
Revenue and GFA under management consolidated	6	7	142
Off-balance-sheet, only sharing investment income	8	18	249

At the end of 2021, the Group acquired 100% equity interest in Dream Seeker, the target company, and its subsidiary, Anhui Xindi Ruiyi Property Services. The completion of the acquisition took place on 30 May 2022 and the Group's contracted GFA increased by approximately 7.03 million sq.m., further strengthen Landsea Green Life's influence in Anhui regional market.

In the first half of the year, Xindi Ruiyi successful bid for the sanitation and cleaning project in Qinlan Town (秦栏镇), with a contract period of three years, total contracted revenue amounted to approximately RMB 15.60 million, which contributes to the construction of urban life service concept of the Group and to the further enrichment of our business portfolio.



Landmark building in Anhui – Xindi Center
(Project under management of Xindi Ruiyi)

Value-added services to non-property owners

Value-added services to non-property owners mainly include: sales assistance services, property consultancy services and property agency services

Three dimensions of sustainable communities



Eight professional O&M capabilities



Sales assistance services

As at 30 June 2022, the Group had provided sales assistance services to **47** sales offices to Landsea Green Management and related partner companies, and properties companies of independent third-party

Property consultancy services

In January-June 2022, we provided green building property management consultancy services to Chongqing Le Mansion, Chongqing Future Times, Chongqing Central Park project, Chengdu Future Block and Lishui Baoding Zen Temple project , with a service area of **280,000** sqm and a contract value of RMB **2.23** million

Property agency services

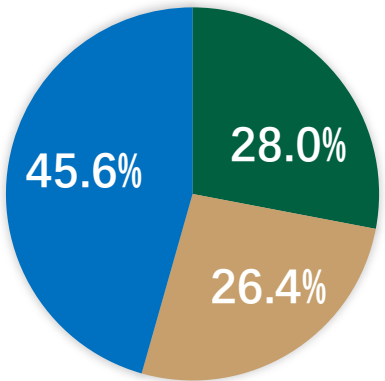
Remaining property sales: during the period, the Group facilitated **5** apartment transactions, **19** store transactions and **600** parking space transactions

New property sales: new property sales: In addition to providing property agency services to property developers, we also assisted property developers to enter into property sale and purchase agreements with buyers to assist them in selling new properties, thereby expanding our property agency services to them

During the period, the Group facilitated **53** residential property transactions

Segment revenue share

- Property agency services
- Sales assistance services
- Property consultancy services



Community value-added services

Community value-added services mainly include providing to residential properties under management: home-living services, public resources management services and asset management services

Two major brands

诗友公社

THE LANDSEA FRIENDS

With the community associations as the medium, facilitate effective interaction with property owners through diversified and enriching community cultural operation, deeply explore the strengths of property owners, stimulate their love, connect property owners with the same interests and hobbies, and foster neighborhood relationship;

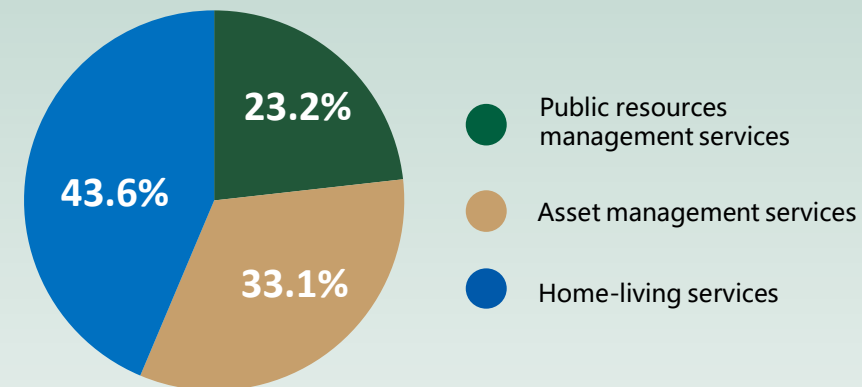
- ◆ In the first half of 2022, the Landsea Friends released three sets of standard guidelines for fully closed-loop cultural marketing and a toolkit of activities in line with Landsea Green Life's community culture, to develop more professional and standardised community activities;
- ◆ In the first half of 2022, a total of **11** national and city-level interest groups were established, and **146** community-level groups were connected, including 27 newly incubated community running groups, and a unique Landsea association Intellectual Property — Hundred Groups Overflowing with Color (百團溢彩) was created;
- ◆ During the period, a total of **106** activities for the community brand activities, city community activities and online activities were held, of which 30 were independently organized by the customers, covering more than **170,000** customers, with **8,193** families of customers participated
- ◆ "Landsea Friends mini-programs" was formally launched in June 2022 to connect the cultural life of residents online



Providing property agency services to property developers and property owners



Segment business



Asset management services – realised an increase in both trading volume and revenue

- ◆ 483 transactions, 927 leases, with a transaction value of **RMB406** million;
- ◆ Revenue increased by **108.1%**

Home-living services

- ◆ Revenue from home-living services increased by **47.9%** comparing with previous year, despite the impact of the pandemic

A WARM COMMUNITY

Data-driven operational capability enhancement to create a customer-centric warm service

Digital technology drives the upgrade of business operations and management systems to improve operational efficiency, reduce costs, strengthen management decision-making capabilities and optimise the service experience

Development and upgrading of internal management systems



Data supported to improve the efficiency and quality of business decisions through digitalisation

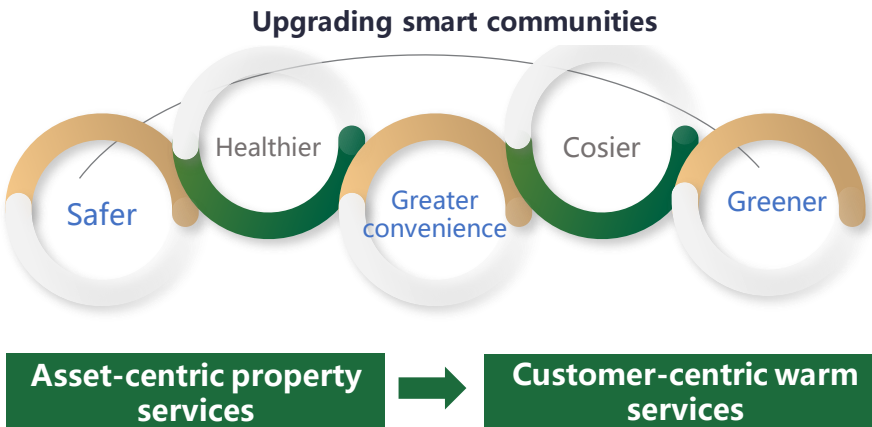
Human resource planning and management system

