



祈福生活服務

CLIFFORD MODERN LIVING

祈福生活服務控股有限公司
CLIFFORD MODERN LIVING HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock Code : 3686



2021

INTERIM REPORT

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Throughout this interim report, the official Chinese names marked with “*” are the English translations and are for reference only.





CORPORATE INFORMATION

Executive Directors

Ms. MAN Lai Hung
(*Chairman and Chief Executive Officer*)
Ms. HO Suk Mee
Mr. LIU Xing

Non-executive Director

Ms. LIANG Yuhua

Independent non-executive Directors

Ms. LAW Elizabeth
Mr. HO Cham
Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)

Audit committee

Ms. LAW Elizabeth (*Chairman*)
Mr. HO Cham
Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)

Remuneration committee

Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)
(*Chairman*)
Ms. MAN Lai Hung
Ms. LAW Elizabeth

Nomination committee

Ms. MAN Lai Hung (*Chairman*)
Ms. LAW Elizabeth
Mr. HO Cham

Company secretary

Mr. LAU Chun Pong (*Chief Financial Officer*)

Authorised representatives

Ms. MAN Lai Hung
Mr. LAU Chun Pong

Registered office

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Cayman Islands

Headquarters in the PRC Mainland

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Principal place of business and headquarters in Hong Kong

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70 Wing Tai Road
Chai Wan
Hong Kong

Principal share registrar

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong branch share registrar

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal bankers

Standard Chartered Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited

Legal adviser

As to Hong Kong laws
Chiu & Partners

Auditor

Moore Stephens CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Stock code

3686

Company's website

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Investor enquiry hotline

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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Clifford Modern Living Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) is a service provider with a diversified service portfolio comprising six main service segments: (i) property management services, (ii) renovation and fitting-out services, (iii) retail services, (iv) off-campus training services, (v) information technology services and (vi) Ancillary Living Services (as hereinafter defined).

1 Property Management Services

The Group provided property management services to 16 residential communities and 5 pure commercial properties or projects with an aggregate contracted gross floor area (“**GFA**”) of approximately 9,745,000 sq.m. as at 30 June 2021. The table below sets forth the total contracted GFA and the number of residential communities and pure commercial properties or projects the Group managed in different regions in the mainland of People’s Republic of China (the “**PRC Mainland**”) as at the dates indicated below:

	As at 30 June 2021		As at 31 December 2020	
	Approximate total contracted GFA ('000 sq.m.)	Number of communities	Approximate total contracted GFA ('000 sq.m.)	Number of communities
<i>Residential communities</i>				
Panyu district	4,400	5	4,398	5
Huadu district	1,383	8	1,350	8
Zhaoqing city	346	1	346	1
Foshan city	842	2	842	2
Sub-total	6,971	16	6,936	16
<i>Pure commercial properties/projects</i>				
Huadu district	2,659	3	2,659	3
Panyu district	115	2	115	2
Sub-total	2,774	5	2,774	5
Total	9,745	21	9,710	21



MANAGEMENT DISCUSSION AND ANALYSIS

2 Renovation and Fitting-out Services

The Group provides renovation and fitting-out services principally for residents, tenants or owners or their principal contractors in their residential units, offices, shops and other properties. To utilise our workforce more efficiently, we delegate certain renovation and fitting-out services to third-party sub-contractors. We constantly monitor and evaluate third-party sub-contractors on their ability to meet our requirements and standards to ensure the overall quality of our work.

3 Retail Services

The Group operated 18 retail outlets of different scales covering a total GFA of approximately 13,151 sq.m. as at 30 June 2021. These 18 retail outlets consist of a wet market, 2 supermarkets and 15 convenience stores.

The following table sets out the Group's average daily revenue by type of the retail outlets in operation during the six months ended 30 June 2021 and 2020 respectively:

	For the six months ended 30 June	
	2021 RMB'000	2020 RMB'000
Average daily revenue by type of retail outlet <i>(Note)</i>		
Supermarket	237.19	261.21
Wet market	34.29	30.27
Convenience store	120.99	122.34

Note: Calculated by dividing revenue for six months by 180 days.



4 Off-campus Training Services

The Group had four learning centres in Panyu district as at 30 June 2021 (31 December 2020: four learning centres). Training programmes mainly include interest classes, tutoring courses and language learning classes.

5 Information Technology Services

Engineering services

The Group provides information technology services, related engineering services, security systems services and hardware and software integration services, most of which are delivered on project basis.

Telecommunication services

The Group entered into contracts with some major telecommunication service providers under which the Group acts as agent for their products and services.



MANAGEMENT DISCUSSION AND ANALYSIS

6 Ancillary Living Services

The Group provides catering consultancy services, property agency services, employment placement services and laundry services (collectively “**Ancillary Living Services**”).

Catering consultancy services

The Group provides catering consultancy services and receives a fixed consultancy service fee on monthly basis as well as providing catering services to schools.

Property agency services

The property agency industry is linked up with the property market. Although more stringent regulations have been introduced by the PRC Mainland government, the Group believes that the demand for property agency services will still increase in the long term.

Employment placement services

The Group constantly monitors the performance and services quality of relevant household helpers and dispatched workers.

Laundry services

The Group maintains both the safety and quality of services by providing continuous training to its staff.



PROSPECTS AND FUTURE PLANS

Expansion of the property management network through engagements in integrated projects

We plan to expand our business by managing integrated projects which include apartments, shopping malls and office buildings developed by third parties in Guangdong Province. The services we will be providing include property management services, property agency services and marketing consultancy services.

Further expansion of our information technology services

As more and more emphasis is being placed on the development of smart cities and communities in the PRC Mainland, we see an enormous growth potential of the information technology market. We plan to further increase our investment in information technology services segment, with the goal to increase our market share and boost the growth of our overall business.

Regulations on our off-campus training services

In July 2021, the General Office of the Central Committee of the Chinese Communist Party and the General Office of the State Council of the PRC Mainland published the Opinion on Further Easing the Workload of Students in Compulsory Education and Burden of After-school Tutoring (《關於進一步減輕義務教育階段學生作業負擔和校外培訓負擔的意見》) (the “**Opinion**”). The Opinion proposes certain measures intended to ease the workload of students in compulsory education and regulate the relevant afterschool education service providers in the PRC Mainland (“**double reduction**” (雙減)).

The Group will pay close attention to the development of the Opinion and its potential impact and relevance to our Group and (if necessary) make adjustment measures to the operation on our off-campus training services.

Meanwhile, the Group has stopped offering academic classes during national statutory holidays, rest days and winter and summer breaks.



MANAGEMENT DISCUSSION AND ANALYSIS

Develop online marketing and build online distribution channels

We intend to promote various services by reaching our customers through different online channels including websites and apps on smartphones. Currently, we are upgrading our sales and accounting systems so as to further enhance our data collection process, which in turn enables us to respond more quickly to our customers' needs.

Further explore new investment opportunities

Notwithstanding the solid performance in the first half of 2021, we will remain prudent in monitoring the Group's expenditures, look for new investment opportunities to cope with existing market environment and constantly review our business strategies.

FINANCIAL REVIEW

Revenue

	For the six months ended 30 June		Variance		Percentage of total revenue	
	2021	2020			2021	2020
	RMB'000	RMB'000	RMB'000	%	%	%
Property management services	40,415	37,365	3,050	8.2	19.1	21.4
Renovation and fitting-out services	507	7,347	(6,840)	-93.1	0.2	4.2
Retail services	70,645	74,489	(3,844)	-5.2	33.3	42.7
Off-campus training services	22,369	6,546	15,823	241.7	10.6	3.7
Information technology services	31,493	31,994	(501)	-1.6	14.8	18.3
Ancillary Living Services	46,574	16,952	29,622	174.7	22.0	9.7
Total	212,003	174,693	37,310	21.4	100.0	100.0



MANAGEMENT DISCUSSION AND ANALYSIS

Revenue increased from RMB174.7 million for the six months ended 30 June 2020 to RMB212.0 million for the six months ended 30 June 2021, representing an increase of RMB37.3 million or 21.4%. Increase in revenue was mainly caused by the increase in revenue from property management services, off-campus training services and Ancillary Living Services, and was offset by the decrease in revenue from renovation and fitting-out services, retail services and information technology services.

Property management services

	For the six months ended 30 June		Variance	
	2021	2020		
	RMB'000	RMB'000	RMB'000	%
General property management services	26,149	24,132	2,017	8.4
Resident support services	14,266	13,233	1,033	7.8
Total	40,415	37,365	3,050	8.2

Revenue from the property management services was increased by 8.2% to RMB40.4 million for the six months ended 30 June 2021 from RMB37.4 million for the six months ended 30 June 2020. Revenue from the general property management services increased from RMB24.1 million for the six months ended 30 June 2020 to RMB26.1 million for the six months ended 30 June 2021. The increase in revenue of the resident support services from RMB13.2 million for the six months ended 30 June 2020 to RMB14.3 million for the six months ended 30 June 2021 was due to the increase in demand for our household helper services.



MANAGEMENT DISCUSSION AND ANALYSIS

Renovation and Fitting-out Services

	For the six months ended 30 June		Variance	
	2021	2020		
	RMB'000	RMB'000	RMB'000	%
Total	507	7,347	(6,840)	-93.1

Revenue from the renovation and fitting-out services was decreased by 93.1%, from RMB7.3 million for the six months ended 30 June 2020 to RMB0.5 million for the six months ended 30 June 2021. Such decrease was mainly due to the decrease in demand for the renovation and fitting-out services.

Retail Services

	For the six months ended 30 June		Variance	
	2021	2020		
	RMB'000	RMB'000	RMB'000	%
Revenue by type of retail outlet				
Supermarkets	42,694	47,018	(4,324)	-9.2
Wet market	6,172	5,449	723	13.3
Convenience stores	21,779	22,022	(243)	-1.1
Total	70,645	74,489	(3,844)	-5.2



MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from the retail services was decreased by 5.2% to RMB70.6 million for the six months ended 30 June 2021 from RMB74.5 million for the six months ended 30 June 2020. The decrease was due to the fact that the surge in demand for our retail services during the initial stage of outbreak of Coronavirus Disease 2019 (“**COVID-19 Outbreak**”) in the first half of 2020 has returned to normal during the first half of 2021.