Financial data sharing and management system

Resources and service procurement management system

Various business development and management system

Further upgrades to the digital intelligence system



Continued upgrades to Landsea eCloud and customer service platform



Upgrading Landsea eCloud platform:

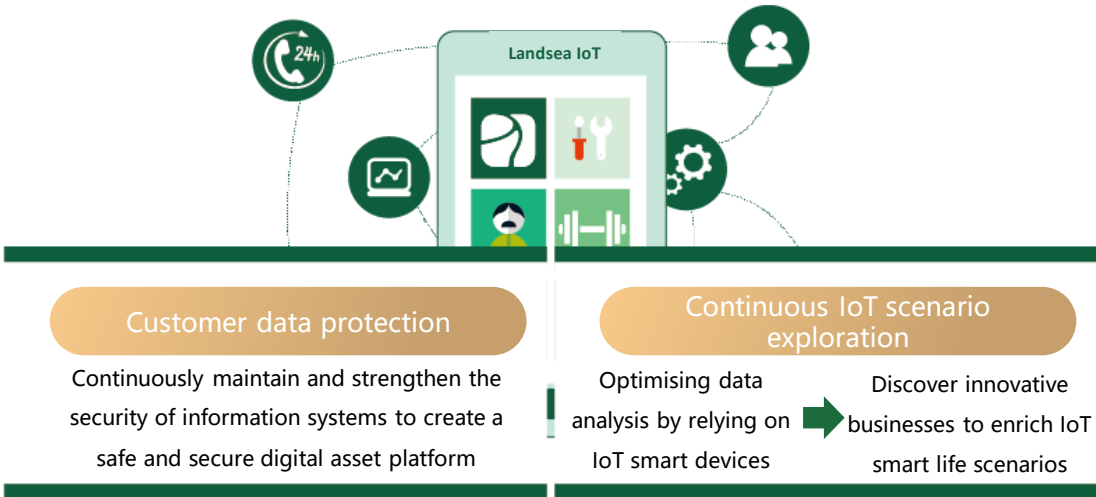
- ◆ Establish a digital management cockpit to achieve full process management of properties under management
- ◆ Multiple views of site operations to improve daily operational efficiency and reduce administrative costs



Building a customer operation platform:

- ◆ Analyse customer needs from multiple perspectives, optimise service models and content through digitalisation, and provide services tailored to customer needs
- ◆ Improve community service platform such as mini-program, corporate Wechat and community activities tools, and enrich community activities

Improve data security and continue IoT scenario exploration



Continued strengthening of human resource management to enhance brand awareness and service professionalism

To create an entrepreneurial work environment through continuous recruitment and motivation of talents, and to enhance visibility through promotion, optimisation of business layout and quality management

Continuous motivation, retention and recruitment to enhance human resource management



Talent career path construction

The Company's talent career path construction idea is a three-step strategy of recruitment, employment and termination. Recruitment focuses on standards, employment focuses on training and termination focuses on evaluation. By formulating an effective selection plan for successors and reserve talents for key positions, we can reasonably identify and train a pool of reserve talents, establish a talent career path for the Company and provide manpower support for its sustainable development.

Organisational effectiveness improvement

The Company has established an automated, intelligent and digital manpower information platform that is customer-oriented and with focus on user experience. Through the centralization of management decisions, unification of standards and sharing of service functions, the Company has achieved a strategic human resource management system and improved its overall management effectiveness and organizational performance.

Enhancing brand awareness and achieving professionalisation of services

Continuing to enhance brand awareness and the service concept of "building warm communities"

- ✓ Increase the number of BREEAM In-Use V6 certified residential projects to continue to enhance our ability to provide green building property management services
- ✓ Organise and participate in branding activities and work with research institutes, local authorities and the media to promote the brand
- ✓ Committed to reducing carbon emission in the full scenario of residents' urban community life, including community domestic energy, domestic water, residents' travel, and harmless waste

Establishing "Landsea Green Life Research Team" to understand customer and market needs

- ✓ Business layout of the property management services industry
- ✓ Future trends and types of property management services
- ✓ Exploring innovative value-added services and green building features services of commercial and office buildings and urban services

Further upgrading of internal management system specifications for stricter quality control

OHSAS 18001 **ISO45001**
International Occupational Safety Assessment
Health and Safety System Certification
Management System
Certification
ISO 50001
Energy Management System
Certification

PART 03

FINANCIAL REVIEW



LAST

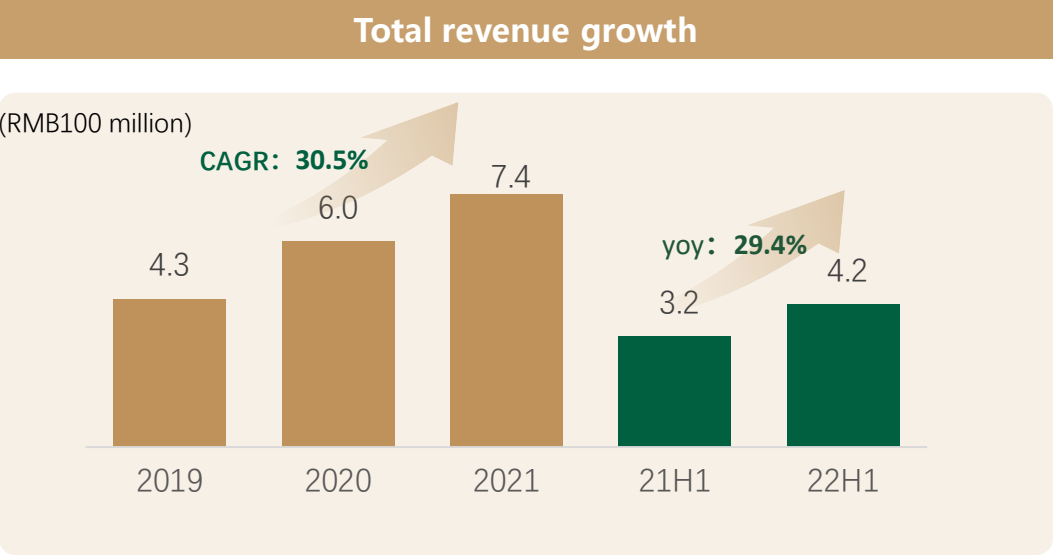


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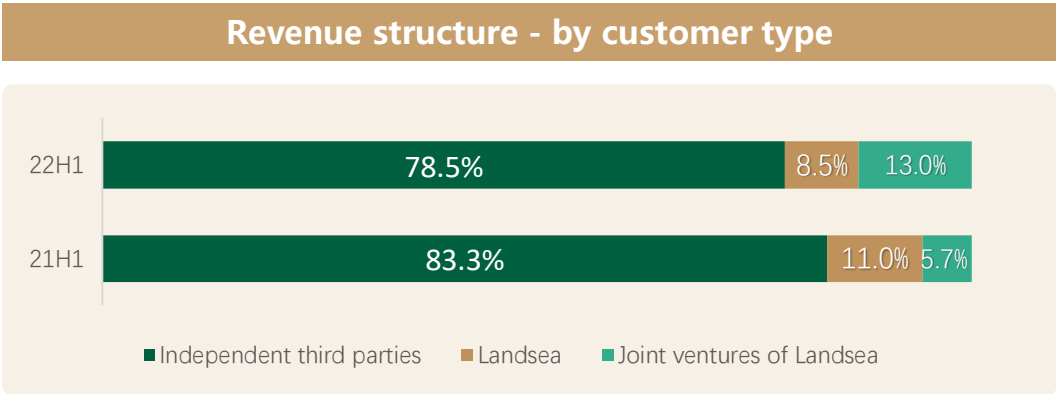
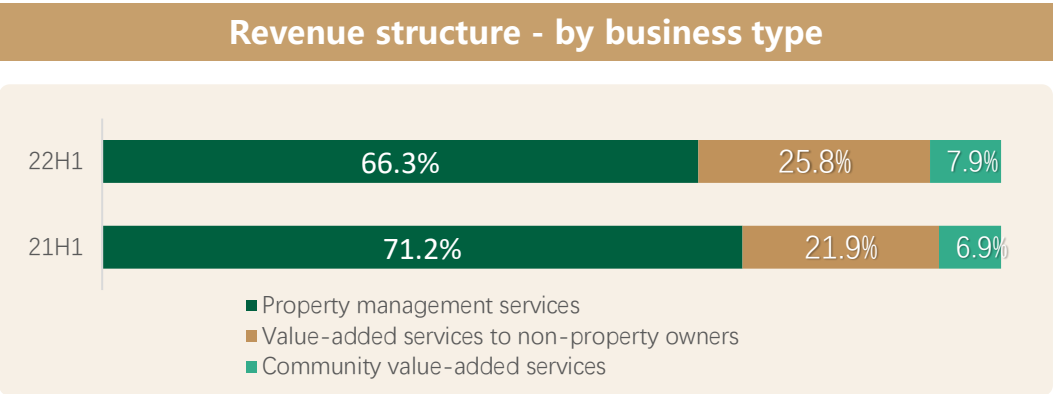
THREE

Total revenue has steadily increased, with proportion of value-added services further increased



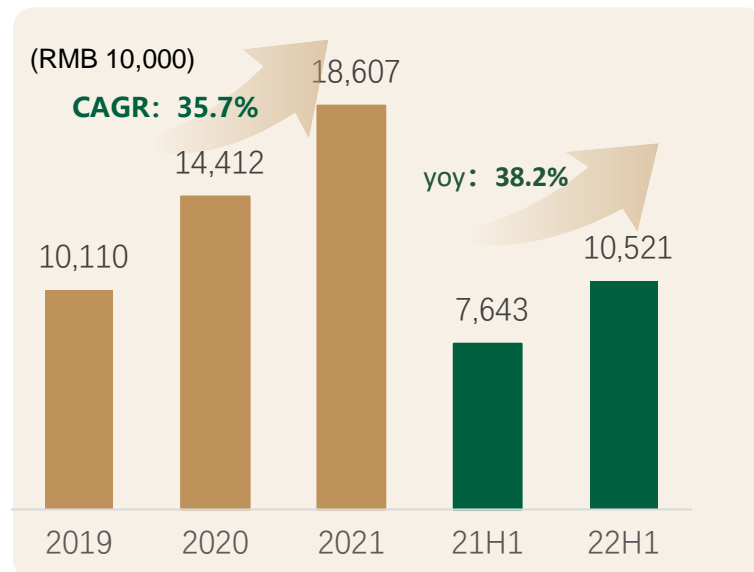
In the first half of 2022, total revenues grew at a year-on-year rate of **29.4%**, specifically:

- ◆ By business type, the total revenue of value-added services to non-property owner and community value-added services grew at **51.5%** and increased their revenue share by 4.9 percentage points year-on-year to around **33.7%**
- ◆ By customer type, revenue from independent third parties accounted for over 80%, remained at a comparatively high level