Off-campus Training Services

	For the six months ended 30 June		Variance	
	2021 RMB'000	2020 RMB'000	RMB'000	%
Off-campus training services revenue by category				
Training programmes	3,452	1,464	1,988	135.8
Interest classes	18,917	5,082	13,835	272.2
Total	22,369	6,546	15,823	241.7

Revenue from the off-campus training services was increased by 241.7% to RMB22.4 million for the six months ended 30 June 2021 from RMB6.5 million for the six months ended 30 June 2020. Revenue from the off-campus training services increased because demands for off-campus training service resumed during the first half of 2021, after being adversely affected during the initial stage of COVID-19 Outbreak in 2020.



MANAGEMENT DISCUSSION AND ANALYSIS

Information Technology Services

	For the six months ended 30 June		Variance	
	2021	2020		
	RMB'000	RMB'000	RMB'000	%
Information technology services revenue by category				
Engineering	28,741	29,936	(1,195)	-4.0
Telecommunication	2,752	2,058	694	33.7
Total	31,493	31,994	(501)	-1.6

Revenue from the information technology services was decreased by 1.6% from RMB32.0 million for the six months ended 30 June 2020 to RMB31.5 million for the six months ended 30 June 2021. Such decrease was mainly due to the decrease in number of projects which led to the decrease in revenue from the engineering services from RMB29.9 million for the six months ended 30 June 2020 to RMB28.7 million for the six months ended 30 June 2021. Engineering services comprises information technology hardware integration and network installation.



Ancillary Living Services

	For the six months ended 30 June		Variance	
	2021	2020		
	RMB'000	RMB'000	RMB'000	%
Ancillary Living Services revenue by category				
Catering services	24,317	1,795	22,522	1,254.7
Property agency services	12,795	7,598	5,197	68.4
Employment placement services	4,937	4,318	619	14.3
Laundry services	4,525	3,241	1,284	39.6
Total	46,574	16,952	29,622	174.7

Revenue from the Ancillary Living Services was increased by 174.7% from RMB17.0 million for the six months ended 30 June 2020 to RMB46.6 million for the six months ended 30 June 2021. Such increase was primarily due to i) the commencement of the provision of catering services to schools in the fourth quarter of 2020; and ii) the increase in commission income received from sales of new residential units during the Reporting Period.

Cost of Sales

Cost of sales comprises mainly the cost of goods sold for retail services, the employee benefit expenses for each of our business segments and the project cost for renovation and fitting-out services and information technology services. Cost of sales increased by approximately RMB22.4 million from approximately RMB102.6 million for the six months ended 30 June 2020 to approximately RMB125.0 million for the six months ended 30 June 2021. The increase in cost of sales was in line with the increase in revenue for the six months ended 30 June 2021.



MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

Gross profit increased from approximately RMB72.1 million for the six months ended 30 June 2020 to approximately RMB87.0 million for the six months ended 30 June 2021, representing an increase of approximately RMB14.9 million or 20.7%. Meanwhile, the Group's gross profit margin decreased from approximately 41.3% for the six months ended 30 June 2020 to approximately 41.0% for the six months ended 30 June 2021. The increase in gross profit was in line with the increase in revenue during the six months ended 30 June 2021.

Selling and Marketing Expenses

Selling and marketing expenses primarily consist of the employee benefits expenses for sales and marketing staff, operating lease payments, depreciation and amortisation charges and utility expenses.

Selling and marketing expenses decreased from RMB13.3 million for the six months ended 30 June 2020 to RMB12.3 million for the six months ended 30 June 2021, representing a decrease of 7.5%, which was mainly due to the decrease in revenue from retail services.

Administrative Expenses

Administrative expenses primarily consist of the employee benefits expenses, operating lease payments, depreciation and amortisation charges, professional fees and office expenses for the administrative departments.

Administrative expenses decreased from RMB15.6 million for the six months ended 30 June 2020 to RMB13.6 million for the six months ended 30 June 2021, representing a decrease of 12.8%. The decrease was mainly due to the decrease in administrative staff costs and depreciation expenses.



Other (Losses)/Gains and Other Income, Net

Other losses and other income, net amounted to RMB3.9 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020: other gains and other income, net of RMB5.7 million). The losses was primarily due to the fair value loss on investment in unallocated silver bullion of RMB5.2 million recorded during the six months ended 30 June 2021.

Finance Costs

Finance costs amounted to RMB1.1 million for the six months ended 30 June 2021 (for the six months ended 30 June 2020: RMB1.0 million), which represented the interest expense on lease liabilities.

Income Tax Expense

The effective tax rate was 24.9% for the six months ended 30 June 2021 (for the six months ended 30 June 2020: 22.8%).

Net Profit for the Period

For the six months ended 30 June 2021, as a result of the foregoing, the Group's net profit was RMB40.5 million (for the six months ended 30 June 2020: RMB36.0 million) and its net profit margin was 19.1% (for the six months ended 30 June 2020: 20.6%).

Property, Plant and Equipment

Property, plant and equipment mainly consist of the machinery, vehicles, office equipment and leasehold improvements. As at 31 December 2020 and 30 June 2021, the net book values of the property, plant and equipment of the Group were RMB17.2 million and RMB15.8 million respectively.



MANAGEMENT DISCUSSION AND ANALYSIS

Investment Properties

Investment properties amounted to RMB7.3 million and RMB4.6 million as at 31 December 2020 and 30 June 2021 respectively, representing principally right-of-use assets, which are held for long-term rental yields and are not occupied by the Group and are recognised due to operating leases. More details are set out in Note 12 to the condensed consolidated financial statements.

Financial Assets at Fair Value through Profit or Loss

As at 30 June 2021, financial assets at fair value through profit or loss represented an unlisted financial product purchased from commercial banks with high market credit rating, liquidity and stable return as below:

No.	Bank	Product name	Product type	Principle business of the underlying assets	Investment cost RMB'000	Fair value	Changes in fair value	Fair value	Size
						as at 31 December 2020 RMB'000	(Recognised as gains in profit or loss) RMB'000	as at 30 June 2021 RMB'000	relative to the Group's total assets
1	Agricultural Bank of China	Benlifeng Bubugao Open-ended RMB Wealth Management Products* ("本利豐步步高"開放式人民幣理財產品)	Unlisted financial product purchased from commercial banks	Underlying assets include national bonds, corporate bonds, central bank bills, repurchase, higher credit rating debt (including but not limited to, corporate bonds, short-term financing bonds), exchange bonds, privately raised company bonds, money market funds, bond funds, other low-risk funds or assets, targeted asset management plans, trust plans and other investment products that meet regulatory requirements.	4,000	4,181	60	4,241	0.56%



Investments in Unallocated Silver Bullion

The Group, utilising its internal resources, purchased a total of 800,000 ounces of unallocated silver bullion through a licensed bank, during the year ended 31 December 2020 with the total consideration of approximately RMB102.5 million. The Group recorded a loss in fair value of approximately RMB5.2 million during the Reporting Period and the fair value as at 30 June 2021 amounted to RMB133.1 million. For further details, please refer to the announcements of the Company dated 26 February 2020 and 28 February 2020 respectively.

Inventories

Inventories mainly consist of the merchandise goods for the retail services segment and raw materials for the Group's information technology services segment which the Group procured from suppliers.

Inventories increased from approximately RMB14.9 million as at 31 December 2020 to approximately RMB15.1 million as at 30 June 2021, which was primarily due to adjustment of stock level according to the trading volume.

During the six months ended 30 June 2021, the Group did not recognise any provision or write-down for our inventories.

Trade and Other Receivables

Trade and other receivables mainly consist of the trade receivables, the amounts placed in bank accounts opened on behalf of the residents ("**Residents' Accounts**"), other receivables and prepayments.



MANAGEMENT DISCUSSION AND ANALYSIS

Trade receivables

Trade receivables are mainly related to the Group's receivables from the outstanding property management fee, information technology services and renovation and fitting-out services.

Trade receivables were increased by 19.5% from RMB78.6 million as at 31 December 2020 to RMB93.9 million as at 30 June 2021.

Other receivables

Other receivables are mainly rental deposits, deposits paid to the Group's suppliers and fixed return and capital preservation wealth management product.

Other receivables were decreased by 18.7% from RMB10.7 million as at 31 December 2020 to RMB8.7 million as at 30 June 2021 due to the decrease in finance leases receivable.

Amounts placed in Residents' Accounts

Certain property management companies of the Group have engaged in the provision of property management services for residential communities on commission basis and opened the Residents' Accounts. These Residents' Accounts are used to keep the property management fee and resident support services fee collected from the residents. The property management companies have undertaken the treasury function for these bank accounts on behalf of the residents pursuant to the property management contracts. As at 30 June 2021, amounts included in Residents' Accounts of RMB5.3 million represented the balances of the property management commission fee and resident support service fee entitled by the property management companies (31 December 2020: RMB5.1 million).



Trade and Other Payables

Trade and other payables primarily comprise trade payables, other payables, dividend payable and accrued payroll.

Trade payables

Trade payables primarily comprise fees due to the suppliers for the procurement of the raw materials for the Group's renovation and fitting-out services segment and the information technology services segment, and the products for the provision of the retail services segment of the Group, and the fees due to the sub-contractors for the provision of the resident support services and information technology services.

Trade payables were decreased by 8.2% from RMB62.1 million as at 31 December 2020 to RMB57.0 million as at 30 June 2021 as a result of decrease in the procurement of the raw materials for the information technology services segment.

Other payables

Other payables primarily comprise amounts due to third parties amounted to RMB21.7 million and RMB26.4 million as at 31 December 2020 and 30 June 2021 respectively, which mainly included the deposits received from the stall tenants in the retail business. The increase was mainly due to the increase in the rental rate and the related deposit.

Interim Dividend

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil).

Risks of Foreign Exchange Fluctuation

The Group's functional currency is RMB. The Group is not exposed to significant foreign exchange risks and has not implemented any foreign currency hedging policy at the moment. However, the continuous monitoring on the foreign exchange exposure is carried out by the management.



MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Capital Resources

As at 30 June 2021, the Group's material sources of liquidity were cash and cash equivalents of RMB394.9 million (31 December 2020: RMB344.4 million).