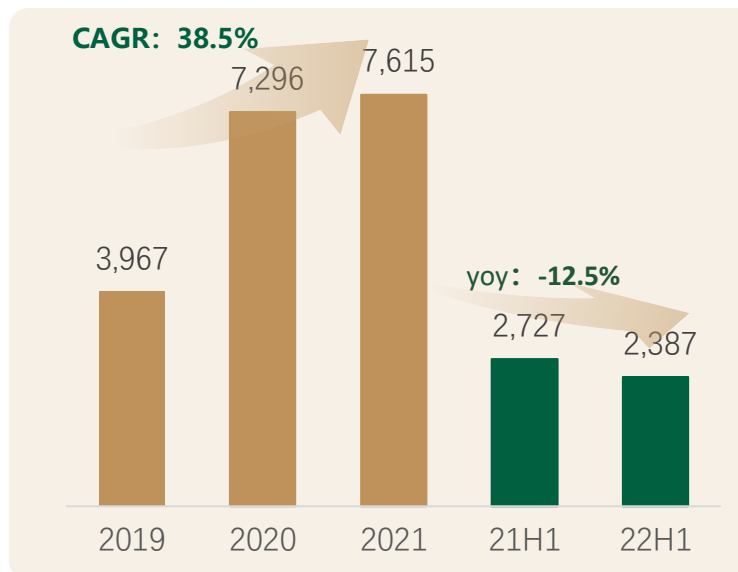


The profit level remained stable

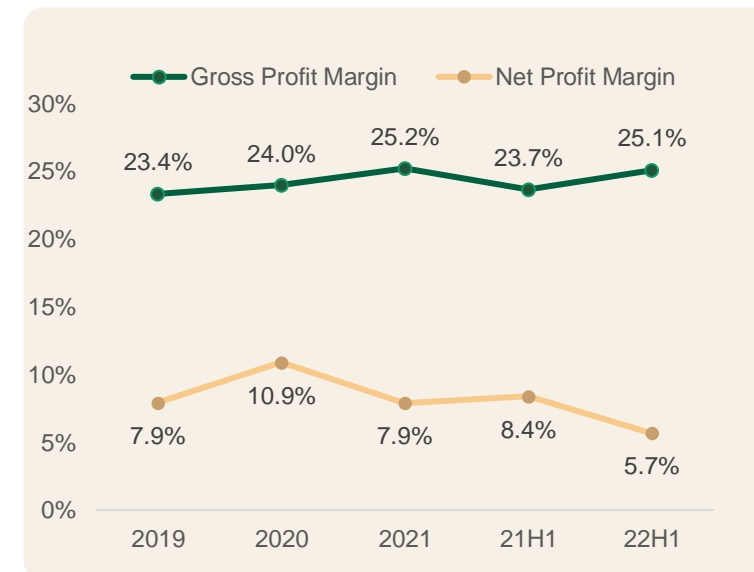
Gross Profit¹



Net Profit
Excluding Non-recurring Gains and Losses²



Gross Profit Margin¹ and Net Profit Margin
Excluding non-recurring Profit or Losses²



Gross margin increased by **1.4** percentage points year-on-year to **25.1%** in the first half of 2022, mainly due to an increase in the percentage of revenue of higher-margin business segments

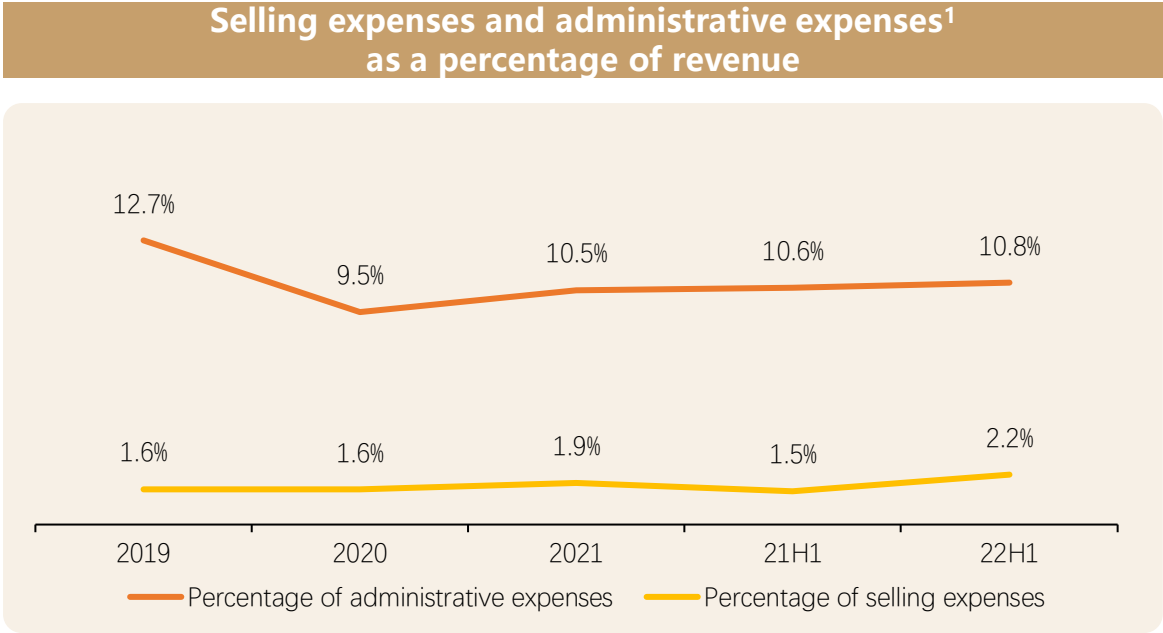
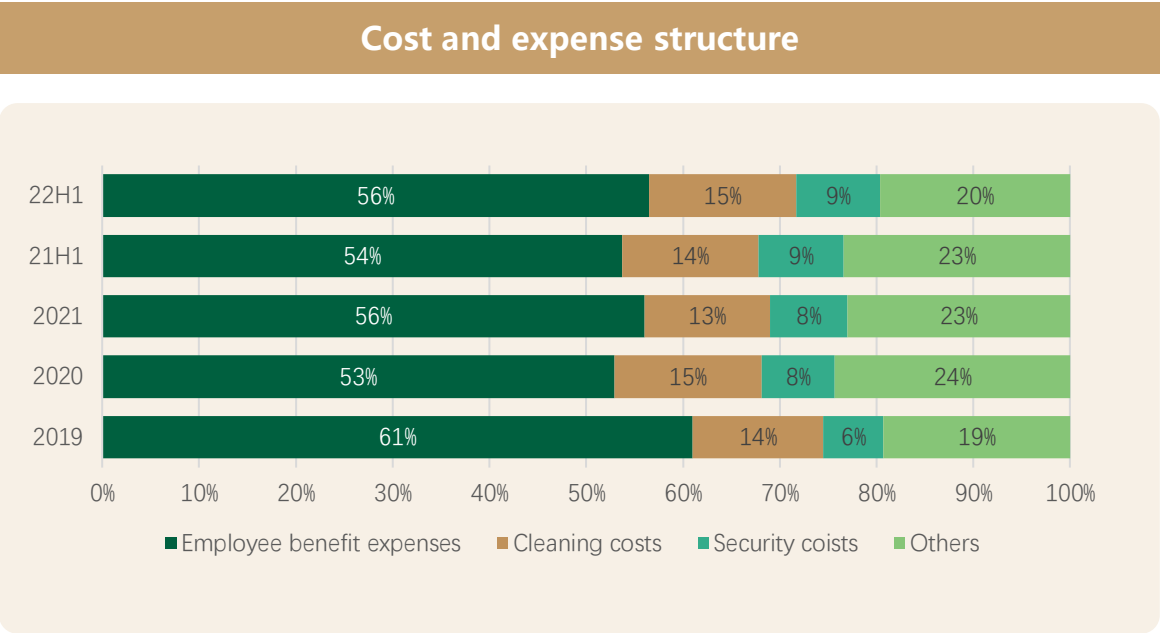
- The percentage of share of value-added services to non-property owners and community value-added services to non-property owners and community value-added services increased 4.9 percentage points to 33.7% for the first half of 2022