During the six months ended 30 June 2021, the Group has not obtained any loans or borrowings.

Gearing Ratio

Gearing ratio is calculated based on the Group's total debts (being cash advances due to the related parties) divided by the Group's total equity as of the end of each period. The Group's gearing ratio was nil as at 30 June 2021 and 31 December 2020.

Pledge of Assets

The Group had no pledged assets as at 30 June 2021 (31 December 2020: Nil).

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2021.

Employees and Remuneration Policies

As at 30 June 2021, excluding the labour costs borne by the properties that were managed on commission basis, the Group had approximately 696 employees (31 December 2020: approximately 608 employees). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and the prevailing industry practice.

Apart from salary payments, other staff benefits include contribution of the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for employees in the PRC Mainland) and a discretionary bonus program.



In addition, the Company operates a pre-initial public offering share option scheme (the **"Pre-IPO Share Option Scheme"**) and a share option scheme (the **"Share Option Scheme"**) (collectively, the **"Schemes"**) in October 2016 which allows the directors of the Company to grant share options to employees of the Group in order to retain elite personnel to stay with the Group and to provide incentives for their contribution to the Group. Details of the Share Option Scheme are set out in the paragraph headed "Share Option Schemes" in this report.

Significant Investment Held, Material Acquisition and Disposals of Subsidiaries or Associated Companies

Save as disclosed in paragraph headed "Financial Assets at Fair Value through Profit or Loss" and "Investments in Unallocated Silver Bullion" in this report, the Group had no significant investment held, material acquisition or disposal of subsidiaries or associated companies during the six months ended 30 June 2021.

Significant Events after the Reporting Period

There was no material subsequent event affecting the Group after 30 June 2021 and up to the date of this report.



CORPORATE GOVERNANCE AND OTHER INFORMATION

The board of directors (individually, a “**Director**”, or collectively, the “**Board**”) of the Company is committed to achieving high corporate governance standards.

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

Corporate Governance Code

The Company has applied the principles as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”). The Board is of the view that throughout the six months ended 30 June 2021, save for the following deviation, the Company has complied with all the code provisions as set out in the CG Code.

Both the positions of the Chairman and Chief Executive Officer of the Company are held by Ms. MAN Lai Hung.

Under code provision A.2.1 of the CG Code as set out in Appendix 14 to the Listing Rules, the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual.

However, the Board considers that Ms. MAN Lai Hung has in-depth knowledge and experience in the Group’s businesses in the PRC Mainland and therefore it is the best interests of the Group for her to take up the dual roles of the Chairman and Chief Executive Officer. The Board believes that the dual roles of Ms. MAN Lai Hung can provide the Company with strong and consistent leadership that facilitates effective and efficient planning and implementation of business decisions and strategies, and should be overall beneficial to the management and development of the Group’s business. The structure is supported by the Company’s well established corporate governance structure and internal control policies.



Dividend Policy

The Board aims at providing sustainable returns to the Company's shareholders whilst retaining adequate reserves for the Group's future development. Under a dividend policy adopted by the Board on 22 March 2019 (the "**Dividend Policy**"), the declaration, payment and amount of dividends will be subjected to the Board's discretion and the approval of shareholders of the Company. Subject to the factors set out below, the Group targets to distribute the dividend to its shareholders no less than 25% of the Company's audited consolidated profit attributable to the owners of the Company in any financial year.

Dividends may be recommended, declared and paid to the Company's shareholders from time to time. In summary, the declaration of dividends and the dividend amount shall be determined at the sole and absolute discretion of the Board taking into account the following factors:

- results of operations;
- cash flows;
- financial position;
- statutory and regulatory restrictions on the dividends paid by the Group;
- future prospects; and
- others factors which the Board considers relevant.

The Board will review the Dividend Policy from time to time.



CORPORATE GOVERNANCE AND OTHER INFORMATION

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the Group’s code of conduct regarding the Directors’ securities transactions.

Specific enquiry has been made by the Company with all Directors and the Directors have confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors’ securities transactions throughout the six months ended 30 June 2021.

Board Composition

The Board currently comprises seven Directors, consisting of three executive Directors, a non-executive Director and three independent non-executive Directors.

Audit Committee

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. As at the date of this report, the Audit Committee consists of three independent non-executive Directors, namely Ms. LAW Elizabeth (Chairman), Mr. HO Cham and Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung) (with Ms. LAW Elizabeth possessing the appropriate professional qualifications and accounting and related financial management expertise). The main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group’s operations and internal controls. The unaudited interim financial information for the six months ended 30 June 2021 has been reviewed with no disagreement by the Audit Committee of the Company.

In addition, the independent auditor of the Company, Moore Stephens CPA Limited, has reviewed the unaudited consolidated results for the six months ended 30 June 2021 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).



The work performed by Moore Stephens CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Moore Stephens CPA Limited on this report.

Remuneration Committee

The remuneration committee of the Company (the “**Remuneration Committee**”) consists of two independent non-executive Directors, namely Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung) (Chairman) and Ms. LAW Elizabeth and an executive Director, Ms. MAN Lai Hung.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of the individual executive Directors and the senior management, the remuneration policy and structure for all Directors and the senior management, and establishing the transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

For the six months ended 30 June 2021, a meeting of the Remuneration Committee was held on 26 March 2021 to review and make recommendations to the Board on the remuneration policy and structure of the Company and the remuneration packages of the executive, non-executive and independent non-executive Directors and the senior management and other related matters.

Nomination Committee

The nomination committee of the Company (the “**Nomination Committee**”) consists of an executive Director, Ms. MAN Lai Hung (Chairman), and two independent non-executive Directors, namely Ms. LAW Elizabeth and Mr. HO Cham.



CORPORATE GOVERNANCE AND OTHER INFORMATION

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy, including but not limited to the skills, regional and industry experience, educational background, knowledge, expertise, culture, independence, age, gender and other qualities. The Nomination Committee would discuss and agree on the measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

For the six months ended 30 June 2021, a meeting of the Nomination Committee was held on 26 March 2021 to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for re-election at the annual general meeting. The Board diversity policy was also reviewed at the meeting.

Disclosure of Directors' Information Pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules

The changes in information of Directors of the Company since the date of publication of the Company's annual report for the financial year ended 31 December 2020 ("**2020 Annual Report**") are set out below:

- 1) Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung) ceased to be an independent non-executive director of Zhong Ji Longevity Science Group Limited (中基長壽科學集團有限公司) (formerly known as ASIA PACIFIC SILK ROAD INVESTMENT COMPANY LIMITED 亞太絲路投資有限公司) (listed on the Stock Exchange with stock code: 767) since 1 May 2021.



- 2) Ms. LAW Elizabeth ceased to be an independent non-executive director of Sunwah International Limited (新華國際有限公司) (listed on Toronto stock exchange with stock code: SWH) since 30 June 2021.

Save as disclosed above, there are no changes in the Directors' biographical details since the date of publication of the 2020 Annual Report, which are required to be disclosed pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules.

Share Option Schemes

The Company operates the Pre-IPO Share Option Scheme and the Share Option Scheme for the purpose of recognising and rewarding the contribution of certain eligible participants to the growth and development of the Group and its listing, to strengthen the corporate governance mechanism, to improve the employee incentive system, to align the interest of the Company, its shareholders and its management, and to encourage continuing development of the eligible employees with a view to promoting the long-term stability and interest of the Group.

Eligible participants of the Schemes include the Directors, the employees of the Group and other selected groups of participants. The Pre-IPO Share Option Scheme and the Share Option Scheme were adopted by the Company on 21 October 2016 and became effective on the same day. Unless otherwise cancelled or amended, the Pre-IPO Share Option Scheme will remain in force for 5 years and six months from the listing date on 8 November 2016 (the "**Listing Date**"), and the Share Option Scheme will remain in force for 10 years from the adoption date.



CORPORATE GOVERNANCE AND OTHER INFORMATION

The maximum number of shares in respect of which options may be granted under the Schemes and any other schemes by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the Listing Date unless the shareholders' approval has been obtained.

The maximum number of shares issuable under the share options to each eligible participant in the Schemes within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of the share options in excess of this limit is subject to the shareholders' approval in advance in a general meeting.

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to the approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to the shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon the payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and may commence from the date of the offer of the share options and end on a date which is not later than 10 years from the date of the offer of the share options or the date on which such options lapse, if earlier.



CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of the movements in the Company's outstanding share options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme for the six months ended 30 June 2021 were as follows:

Name of category of participant	Balance as at 31 December 2020	Exercise during the period	Lapsed or cancelled during the period	Balance as at 30 June 2021	Date of grant	Exercise period	Exercise price per share (HK\$)	Closing price of the shares on the trading day immediately before the date of grant (HK\$)
Directors								
LIANG Yuhua	2,500,000	-	-	2,500,000	21 October 2016	9 May 2017 to 8 May 2022	0.414	N/A
LIU Xing	2,500,000	-	-	2,500,000	21 October 2016	9 May 2017 to 8 May 2022	0.414	N/A
Employees of the Group	925,000	(500,000)	-	425,000	21 October 2016	9 May 2017 to 8 May 2022	0.414	N/A
Total	5,925,000	(500,000)	-	5,425,000				



CORPORATE GOVERNANCE AND OTHER INFORMATION

(A) Pre-IPO Share Option Scheme

Pursuant to the Pre-IPO Share Option Scheme, the Company has granted 21,175,000 options to the eligible Directors, senior management and employees of the Group at the time to subscribe for the ordinary shares of the Company subject to the terms stipulated under the Pre-IPO Share Option Scheme. The exercise price is 90% of the final offer price of the Company's shares issued in connection with the listing (HK\$0.414). 500,000 options were exercised, and no options were lapsed or cancelled during the six months ended 30 June 2021. As at the date of this interim report, the Company had 5,425,000 share options under the Pre-IPO Share Option Scheme, representing approximately 0.5% of the issued share capital of the Company as at that date.

Further details of the Pre-IPO Share Option Scheme are set out in Note 24(c) to the condensed consolidated financial statements.