The net profit margin excluding non-recurring profit or losses decreased by **2.7** percentage points year-on-year to **5.7%**, mainly due to increase in the provision for bad debts on receivables

1. The gross profit and gross margin for 2020 shown here exclude the impact of social security subsidies during the pandemic, which aggregate to RMB16.61 million in 2020, with a reported gross margin of RMB160.73 million;

2. The net profit and net profit margin excluding non-recurring profit and losses for 2019, 2020, 2021 and 1H2021 presented here have excluded the impact of listing expenses. The reported net profit is RMB34.31 million, RMB65.56 million, RMB58.34 million and RMB14.44 million, respectively.

Cost and expense structure continues to be optimized



Employee benefit expenses, cleaning costs and security costs constitute a major portion of costs and expenses, amounting to **80%** in total

Employee benefit expenses as a percentage of total costs and expenses have steadily decreased from approximately **61%** from 2019 to approximately **56%** in the first half of 2022

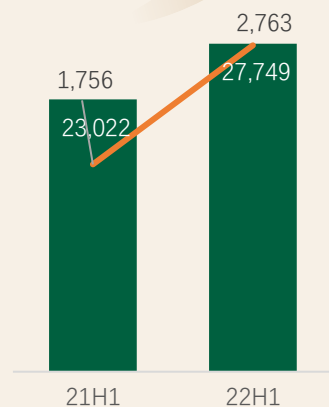
1. Administrative expenses shown above for 2019, 2020, 2021 and 1H2021 have been excluded from impact of the administrative expenses from listing expenses, the administrative expenses excluded from listing expenses are approximately RMB5.71 million, RMB8.20 million, RMB18.85 million and RMB13.87million, respectively

Business segment - property management services business

Revenue and GFA under management growth

(RMB 10,000)

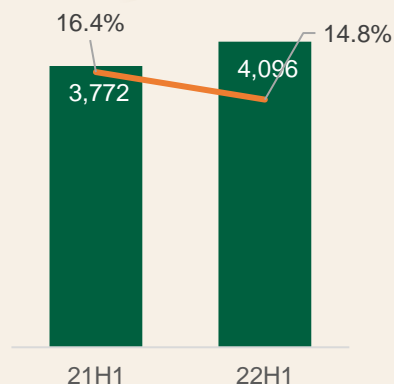
Revenue yoy: 20.4%



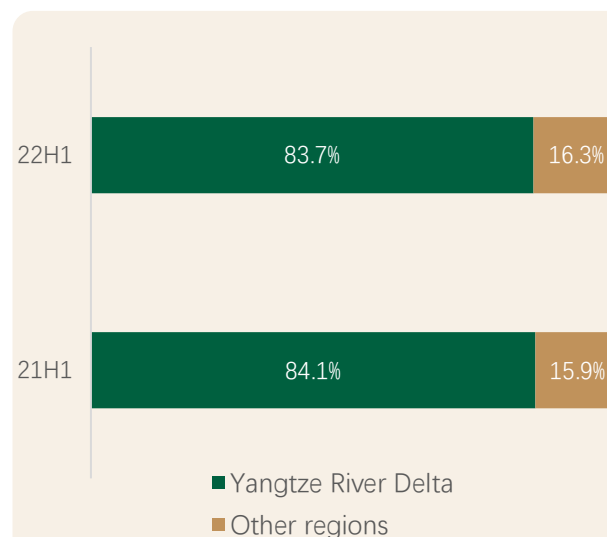
Gross profit and gross profit margin

(RMB 10,000)

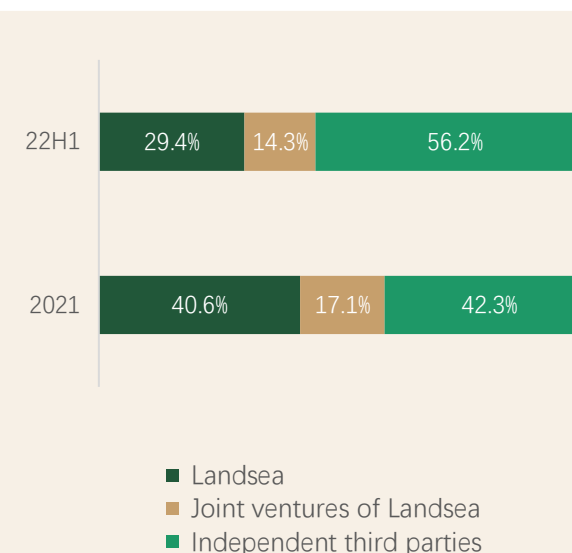
Gross profit yoy: 8.6%



Revenue by region¹



GFA under management by client type



In first half of 2022, the GFA under management increased by **57.3%**, and the revenue increased by **20.4%**