(B) Share Option Scheme

Pursuant to the Share Option Scheme, the Directors may invite participants to take up options at a price determined by the Board but in any event shall not be less than the highest of (i) the nominal value of a Company's share; (ii) the closing price of the Company's share as stated in the Stock Exchange's daily quotation sheet on the offer date; and (iii) the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date. The option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which may be determined and notified by the Board to the grantee at the time of making an offer. As at the date of this interim report, no options have been granted or agreed to be granted pursuant to the Share Option Scheme.



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

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the six months ended 30 June 2021.

Disclosure of Interests

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2021, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) of the Company, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix 10 to the Listing Rules were as follows:

Name of Director	Nature of interest/Capacity	Number of shares ⁽³⁾	Approximate percentage of shareholding in the Company
Ms. MAN Lai Hung ⁽¹⁾	Interest in a controlled corporation ⁽¹⁾	735,840,000	72.44%
Ms. MAN Lai Hung	Beneficial owner	5,000,000	0.49%
Ms. LIANG Yuhua	Beneficial owner	2,500,000 ⁽²⁾	0.25%
Mr. LIU Xing	Beneficial owner	2,500,000 ⁽²⁾	0.25%



CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) Elland Holdings Limited is solely owned by Ms. MAN Lai Hung which in turn owns 735,840,000 shares of the Company. By virtue of the SFO, Ms. MAN Lai Hung is deemed or taken to be interested in all the shares which are beneficially owned by Elland Holdings Limited.
- (2) These represent the maximum number of shares of the Company which may be allotted and issued to such Directors upon the exercise of the pre-IPO share options granted to each of them under the Pre-IPO Share Option Scheme. In respect of these two Directors, these pre-IPO share options may be exercised at any time during the period (i) commencing on the business day immediately after the expiry of the six-month period after the Listing Date and (ii) ending on the date falling in five (5) years and six (6) months of the Listing Date. The exercise price for subscription of each share upon the exercise of the pre-IPO share options is equal to 90% of HK\$0.46.
- (3) All the shares are held in long position.

Save as disclosed above, as at 30 June 2021, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.



Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2021, so far as the Directors are aware, the following substantial shareholders of the Company (other than the Directors and the chief executives of the Company) or institutions have interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name	Capacity/ Nature of interest	Number of shares ⁽²⁾	Approximate percentage of shareholding in the Company
Elland Holdings Limited	Beneficial owner	735,840,000	72.44%
Mr. PANG Lun Kee Clifford ⁽¹⁾	Interest of spouse	740,840,000	72.94%

Notes:

- (1) Mr. PANG Lun Kee Clifford is the spouse of Ms. MAN Lai Hung. By virtue of the SFO, Mr. PANG Lun Kee Clifford is deemed to be interested in the shares of the Company held by Ms. MAN Lai Hung.
- (2) All the shares are held in long position.

Save as disclosed above, as at 30 June 2021, the Directors are not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company or its associated corporation(s) which would require to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Interim Dividend

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2021 (for the six months ended 30 June 2020: Nil)



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Clifford Modern Living Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Clifford Modern Living Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 36 to 100, which comprise the condensed consolidated statement of financial position as of 30 June 2021, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of the condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material aspects, in accordance with HKAS 34.

Moore Stephens CPA Limited

Certified Public Accountants

Ng Ngai Yan

Practising Certificate Number: P07422

Hong Kong, 27 August 2021



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	6	212,003	174,693
Cost of sales		(124,981)	(102,620)
Gross profit		87,022	72,073
Other (losses)/gains and other income, net	7	(3,869)	5,743
Selling and marketing expenses		(12,273)	(13,344)
Administrative expenses		(13,583)	(15,596)
Expected credit losses on trade and other receivables	9	(760)	(406)
Finance costs	8	(1,070)	(1,000)
Profit before income tax	9	55,467	47,470
Income tax expense	10	(14,967)	(11,510)
Profit and total comprehensive income for the period		40,500	35,960
Profit and total comprehensive income for the period attributable to the owners of the Company:		40,500	35,960
Earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share):			
– Basic and diluted	11	0.040	0.035

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



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	As at	
		30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Current liabilities			
Trade and other payables	20	121,228	100,434
Contract liabilities	21	35,726	30,860
Lease liabilities	13(b)	12,935	9,213
Tax payables		9,577	11,690
		179,466	152,197
Net current assets		357,165	335,294
Total assets less current liabilities		571,667	541,972
Non-current liabilities			
Lease liabilities	13(b)	46,727	34,919
Deferred tax liabilities	22(b)	2,957	3,059
		49,684	37,978
Net assets		521,983	503,994



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		As at	
		30 June	31 December
		2021	2020
	Notes	RMB'000	RMB'000
		(Unaudited)	(Audited)
EQUITY			
Equity attributable to the owners of the Company			
Share capital	23	8,876	8,872
Share premium	23	179,347	179,136
Other reserves	24	(99,377)	(99,514)
Retained earnings		433,137	415,500
Total equity		521,983	503,994

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

The condensed consolidated financial statements on pages 36 to 100 were approved by the Board on 27 August 2021 and are signed on its behalf by:

Ms. MAN Lai Hung

*Chairman & Chief Executive Officer &
Executive Director*

Ms. HO Suk Mee

Executive Director



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Notes	Attributable to the owners of the Company				
		Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2020 (audited)		8,872	179,118	(105,706)	316,108	398,392
Profit and total comprehensive income for the period		-	-	-	35,960	35,960
Transactions with owners of the Company						
Dividends declared by the Company	25	-	-	-	(23,136)	(23,136)
Deregistration of subsidiaries	24(a)	-	-	(1,361)	1,361	-
		-	-	(1,361)	(21,775)	(23,136)
Balance at 30 June 2020 (unaudited)		8,872	179,118	(107,067)	330,293	411,216
Balance at 1 January 2021 (audited)		8,872	179,136	(99,514)	415,500	503,994
Profit and total comprehensive income for the period		-	-	-	40,500	40,500
Transactions with owners of the Company						
Dividends declared by the Company	25	-	-	-	(22,684)	(22,684)
Appropriation to statutory reserves	24(a)	-	-	179	(179)	-
Employee's share option scheme - Proceeds from share issue	23, 24(c)	4	211	(42)	-	173
		4	211	137	(22,863)	(22,511)
Balance at 30 June 2021 (unaudited)		8,876	179,347	(99,377)	433,137	521,983

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



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		63,806	82,598
Income tax paid		(17,217)	(14,886)
Net cash generated from operating activities		46,589	67,712
Cash flows from investing activities			
Purchases of property, plant and equipment	12	(685)	(8,837)
Purchases of intangible assets	12	(2)	(148)
Proceeds from disposal of property, plant and equipment		-	163
Decrease in time deposits		10,014	1,934
Purchase of financial assets at fair value through profit or loss	14	-	(22,000)
Purchase of unallocated silver bullion	15	-	(102,489)
Interest received		1,442	1,203
Net cash generated from/(used in) investing activities		10,769	(130,174)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cash flows from financing activities			
Repayment of lease liabilities – principal		(5,694)	(4,281)
Repayment of lease liabilities – interest		(1,070)	(1,000)
Proceeds from exercise of share options	24(c)	173	–
Net cash used in financing activities		(6,591)	(5,281)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of period		344,401	364,909
Exchange (losses)/gains on cash and cash equivalents		(238)	655
Cash and cash equivalents at end of period	19(c)	394,930	297,821

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. General information

Clifford Modern Living Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 6 January 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 7th Floor, Chai Wan Industrial City, Phase II, 70 Wing Tai Road, Chai Wan, Hong Kong.

The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 November 2016 (the “**Listing**”). In the opinion of the directors of the Company, the ultimate holding company of the Group is Elland Holdings Limited, a company incorporated in the British Virgin Islands which is wholly owned by Ms. Man Lai Hung (“**Ms. Man**”).

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are primarily engaged in the provision of services to residents in properties developed under the brand name of Clifford, including retail services, catering services, property management services, laundry services, off-campus training services, property agency services, employment placement services, information technology services, renovation and fitting-out services, etc. in the mainland of People’s Republic of China (the “**PRC Mainland**”).

These condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated, which is the same as the functional currencies of the Company and its subsidiaries. All values are rounded to the nearest thousand except when otherwise indicated.

Certain comparative figures have been reclassified to conform with the current period’s presentation.

These condensed consolidated financial statements have not been audited.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

2. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (the “**HKAS**”) 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange.

These condensed consolidated financial statements have been prepared under the historical cost convention except for the investment in unallocated silver bullion and certain financial instruments which have been measured at fair value.

These condensed consolidated financial statements do not include all the notes of the type normally included in an annual consolidated financial statements. Accordingly, this information is to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”), and any public announcement made by the Company during the current interim reporting period.



3. Principal accounting policies

Except for the adoption of amended HKFRSs as set out below, the accounting policies and methods of computation adopted in the preparation of these condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

(a) Amendments to HKFRSs adopted by the Group

In the current interim reporting period, the Group has applied the following amendments to HKFRSs, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	COVID-19-Related Rent Concessions
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9, HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The adoption of these amendments to HKFRSs in the current period has had no material effect on the Group's financial position and performance for the current and prior accounting periods and/or on disclosures set out in these condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

3. Principal accounting policies (continued)

(b) New and revised HKFRSs not yet effective for the financial period beginning on 1 January 2021 and not early adopted by the Group

Up to the date of issuance of this report, the Group has not early adopted any of the following new and revised HKFRSs, which have been issued but are not yet effective, in these condensed consolidated financial statements:

		Effective for annual reporting periods beginning on or after
Amendment to HKFRS 16	COVID-19-Related Rent Concessions Beyond 30 June 2021	1 April 2021
Amendment to AG 5	Accounting Guideline 5 Merger Accounting for Common Control Combinations (Revised)	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020	1 January 2022
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, and Illustrative Examples accompanying HKFRS 16 and HKAS 41	1 January 2022



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

3. Principal accounting policies (continued)

(b) New and revised HKFRSs not yet effective for the financial period beginning on 1 January 2021 and not early adopted by the Group (continued)

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

The directors of the Company are in the progress of assessing the impact to the Group's financial performance and position by adopting the new and revised HKFRSs.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

4. Critical accounting estimates and judgements

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

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2020.

5. Segment information

Information reported to the executive directors of the Company, who are the chief operating decision makers of the Group, was specifically focused on the segments of retail services, information technology services, property management services, off-campus training services, property agency services, renovation and fitting-out services, catering services and other services for the purpose of resource allocation and performance assessment. These divisions are the basis on which the Group reports its segment information under HKFRS 8 "Operating Segments".

The executive directors of the Company assess the performance of the operating segments based on a measure of segment revenue and results and segment assets and liabilities. Segment results excluded other (losses)/gains and other income, net, finance costs, central administration costs, income tax expense, and segment assets excluded financial assets at fair value through profit or loss, investment in unallocated silver bullion, time deposits, restricted cash, cash and cash equivalents and deferred tax assets and segment liabilities excluded dividend payable and deferred tax liabilities as these activities are centrally driven by the Group. Catering services segment has been reclassified from others to conform with the current period's presentation.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

5. Segment information (continued) Segment revenue and results

The segment revenue and results and the reconciliation with profit are as follows:

For the six months ended 30 June 2021 (unaudited)

	Retail services RMB'000	Information technology services RMB'000	Property management services RMB'000	Off-campus training services RMB'000	Property agency services RMB'000	Renovation and fitting-out services RMB'000	Catering services RMB'000	Others RMB'000	Total RMB'000
Gross segment revenue	70,768	31,936	41,241	22,413	12,795	507	25,048	9,607	214,315
Inter-segment revenue	(123)	(443)	(826)	(44)	-	-	(731)	(145)	(2,312)
Revenue	70,645	31,493	40,415	22,369	12,795	507	24,317	9,462	212,003
Timing of revenue recognition									
At a point in time	60,988	4,009	-	-	12,670	-	22,336	4,525	104,528
Over time	9,657	27,484	40,415	22,369	125	507	1,981	4,937	107,475
	70,645	31,493	40,415	22,369	12,795	507	24,317	9,462	212,003
Segment results	10,362	6,575	26,790	9,230	2,197	(231)	7,352	1,744	64,019
Other losses and other income, net									(3,869)
Finance costs									(1,070)
Unallocated expenses									(3,613)
Income tax expense									(14,967)
Profit for the period									40,500
Segment results include:									
Depreciation and amortisation	(4,443)	(585)	(1,101)	(1,468)	(137)	(33)	(578)	(502)	(8,847)
Written-off of property, plant and equipment	(184)	-	-	(54)	-	-	-	-	(238)
Provision for expected credit losses on trade and other receivables	-	-	(105)	-	-	(580)	(71)	(4)	(760)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

5. Segment information (continued) Segment revenue and results (continued)

For the six months ended 30 June 2020 (unaudited)

	Retail services RMB'000	Information technology services RMB'000	Property management services RMB'000	Off-campus training services RMB'000	Property agency services RMB'000	Renovation and fitting-out services RMB'000	Catering Services RMB'000	Others RMB'000	Total RMB'000
Gross segment revenue	74,571	31,994	37,713	6,546	7,598	7,347	1,795	7,559	175,123
Inter-segment revenue	(82)	-	(348)	-	-	-	-	-	(430)
Revenue	74,489	31,994	37,365	6,546	7,598	7,347	1,795	7,559	174,693
Timing of revenue recognition									
At a point in time	66,853	717	-	-	7,439	-	-	4,300	79,309
Over time	7,636	31,277	37,365	6,546	159	7,347	1,795	3,259	95,384
	74,489	31,994	37,365	6,546	7,598	7,347	1,795	7,559	174,693
Segment results	15,522	5,208	21,427	(1,176)	1,180	2,967	1,583	1,018	47,729
Other gains and other income, net									5,743
Finance costs									(1,000)
Unallocated expenses									(5,002)
Income tax expense									(11,510)
Profit for the period									35,960
Segment results include:									
Depreciation and amortisation	(4,880)	(677)	(817)	(1,774)	(135)	(25)	-	(591)	(8,899)
Loss on disposal of property, plant and equipment	(6)	-	-	-	-	-	-	-	(6)
(Provision for)/reversal of expected credit losses on trade and other receivables	(13)	(150)	(287)	-	-	(219)	-	263	(406)
Written-off of trade receivables	-	-	-	-	-	-	(12)	(122)	(134)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

5. Segment Information (continued)

The segment assets and liabilities and the reconciliation with total assets and liabilities of the Group as at 30 June 2021 and 31 December 2020 are as follows:

Segment assets

	As at	
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Retail services	70,870	60,418
Information technology services	101,300	85,882
Property management services	2,583	7,975
Off-campus training services	15,197	18,660
Property agency services	1,789	4,207
Renovation and fitting-out services	1,486	4,511
Catering services	11,258	1,643
Others	7,530	7,199
Total segment assets	212,013	190,495
Financial assets at fair value through profit or loss	4,241	4,181
Investment in unallocated silver bullion	133,124	138,290
Time deposits	3,919	13,933
Restricted cash	620	618
Cash and cash equivalents	394,930	344,401
Deferred tax assets	2,286	2,251
Total assets	751,133	694,169



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

5. Segment Information (continued)

Segment liabilities

	As at	
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Retail services	80,059	66,663
Information technology services	46,594	51,478
Property management services	9,707	15,056
Off-campus training services	32,712	28,225
Property agency services	3,491	2,348
Renovation and fitting-out services	12,313	12,657
Catering services	12,361	5,693
Others	6,272	4,996
Total segment liabilities	203,509	187,116
Dividend payable	22,684	–
Deferred tax liabilities	2,957	3,059
Total liabilities	229,150	190,175

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

5. Segment Information (continued)

As at 30 June 2021, more than 90% (31 December 2020: more than 90%) of the Group's non-current assets other than financial assets, investment in unallocated silver bullion and deferred tax assets, are situated in the PRC Mainland.

During the six months ended 30 June 2021, more than 90% (the six months ended 30 June 2020: more than 90%) of the Group's revenue were derived from activities carried out and from customers located in the PRC Mainland and no geographical segment analysis is prepared.

Clifford Estates (Panyu) Limited* (廣州市番禺祈福新邨房地產有限公司), a company under significant influence of the spouse of Ms. Man, contributes more than 11% (the six months ended 30 June 2020: 13%) of the Group's revenue on the segments of retail services, information technology services, property management services, property agency services and off-campus training services (the six months ended 30 June 2020: retail services, information technology services, property management services and off-campus training services) for the six months ended 30 June 2021.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

6. Revenue

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers within the scope of HKFRS 15, analysed by types of goods or services:</i>		
Sales of goods	64,001	61,187
Engineering work income	20,665	27,999
Property management service income	30,854	28,149
Off-campus training service income	20,378	4,784
Property agency service income	12,671	7,438
Renovation work income	507	7,347
Resident support services income	5,429	7,763
Catering service income	24,317	1,795
Household cleaning income	2,176	4,648
Laundry service income	4,525	3,241
Concessionaire services income	5,305	4,181
Employment placement income	4,923	4,300
Engineering maintenance income	4,790	2,398
Telecommunication service income	2,725	1,552
Procurement service fee income	214	1,405
After-rental service income	111	124
Others	646	394
<i>Revenue from other sources</i>		
Sub-leasing income	7,766	5,988
	212,003	174,693



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

7. Other (losses)/gains and other income, net

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Interest income on cash and cash equivalents		566	405
Interest income from amounts placed in Residents' Accounts (as defined in Note 16(b))		344	95
Interest income on time deposits and wealth management products		625	776
Loss on termination of lease of premises		-	(420)
Loss on disposal of property, plant and equipment		-	(6)
(Losses)/gains on foreign exchanges, net		(1,585)	3,529
Gain on modification of leases		543	-
Fair value gains on financial assets at fair value through profit or loss	14	60	74
Fair value (loss)/gain on investment in unallocated silver bullion	15	(5,166)	384
Government grants (Note)		233	181
Written-off of property, plant and equipment	12	(238)	-
Written-off of trade receivables		-	(134)
Compensation from tenants		6	444
Others		743	415
		(3,869)	5,743

Note: Government grants represented the subsidies received from the local government in support of the business operation. There was no unfulfilled condition in relation to the subsidies.

8. Finance costs

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Interest expenses on lease liabilities (Note 13(c))	1,070	1,000



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

9. Profit before income tax

Profit before income tax is arrived at after charging:

		Six months ended 30 June	
	Notes	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Auditor's remuneration			
– Non-audit services		434	471
Depreciation and amortisation on			
– property, plant and equipment	12	1,915	2,629
– investment properties	12	3,309	2,507
– intangible assets	12	215	188
– right-of-use assets	13	3,408	3,575
Employee benefits expenses (including directors' remunerations) (Note a)			
– Salaries, allowance and benefits in kind		37,228	31,703
– Retirement benefit scheme contributions (Note b)		3,247	1,597
Direct operating expenses arising from investment properties that generated rental income		518	332
Cost of raw materials in relation to catering services		11,938	–
Cost of raw materials and consumables		1,420	2,094
Cost of inventories recognised as expenses		43,836	41,626
Minimum lease payments under short-term operating term operating lease	13(c)	897	442
Expected credit losses on trade and other receivables		760	406



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

9. Profit before income tax (continued)

Notes:

- (a) Total employee benefits expenses of approximately RMB22,531,000 (the six months ended 30 June 2020: RMB19,225,000), RMB7,152,000 (the six months ended 30 June 2020: RMB5,949,000) and RMB10,792,000 (the six months ended 30 June 2020: RMB8,126,000) have been charged to cost of sales, selling and marketing expenses and administrative expenses, respectively for the six months ended 30 June 2021.
- (b) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated based on certain percentages of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

Pursuant to an announcement issued by the Ministry of Human Resources and Social Security of the PRC, in light of COVID-19 outbreak, certain Group entities are exempted from making employer contributions to pension, unemployment, and work-related injury insurance schemes between February to December 2020. The contribution retirement scheme has been resumed to normal since 1 January 2021.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

10. Income tax expense

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
– PRC Mainland corporate income tax	15,104	10,806
– PRC Mainland withholding income tax	–	1,338
Total current tax	15,104	12,144
Deferred tax:		
– PRC Mainland corporate income tax	(137)	(274)
– PRC Mainland withholding income tax	–	(360)
Total deferred tax	(137)	(634)
Income tax expense	14,967	11,510



10. Income tax expense (continued)

PRC Mainland Corporate Income Tax

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

The general corporate income tax rate applicable to the Group entities located in the PRC Mainland (“**PRC Mainland entities**”) is 25% according to the Corporate Income Tax Law of the PRC Mainland effective on 1 January 2008. During the year ended 31 December 2017, a subsidiary of the Company obtained the Certificate of “High and New Technology Enterprise” (the “**Certificate**”) with valid period from 2017 to 2019 which was extended to 2022 in December 2020. According to the Corporate Income Tax Law of the PRC Mainland, corporations which obtain the Certificate are entitled to enjoy a preferential corporate income rate of 15% (the six months ended 30 June 2020: the corporate income tax rate was resumed to 25% since the Certificate expired on 1 January 2020).