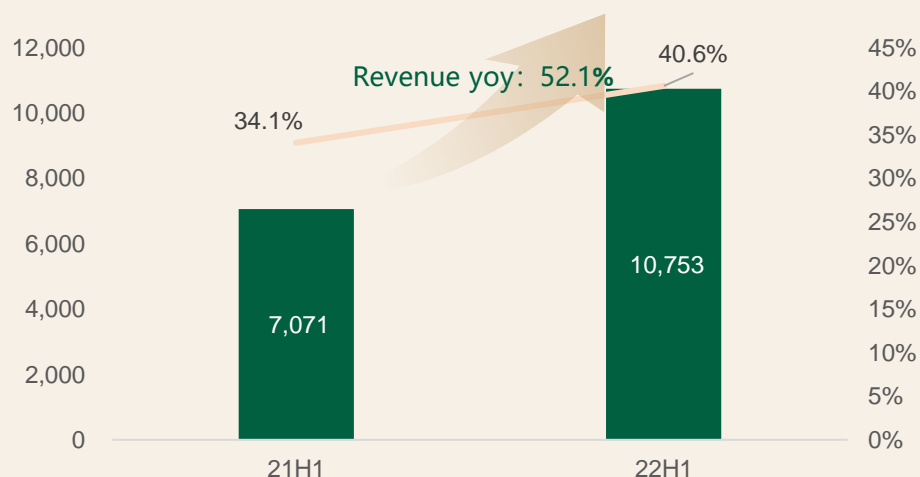
- ◆ Regional diversification: the Yangtze River Delta still contributes **over 80%** of revenue, but other regions are gradually increasing their revenue contribution from 8% in 2018 to 16.3% in the first half of 2022;
- ◆ The share of GFA under management from independent third parties is **over 50%**, increased by 10 percentage points as compared to that of the end of last year;
- ◆ Gross margin decreased by 1.6 percentage points to 14.8% as compared to the corresponding period of last year, which is due to the increase of employee benefit expenses in the first half of 2022

1. The Yangtze River Delta region includes Jiangsu, Shanghai, Zhejiang Province and Anhui Province; other regions include Hubei Province, Sichuan Province, Guangdong Province, Chongqing, Tianjin, Shaanxi Province and Hunan Province.

Business segment - value-added services to non-property owners

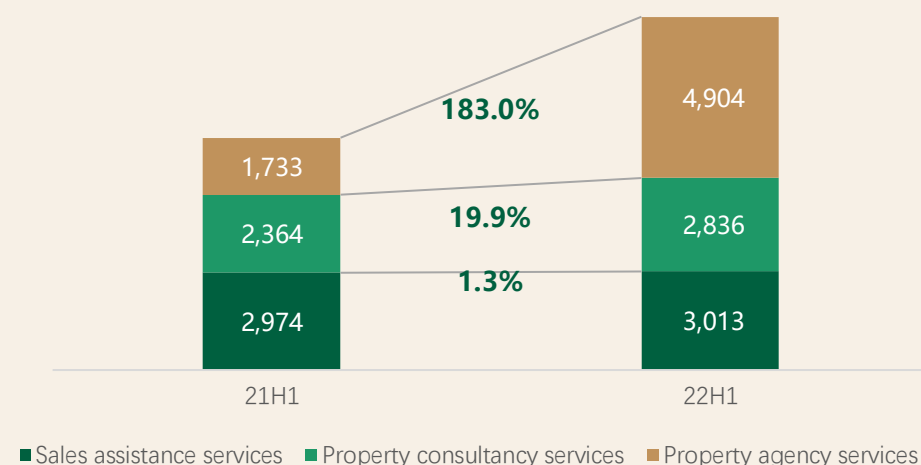
Revenue and gross profit margin of value-added services to non-property owners

(RMB 10,000)



Revenue breakdown of value-added services to non-property owners

(RMB 10,000)



■ Sales assistance services ■ Property consultancy services ■ Property agency services

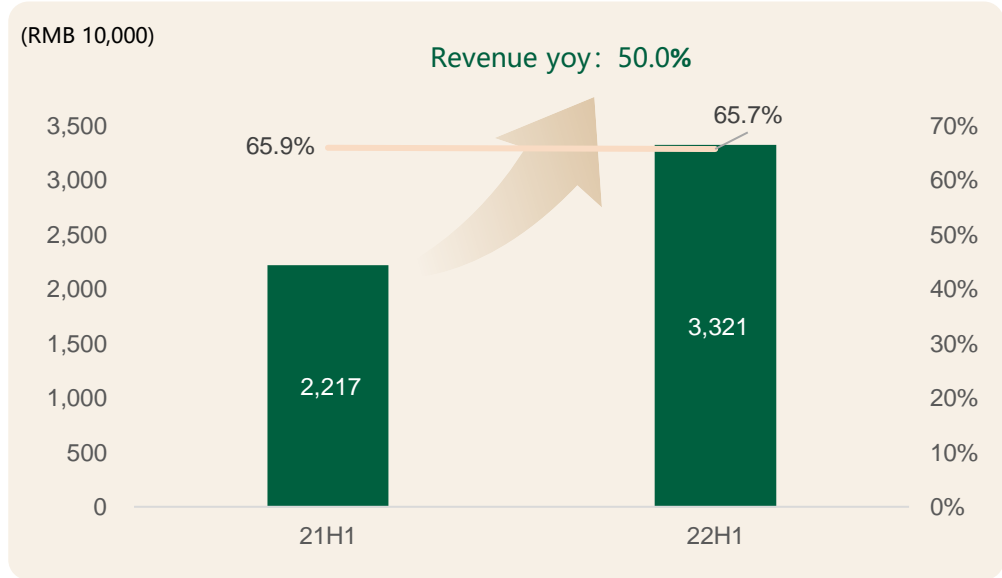
In the first half of 2022, the revenue of value-added services to non-property owners has a year-on-year growth of **52.1%**, gross profit margin increased by **6.5** percentage points and reached **40.6%** as compared to corresponding period of last year

- ◆ Adhering to first impression management and building a professional sales assistance service team, and the number of sales assistance services increased by **5** year-on-year for the period;
- ◆ Strategic cooperation with Building Research Establishment (BRE) to jointly train green building certification assessment and operation and maintenance management personnel, enabling the integration of post-operations and maintenance of green buildings with preliminary consultancy services. The new service area of green building property management consultancy services for the period was **280,000** sq.m., with a contract value of RMB**2.23 million**;
- ◆ Establishment of a professional property agency service sales team, in collaboration with community housekeepers, to improve service quality based on customer demand analysis.