During the six months ended 30 June 2021 and 30 June 2020, some of the subsidiaries of the Group are qualified as the qualifying small enterprises according to the relevant tax law and regulation. When their assessable profit falls under RMB1,000,000 they will be qualified for a reduced 5% effective tax rate, whereas those assessable profit falls under RMB3,000,000 but above RMB1,000,000, they will be qualified for a reduced 10% effective tax rate, under the tax reduction measures introduced by the State Council, from 1 January 2018 to 31 December 2020 which was extended to 31 December 2022 in April 2021.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

10. Income tax expense (continued)

PRC Mainland Withholding Income Tax

PRC Mainland withholding income tax of 10% shall be levied on the dividends declared by PRC Mainland entities to their foreign investors out of their profits earned after 1 January 2008. A lower 5% withholding tax rate was applied when the immediate holding companies of the PRC Mainland subsidiaries are incorporated or operated in Hong Kong and fulfil the requirement to the tax arrangement between the PRC Mainland and Hong Kong.

During the six months ended 30 June 2021, a provision of deferred tax for the distribution of earnings of the certain profitable PRC Mainland subsidiaries to other overseas group entities has been made at withholding income tax rate of 5% (the six months ended 30 June 2020: 5%).

Hong Kong Profits Tax

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% (the six months ended 30 June 2020: 16.5%) of the estimated assessable profit for the period.

No provision for Hong Kong Profit Tax has been provided as the Group had no assessable profits for the six months ended 30 June 2021 and 30 June 2020.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

10. Income tax expense (continued)

Overseas Corporate Income Tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 of Cayman Islands and is exempted from Cayman Islands income tax. British Virgin Islands subsidiaries were incorporated under the International Business Companies Act of the British Virgin Islands and are exempted from British Virgin Islands income tax.

11. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Profit attributable to the owners of the Company (RMB)	40,500,000	35,960,000
Weighted average number of ordinary shares in issue	1,015,297,075	1,015,200,000
Basic earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share)	0.040	0.035



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

11. Earnings per share (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares arising from the employees' share options. For the employees' share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

11. Earnings per share (continued)

(b) Diluted (continued)

As stated in Note 24(c), the Employees' Share Option Scheme was adopted on 8 November 2016 and became effective on the same day. Diluted earnings per share for the six months ended 30 June 2021 was calculated as below:

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
Profit attributable to the owners of the Company (RMB)	40,500,000	35,960,000
Weighted average number of ordinary shares in issue	1,015,297,075	1,015,200,000
Adjustment for:		
– Employees' share options	1,641,557	1,547,399
Weighted average number of ordinary shares for diluted earnings per share	1,016,938,632	1,016,747,399
Diluted earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share)	0.040	0.035



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

12. Property, plant and equipment, investment properties and intangible assets

	Property, plant and equipment RMB'000	Investment properties RMB'000 (Note)	Intangible assets RMB'000
As at 1 January 2021			
Cost	40,147	15,055	3,124
Accumulated depreciation and amortisation	(22,911)	(7,749)	(1,207)
Net book amount (audited)	17,236	7,306	1,917
Six months ended 30 June 2021			
Opening net book amount	17,236	7,306	1,917
Additions	685	-	2
Written-off (Note 7)	(238)	-	-
Lease modifications	-	582	-
Depreciation and amortisation charge (Note 9)	(1,915)	(3,309)	(215)
Closing net book amount (unaudited)	15,768	4,579	1,704
As at 30 June 2021			
Cost	40,078	15,622	3,126
Accumulated depreciation and amortisation	(24,310)	(11,043)	(1,422)
Net book amount (unaudited)	15,768	4,579	1,704

Note: As at 30 June 2021 and 31 December 2020, the Group leases certain office premises under operating leases with certain related parties (Note 26(b)) and independent third parties. Certain of the Group's right-of-use assets which are used in the sub-leasing business, meet the definition of investment properties.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

13. Right-of-use asset and lease liabilities

(a) Right-of-use assets

	Premises RMB'000
As at 1 January 2021	
Cost	41,281
Accumulated depreciation	(9,082)
Net book amount (audited)	32,199
Six months ended 30 June 2021	
Opening net book amount	32,199
Addition	21,224
Lease modifications	206
Derecognised due to early termination of leases	(7)
Depreciation charge (Note 9)	(3,408)
Closing net book amount (unaudited)	50,214
As at 30 June 2021	
Cost	61,656
Accumulated depreciation	(11,442)
Net book amount (unaudited)	50,214



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

13. Right-of-use asset and lease liabilities (continued)

(b) Lease liabilities

	As at	
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Analysed into:		
Current portion	12,935	9,213
Non-current portion	46,727	34,919
	59,662	44,132

(c) The amounts recognised in condensed consolidated statement of comprehensive income are as follows:

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Interest expenses on lease liabilities	8	1,070	1,000
Depreciation charged on right-of-use assets	9	3,408	3,575
Expense relating to short-term lease	9	897	442

The total cash outflow for leases for the six months ended 30 June 2021 was approximately RMB7,661,000 (the six months ended 30 June 2020: RMB5,723,000).



13. Right-of-use asset and lease liabilities (continued)

- (d) The Group entered certain leases in respect of properties from related parties to the Group. The amount of lease payments by the Group under the leases are approximately RMB1,041,000 (31 December 2020: RMB1,118,000) per month with the lease terms ranging from 2 to 10 years (31 December 2020: 2 to 10 years).

As at 30 June 2021, included in the Group's current and non-current lease liabilities, approximately RMB10,673,000 and RMB35,091,000 (31 December 2020: RMB7,044,000 and RMB21,875,000) respectively were the amounts due to related parties. The short-term lease expenses, interest expenses on lease liabilities and payment of lease liabilities during the six months ended 30 June 2021 and 2020 are disclosed in Note 26(b).

- (e) The Group leases various properties which the lease agreements are typically made for fixed periods ranging from 1 to 10 years (31 December 2020: 1 to 10 years). 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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

14. Fair value measurement of financial instruments

(a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels.

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The level in the fair value hierarchy within which the financial assets is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement. The financial assets measured at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

14. Fair value measurement of financial instruments (continued)
(a) Fair value hierarchy (continued)

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Financial assets at fair value through profit or loss		
– Financial product with variable returns (Note)	4,241	4,181
Analysed into:		
Non-current	4,241	4,181

Note:

As at 30 June 2021, the balance represents a financial product purchased from a commercial bank in the PRC Mainland. The financial product with the original maturity period of 10 years (31 December 2020: 10 years) carries the variable return rate, resulting from possible changes in market interest rates.

Such investment is subject to financial risk exposure in terms of interest rate risk and credit risk. The fair value of financial product amounted to approximately RMB4,241,000 (31 December 2020: RMB4,181,000) as at 30 June 2021. The Group can unconditionally cancel or terminate the investment in the financial product at any time, at the original principal amount and the accrued interests up to the date of cancellation/termination.

The fair value of the financial product as at the end of the reporting period was estimated by the management of the Company by using discounted cash flow method which is based on the present value of the contractual stream of future cash flows (which is estimated with reference to the expected return rates) discounted at the discount rate (which is determined with reference to the yield of the bonds for respective maturity periods) and credit spread determined with reference to the premium compensated from the market comparable with the similar credit rating as the commercial bank.

During the six months ended 30 June 2021, the fair value gain on financial assets at fair value through profit or loss of approximately RMB60,000 (the six months ended 30 June 2020: RMB74,000) is recognised in other (losses)/gains and other income, net (Note 7).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

14. Fair value measurement of financial instruments (continued)

(b) Fair value measurement using significant unobservable inputs (Level 3)

The following table illustrate the fair value measurement hierarchy of the Group's financial instruments:

	Level 3
	RMB'000
At 1 January 2020 (audited)	4,147
Acquisitions	22,000
Fair value gains recognised in profit or loss (Note 7)	74
At 30 June 2020 (unaudited)	26,221
At 1 January 2021 (audited)	4,181
Fair value gains recognised in profit or loss (Note 7)	60
At 30 June 2021 (unaudited)	4,241



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

14. Fair value measurement of financial instruments (continued)

(c) Valuation inputs and relationships to fair value

The following table presents the Group's financial assets measured and recognised at fair value at 30 June 2021 on a recurring basis:

Financial assets at fair value through profit or loss	Fair value at 30 June 2021 RMB'000	Valuation technique	Unobservable inputs*	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Financial product the expiry date of 20 September 2026 (31 December 2020: 20 September 2026)	4,241 (31 December 2020: 4,181)	Discounted cash flow (31 December 2020: Discounted cash flow)	Expected interest rate per annum (31 December 2020: Expected Interest rate per annum)	3.00% (31 December 2020: 3.10%)	A change expected interest rate per annum 100 basis points results in a change in fair value by approximately RMB20,000 (31 December 2020: RMB89,000)

(d) Fair values of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the condensed consolidated statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

15. Investment in unallocated silver bullion

During the year ended 31 December 2020, the Group invested in a total of 800,000 ounces of unallocated silver bullion through a licensed bank at a total consideration of approximately RMB102,489,000. Such investment is held for long-term capital appreciation, and the management of the Company has decided to use the fair value model, with the changes in fair value to be recognised in the profit or loss in the period of changes.

As at 30 June 2021, the Group held in a total of 800,000 (31 December 2020: 800,000) ounces of unallocated silver bullion with fair value approximately RMB133,124,000 (31 December 2020: RMB138,290,000). During the six months ended 30 June 2021, the fair value loss on unallocated silver bullion of approximately RMB5,166,000 (the six months ended 30 June 2020: fair value gain of approximately RMB384,000) is recognised in other (losses)/gains and other income, net (Note 7).

The fair value of the investment in unallocated silver bullion is measured with reference to their bid price in London Precious Metals Markets, which is the exit price, at the end of each reporting period.

The Group can unconditionally, at its sole discretion, convert the investment into allocated silver bullion or realise the investment into cash at the London silver spot price by giving not less than 2 business days' prior written notice.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

16. Trade and other receivables

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables (Note (a)):		
– Related parties (Note 26(d))	50,963	36,042
– Third parties	44,976	44,525
Total trade receivables	95,939	80,567
Less: allowance for expected credit losses of trade receivables	(1,992)	(1,918)
	93,947	78,649
Amounts placed in Residents' Accounts (Note (b))	5,316	5,142
Other receivables:		
– Related parties (Note 26(d))	4,444	3,220
– Third parties (Note (c))	4,924	7,443
Total other receivables	9,368	10,663



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

16. Trade and other receivables (continued)

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Less: allowance for expected credit losses of other receivables	(686)	–
	8,682	10,663
Prepayments: – Third parties	10,188	6,690
Total trade and other receivables	118,133	101,144
Analysed into:		
Non-current	2,586	3,298
Current	115,547	97,846
	118,133	101,144



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

16. Trade and other receivables (continued)

Notes:

- (a) Trade receivables due from third parties mainly represented the receivables arising from provision of information technology services and renovation and fitting-out services and the receivables of outstanding property management fee charged on commission basis.

During the six months ended 30 June 2021, the credit period granted to trade customers of information technology services and renovation and fitting-out services varies from one month to one year (the six months ended 30 June 2020: one month to one year); the trading of retail services, catering services, off-campus training services, property agency services, employment placement services and laundry services are mainly carried out on a cash basis (the six months ended 30 June 2020: cash basis).

As at 30 June 2021 and 31 December 2020, the ageing analysis of the trade receivables, net of expected credit losses based on invoice date, were as follows:

	As at	
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Less than 1 year	93,523	75,265
1 to 2 year(s)	5	550
Over 2 years	419	2,834
	93,947	78,649



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

16. Trade and other receivables (continued)

Notes (continued):

- (b) Certain property management companies of the Group have engaged in the provision of property management services for residential communities on commission basis and opened bank accounts on behalf of the residents (“**Residents’ Accounts**”). These Residents’ Accounts are used to collect the property management fee and resident support services fee from the residents. The property management companies have undertaken the treasury function for these bank accounts on behalf of the residents pursuant to the property management contracts.

As at 30 June 2021, the residents’ funds amounted to approximately RMB101,453,000 (31 December 2020: RMB107,350,000) which are not included in the Group’s condensed consolidated financial statements.

As at 30 June 2021, amounts included in Residents’ Accounts of approximately RMB5,316,000 (31 December 2020: RMB5,142,000) represented the balances of the property management commission fee and resident support service fee entitled by the property management companies. As at 30 June 2021, amounts placed in Resident’s Accounts carry interest at prevailing rates from 0.30% to 2.00% per annum (31 December 2020: 0.30% to 2.00% per annum). The fair value of these balances approximates their carrying amounts.

- (c) Included in the other receivables balance are the finance lease receivables with aggregate carrying amount of approximately RMB3,972,000 (31 December 2020: RMB4,596,000). Certain leased properties under subleases were classified as finance leases as the terms of the sublease transfer substantially all the risks and rewards incidental to ownership of head lease to the lessee. Amounts due from lessees under finance leases are recognised as finance lease receivables which included in the non-current and current other receivables amounting to approximately RMB2,586,000 and RMB1,386,000 (31 December 2020: RMB3,298,000 and RMB1,298,000), respectively and have remaining lease terms ranging from 2 to 5 years (31 December 2020: 2 to 5 years) as at 30 June 2021.

The maximum exposure to credit risk at the reporting dates is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2021, a provision of approximately RMB2,678,000 (31 December 2020: RMB1,918,000) was made against the gross amounts of trade and other receivables.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

17. Inventories

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Merchandise goods	11,260	12,350
Raw materials and consumables	3,831	2,508
	15,091	14,858

18. Contract assets

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Amounts due from customers for contract works		
– Related parties (Note 26(d))	6,090	6,945
– Third parties	434	8,890
	6,524	15,835



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

19. Cash and bank balances

(a) Time deposits

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Matured over 3 months	3,919	13,933

As at 30 June 2021, the time deposits in banks carried interest at prevailing deposit rates which range from 1.75% to 2.00% (31 December 2020: 1.75% to 2.00%) per annum. The fair value of the Group's time deposits approximates their carrying amounts. All time deposits are denominated in RMB.

(b) Restricted cash

Restricted cash represents cash deposits in the banks as security for issuance of cash cards and carrying out training services according to the relevant regulations in the PRC Mainland.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

19. Cash and bank balances (continued)

(c) Cash and cash equivalents

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash at banks and on hand	335,249	336,909
Short-term bank deposits	59,681	7,492
	394,930	344,401

As at 30 June 2021, short-term bank deposits are made for varying periods of not more than three months which carried interest at prevailing deposit rates ranging from 0.50% to 2.00% per annum (31 December 2020: 0.50% to 1.50% per annum).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

19. Cash and bank balances (continued)

(c) Cash and cash equivalents (continued)

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash and cash equivalents		
denominated in:		
– RMB	359,569	331,872
– Hong Kong Dollar (“HK\$”)	35,354	12,522
– United States Dollar	7	7
	394,930	344,401

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies out of the PRC Mainland are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC Mainland government.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

20. Trade and other payables

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade payables (Note):		
– Related parties (Note 26(d))	99	829
– Third parties	56,940	61,318
	57,039	62,147
Other payables:		
– Related parties (Note 26(d))	3,658	3,646
– Third parties	26,356	21,674
	30,014	25,320
Accrued payroll	8,511	9,516
Dividend payable (Note 25)	22,684	–
Other tax payables	2,980	3,451
	121,228	100,434



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

20. Trade and other payables (continued)

Note: As at 30 June 2021 and 31 December 2020, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date were as follows:

	As at	
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Less than 1 year	53,194	56,383
1 to 2 year(s)	3,164	4,991
2 to 3 years	290	45
Over 3 years	391	728
	57,039	62,147



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

21. Contract liabilities

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Receipt in advance in off-campus training services	18,957	12,764
Receipt in advance in relation to construction contracts	9,148	12,514
Cash vouchers in relation to retail services	3,403	2,851
Receipt in advance in relation to property management services	1,474	1,877
Others	2,744	854
	35,726	30,860

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contract liabilities		
– Related parties (Note 26(d))	8,491	11,513
– Third parties	27,235	19,347
	35,726	30,860



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

22. Deferred tax

The movement in deferred tax assets and liabilities during the period are as follows:

(a) Deferred tax assets

	Temporary difference relating to accrual of rental expenses RMB'000	Leases RMB'000	Total RMB'000
As at 1 January 2021	1,784	467	2,251
Credited to the condensed consolidated statement of comprehensive income	-	216	216
Charged to the condensed consolidated statement of comprehensive income	(149)	(32)	(181)
As at 30 June 2021	1,635	651	2,286
As at 1 January 2020	1,966	338	2,304
Credited to the condensed consolidated statement of comprehensive income	-	252	252
As at 30 June 2020	1,966	590	2,556



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

22. Deferred tax (continued)
(b) Deferred tax liabilities

	Finance lease receivables RMB'000	Withholding taxes RMB'000	Total RMB'000
As at 1 January 2021	909	2,150	3,059
Credited to the condensed consolidated statement of comprehensive income	(102)	-	(102)
As at 30 June 2021	807	2,150	2,957
As at 1 January 2020	1,152	1,183	2,335
Credited to the condensed consolidated statement of comprehensive income	(382)	-	(382)
As at 30 June 2020	770	1,183	1,953

As at 30 June 2021, the Group has tax losses arising in Hong Kong of approximately RMB892,000 (31 December 2020: RMB862,000) that are available for offsetting against future taxable profits. Such unused tax losses are subjected to approval of the Hong Kong Inland Revenue Department. No deferred tax assets have been recognised due to unpredictability of further profit streams. Tax losses may be carried forward indefinitely.

As at 30 June 2021, the Group has not recognised the provision of PRC Mainland withholding income tax of approximately RMB6,706,000 (31 December 2020: RMB4,920,000) in relation to the undistributed profits of certain PRC Mainland group entities totaling approximately RMB134,118,000 (31 December 2020: RMB98,390,000) as the Group does not have a plan to distribute these profits out of the PRC Mainland in the foreseeable future.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

23. Share capital and share premium

Details of the share capital and share premium of the Company are as follows:

	Number of ordinary shares	Share capital		Share premium	Total
		Translated to		RMB'000	RMB'000
		HK\$	RMB'000	RMB'000	RMB'000
Authorised:					
At 31 December 2020 and 30 June 2021	10,000,000,000	100,000,000		87,440	
Issued and fully paid:					
As at 1 January 2021	1,015,250,000	10,152,500		8,872	179,136
Employees' Share Option Scheme (Note 24(c))	500,000	5,000		4	211
As at 30 June 2021	1,015,750,000	10,157,500		8,876	179,347
As at 1 January 2020	1,015,200,000	10,152,000		8,872	179,118
Employees' Share Option Scheme (Note 24(c))	50,000	500		-	18
As at 31 December 2020	1,015,250,000	10,152,500		8,872	179,136



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

24. Other reserves

	Statutory reserve RMB'000 (Note (a))	Capital reserve RMB'000 (Note (b))	Share-based compensation reserve RMB'000 (Note (c))	Reserves for transactions with non- controlling interests RMB'000	Total RMB'000
As at 1 January 2021 (audited)	35,432	(121,099)	484	(14,331)	(99,514)
Appropriation of statutory reserves	179	-	-	-	179
Employees' Share Option Scheme (Note (c))	-	-	(42)	-	(42)
As at 30 June 2021 (unaudited)	35,611	(121,099)	442	(14,331)	(99,377)
As at 1 January 2020 (audited)	29,222	(121,099)	502	(14,331)	(105,706)
Deregistration of subsidiaries	(1,361)	-	-	-	(1,361)
Appropriation of statutory reserves	7,571	-	-	-	7,571
Employees' Share Option Scheme (Note (c))	-	-	(18)	-	(18)
As at 31 December 2020 (audited)	35,432	(121,099)	484	(14,331)	(99,514)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

24. Other reserves (continued)

(a) Statutory reserve

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

(b) Capital reserve

The amounts consisted of RMB111,305,000 which represented the difference between the carrying value of the listing business and the par value of shares issued by the Company to the then shareholders of the Group in exchange of the listing business during the reorganisation for the listing and the remaining balance of RMB9,794,000 represented paid-in capital of the acquired subsidiary in a business combination under common control in 2017.