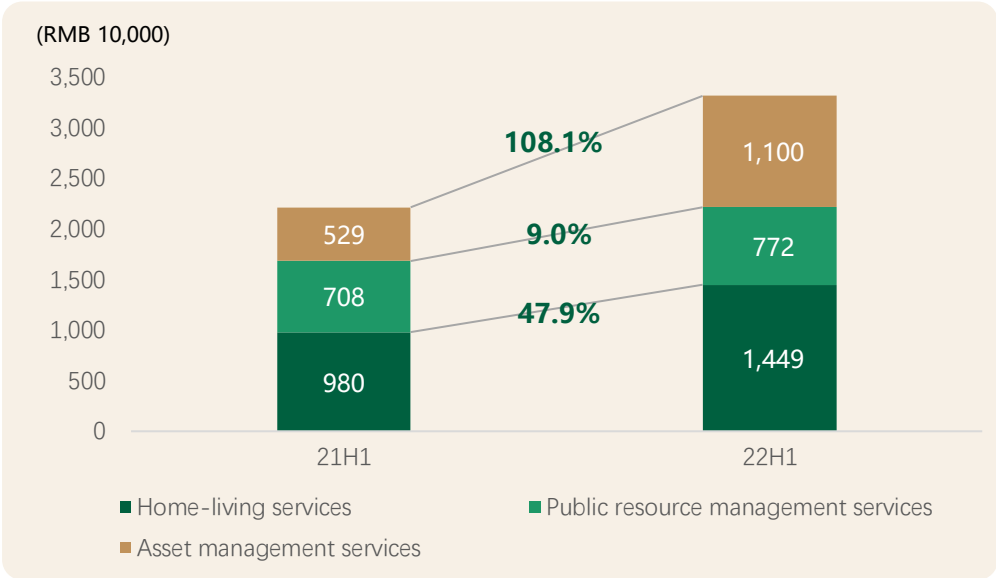
A WARM COMMUNITY

Business segment - community value-added services

Revenue and gross profit margin of community value-added services



Revenue breakdown of community value-added services



In the first half of 2022, the revenue of community value-added services increased **50.0%** year-on-year ; the gross profit margin basically remained the same

◆ Revenue from asset management services doubled in the first half of the year, number of transactions has increased steadily

	20FY	21FY	21H1	22H1
Trading (unit)	225	598	142	483
Rental (unit)	933	1627	782	927

PART 04

OUTLOOK



LAST



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FOUR

01

Continue to promote quality scalability on the basis of innovation, accelerate the transformation and upgrading of enterprises to become a life service platform



02

Adhere to the customer-oriented principle, continue to consolidate our regular property management, improve operational management and service quality, and maintain our leading position in the industry in terms of customer satisfaction; continue to develop community life services, innovate business models, expand service scopes, and make value-added services an important growth point for us to generate revenue and profit



03

Integrate internal and external resources to vigorously expand the residential, office and urban service areas. accelerate the layout of services in a variety of living scenarios, including elderly care, housekeeping, asset operation, green energy, green home renovation, community retail, neighborhood community and integrated urban services; strengthen and accelerate digital establishment, improve customer service experience, optimize corporate operation efficiency, and facilitate the business development in diversified service scenarios.



PART 05

APPENDICES



LAST



NEXT



FIVE

Financial appendices - consolidated statement of comprehensive income

RMB '000)	For the year ended 31 December			For the half year ended 30 June	
	2019	2020	2021	2021.1-6	2022.1-6
Revenue	432,789	600,906	737,218	323,100	418,228
Cost of sales and services	(331,689)	(440,176)	(551,145)	(246,668)	(313,021)
Gross profit	101,100	160,730	186,073	76,432	105,207
Other income	63,537	38,444	4,988	2,502	4,082
Selling expenses	(6,876)	(9,451)	(13,789)	(4,756)	(9,361)
Administrative expenses	(60,748)	(65,409)	(96,226)	(48,101)	(45,360)
Impairment (losses)/gains under expected credit loss model	4,357	(4,174)	(12,238)	(4,227)	(19,807)
Other gains/(losses) – net	(174)	(640)	5,475	(171)	(4,435)
Operating profit	101,196	119,500	74,283	21,679	30,326
Finance income	51	130	2,095	165	1,512
Finance costs	(53,671)	(34,372)	(48)	(9)	(25)
Finance income/(costs) – net	(53,620)	(34,242)	2,047	156	1,487
Gains of associates			231		525
Profit before income tax	47,576	85,258	76,561	21,835	32,338
Income tax expenses	(13,269)	(19,698)	(18,219)	(7,394)	(8,464)
Profit for the year/period	34,307	65,560	58,342	14,441	23,874
Other comprehensive income					
Items that may be reclassified to profit or loss:	–	66	299	(324)	(2,773)
- Exchange difference on translation of foreign operations					
Items that are not reclassified to profit or loss:	-	-	(4,122)		6,211
- Exchange difference on translation of foreign operations					
Total comprehensive income for the year/period	34,307	65,626	54,519	14,117	27,312
Total comprehensive income for the year/period attributable to:					
- Equity owners of the Company	34,005	65,626	54,508	14,117	25,991
-Non-controlling interests	302	–	11	–	–

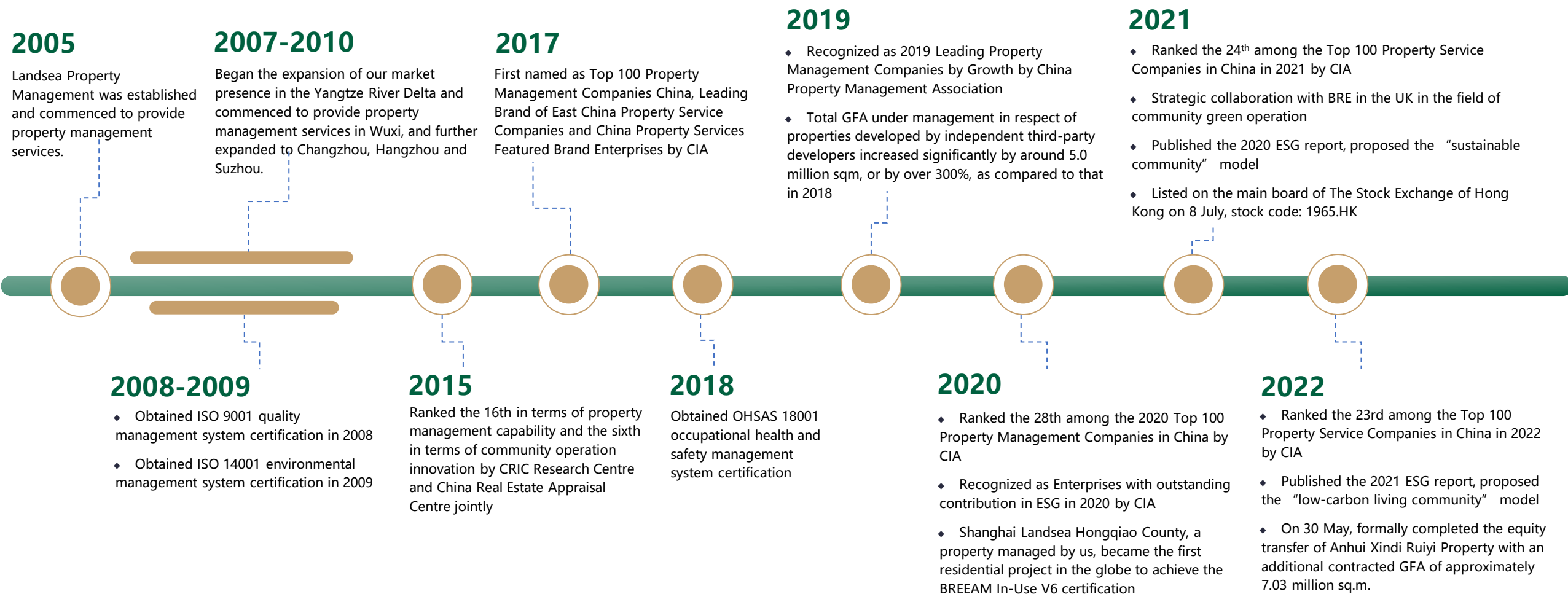
Financial appendices – consolidated balance sheet

(RMB '000)	For the year ended 31 December		For the half year ended 30 June	
	2019	2020	2021	2022.1-6
Assets				
Non-current assets				
Investment properties	5,716	5,336	7,552	2,602
Property, plant and equipment	3,102	4,497	7,835	18,212
Right-of-use assets	927	1,588	1,257	3,243
Intangible assets	1,266	3,218	4,679	49,797
Investment in joint ventures	-	-	1,611	2,136
Deferred income tax assets	15,008	8,685	15,377	24,171
Goodwill	-	-	-	60,750
	26,019	23,324	38,311	160,911
Current assets				
Trade receivables	58,343	115,611	215,426	365,374
Inventories	1,768	1,839	1,228	1,426
Prepayments and other receivables	240,107	160,872	148,564	195,701
Restricted cash			360	
Cash and cash equivalents	656,290	314,265	444,093	240,391
	956,508	592,587	809,671	802,892
Total assets	982,527	615,911	847,982	963,803
Liabilities				
Non-current liabilities				
Lease liabilities	-	142	56	634
Borrowings	376,081	-	-	-
Deferred income tax liabilities	-	-	-	10,771
	376,081	142	56	11,405

Financial appendices – consolidated balance sheet (continued)

	For the year ended 31 December			For the half year ended 30 June
(RMB '000)	2019	2020	2021	2022.1-6
Current liabilities				
Trade and other payables	315,971	310,816	302,284	335,935
Contract liabilities	113,133	146,663	160,280	196,938
Lease liabilities	608	949	871	1,799
Borrowings	72,362	—	—	—
Current income tax liabilities	41,615	28,958	18,815	22,725
	543,689	487,386	482,250	557,397
Total liabilities	919,770	487,528	482,306	568,802
Equity				
Capital and reserves attributable to equity owners of the Company				
Share capital	—	—	3,421	3,421
Reserves	62,757	128,383	357,994	383,985
	62,757	128,383	361,415	387,406
Non-controlling interest	—	—	4,261	7,595
Total equity	62,757	128,383	365,676	395,001
Total liabilities and equity	982,527	615,911	847,982	963,803

Business development milestones



Awards and rankings

From 2017 to 2022, we were ranked as one of the **“Top 100 Property Service Companies in China”** for six consecutive years and ranked **23rd** in 2022
 From 2018 to 2022, we were recognized as one of the **“Top 100 Property Service Companies in China in terms of Service Quality”** for five consecutive years
 From 2017 to 2021, we were recognized as one of the **“Leading Brand in East China Region in China Property Service Companies”** for five consecutive years



2022
**Top 100 Property Management
Companies in China**
Ranked **23rd**

- 2022 Top 100 Property Service Companies in China in terms of Service Quality
- 2022 Top 100 Property Management Companies in China in terms of Customer Satisfaction
- 2022 China Leading Property Management Companies in terms of Marketisation of Business
- 2022 China Featured Property Management Companies in terms of Social Responsibility
- 2022 China Outstanding Enterprise in terms of ESG Development
- 2022 Top 5 Leading Listed Property Companies with Development Potentials
- 2022 Top 100 Property Service Companies in China
- Most Valuable Property Company at the 6th Annual Awards Ceremony for Golden Hong Kong Stocks



Shareholding structure after the Global Offering