(c) Share based compensation reserve

On 21 October 2016, the Company granted share options to certain directors, senior management and employees of the Group (the “**Recipients**”) under a share option scheme (the “**Employees’ Share Option Scheme**”), under which the option holders are entitled to acquire an aggregate of 21,175,000 shares of the Company at 10% discount to the offer price of HK\$0.46 per share upon the listing date on 8 November 2016 (“**Listing Date**”).

The employees’ share options shall be exercisable at any time during the period (i) commencing on the business day immediately after the expiry of the six-month period after the Listing Date and (ii) ending on the date falling in five years and six months of the Listing Date.



24. Other reserves (continued)

(c) Share based compensation reserve (continued)

During the six months ended 30 June 2021, two employees have exercised 500,000 options in aggregate at the exercise price of HK\$0.414 per share (the six months ended 30 June 2020: no Recipient has exercised share option). The proceeds of approximately HK\$207,000 in aggregate (equivalent to approximately RMB173,000) were received by the Company.

As at 30 June 2021, the remaining number of share options outstanding were 5,425,000 (31 December 2020: 5,925,000) with exercise price of HK\$0.414 for each.

The expiry date of the share options outstanding is 8 May 2022.

The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

25. Dividend

Pursuant to the approval at the annual general meeting of shareholders of the Company on 25 June 2021, a final dividend of HK2.70 cents per ordinary share for the year ended 31 December 2020 (31 December 2019: HK2.50 cents) was approved and to be distributed out of the Company's retained earnings. The final dividend amounting to approximately HK\$27,412,000 (equivalent to approximately to RMB22,684,000) (30 June 2020: HK\$25,380,000 (equivalent to approximately to RMB23,136,000)) based on the total number of issued shares of the Company of 1,015,250,000 ordinary shares as at 31 December 2020 (31 December 2019: 1,015,200,000 ordinary shares) was recognised as a liability in the condensed consolidated statement of financial position as at 30 June 2021 (Note 20).

No interim dividend for the six months ended 30 June 2021 (the six months ended 30 June 2020: Nil) has been proposed by the Board of the Company.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

26. Related party transactions

(a) Name and relationship with related parties:

Name	Relationship
Ms. Man Lai Hung	Ultimate shareholder of the Company
Mr. Pang Lun Kee	The spouse of Ms. Man
Maliton Services Limited	Company under control of the spouse of Ms. Man
Tango Trading Limited	Company under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Property Development Company Limited* 廣州市花都祈福房地產有限公司	Company under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Estates Property Development Company Limited* 廣州市花都祈福花園房產有限公司	Company under control of the spouse of Ms. Man
Guangzhou Crown Property Company Limited* 廣州市冠都物業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Property Company Limited* 廣州市花都祈福置業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Huadu Xin Hua Clifford Property Development Company Limited* 廣州市花都新華祈福房地產有限公司	Company under control of the spouse of Ms. Man
Guangzhou Panyu Clifford English Experimental School* 廣州市番禺區祈福英語實驗學校	Company under control of the spouse of Ms. Man
Zhaoqing Clifford Coast Property Development Company Limited* 肇慶祈福海岸房地產有限公司	Company under control of the spouse of Ms. Man



26. Related party transactions (continued)

(a) Name and relationship with related parties: (continued)

Name	Relationship
Foshan Nanhai Clifford Property Development Limited* 佛山市南海祈福置業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Lakeside Property Company Limited* 廣州市倚湖物業有限公司	Company under control of the spouse of Ms. Man
Foshan Nanhai Clifford Household Industrial Company Limited* 佛山市南海祈福家居實業有限公司	Company under control of the spouse of Ms. Man
Foshan Nanhai Clifford Property Development Company Limited* 佛山市南海祈福房地產有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Postnatal Care Company Limited* 廣州市祈福母嬰護理服務有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Property Limited* 廣州市祈福物業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Medical Equipment Limited* 廣州市祈福醫療器械有限公司	Company under control of Ms. Man
Guangzhou Qifu Medical Company Limited* 廣州市祈福醫藥有限公司	Company under control of Ms. Man
Clifford Aged Home Company Limited* 廣州市祈福護老公寓有限公司	Company under control of Ms. Man
Guangzhou Qifuxin Pharmacy Company Limited* 廣州市祈福新大藥房有限公司	Company under control of Ms. Man



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

26. Related party transactions (continued)

(a) Name and relationship with related parties: (continued)

Name	Relationship
Foshan Nanhai Clifford Golden Lake Hotel Limited* 佛山市南海祈福仙湖酒店有限公司	Company under control of Ms. Man
Guangzhou Panyu CZ Clifford Lakeside Kindergarten* 廣州市番禺區鐘村街祈福倚湖灣幼兒園	Company under control of Ms. Man
Guangzhou Fortune Software Limited* 廣州市科進計算機技術有限公司	Company under control of the spouse of Ms. Man
Guangdong Clifford Hospital Company Limited* 廣東祈福醫院有限公司	Company under control of the spouse of Ms. Man
Guangzhou Nanhai Clifford English Experimental Kindergarten* 佛山市南海區祈福英語實驗幼兒園	Company under control of the spouse of Ms. Man
Guangzhou Guanhuang Properties Company Limited* 廣州市冠環物業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Zhan Sheng Commercial Property Management Company Limited* 廣州市展盛商業地產經營管理有限公司	Company under control of the spouse of Ms. Man
Guangzhou Guangli Property Company Limited* 廣州市廣利物業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Panyu Clifford Property Company Limited* 廣州市番禺祈福房產有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Business Centre Management Company Limited* 廣州市祈福商務中心經營管理有限公司	Company under control of the spouse of Ms. Man



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

26. Related party transactions (continued)

(a) Name and relationship with related parties: (continued)

Name	Relationship
Guangzhou Clifford Property Management Company Limited* 廣州市祈福地產經營管理有限公司	Company under control of the spouse of Ms. Man
Guangzhou Qifu Education Management Company Limited* 廣州市祈福教育管理有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland Commercial Property Management Company Limited* 廣州市祈福繽紛世界商業地產經營管理有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland Service Apartment Company Limited* 廣州市祈福繽紛世界國際公寓有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland Company Limited* 廣州市祈福繽紛樂園有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Julongbao Property Company Limited* 廣州市祈福聚龍堡置業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Mountain Lake Hotel Limited* 廣州市花都祈福山中湖酒店有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Property Management Limited* 廣州市祈福物業管理有限公司	Company under control of the spouse of Ms. Man
Guangzhou Panyu Clifford Estates Resort Club Company Limited* 廣州市番禺祈福新邨渡假俱樂部有限公司	Company under significant influence of the spouse of Ms. Man



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

26. Related party transactions (continued)

(a) Name and relationship with related parties: (continued)

Name	Relationship
Guangzhou Clifford Estates School* 廣州市番禺區祈福新邨學校	Company under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford Estates Kindergarten* 廣州市番禺區祈福新邨幼兒園	Company under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford Elite Kindergarten* 廣州市番禺區祈福精英幼兒園	Company under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford English Experimental Primary School* 廣州市番禺區祈福英語實驗小學	Company under joint control of the spouse of Ms. Man and independent third parties
Guangzhou Panyu Clifford English Experimental Kindergarten* 廣州市番禺區祈福英語實驗幼兒園	Company under significant influence of the spouse of Ms. Man
Clifford Estates (Panyu) Limited* 廣州市番禺祈福新邨房地產有限公司	Company under significant influence of the spouse of Ms. Man
Guangzhou Clifford Wonderland Hotel Limited* 廣州市祈福繽紛世界酒店有限公司	Company under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Commercial Plaza Operation and Investment Company Limited* 廣州花都祈福商業廣場運營投資有限公司	Company under control of the spouse of Ms. Man

- * 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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

26. Related party transactions (continued)

(b) The following transactions were carried out with related parties:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of goods to:		
Companies under control of Ms. Man	12	–
Companies under control of the spouse of Ms. Man	768	139
Companies under significant influence of the spouse of Ms. Man	38	12
A company under joint control of the spouse of Ms. Man and independent third parties	58	130
	876	281
Provision of services to:		
Companies under control of Ms. Man	387	298
Companies under control of the spouse of Ms. Man	15,223	14,962
Companies under significant influence of the spouse of Ms. Man	25,937	22,549
A company under joint control of the spouse of Ms. Man and independent third parties	1,246	154
	42,793	37,963



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

26. Related party transactions (continued)

(b) The following transactions were carried out with related parties (continued):

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Short-term lease expenses and management fee:		
Companies under control of the spouse of Ms. Man	268	196
Companies under significant influence of the spouse of Ms. Man	96	556
	364	752
Interest expenses for lease liabilities:		
Companies under control of the spouse of Ms. Man	437	108
Companies under significant influence of the spouse of Ms. Man	363	491
	800	599
Payment of lease liabilities:		
Companies under control of the spouse of Ms. Man	2,980	1,665
Companies under significant influence of the spouse of Ms. Man	2,205	2,045
	5,185	3,710



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

26. Related party transactions (continued)

(c) Key management compensation

Compensation for key management other than those for directors of the Company is set out below:

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	1,606	2,089
Post-employment benefits	89	59
Salaries and other employee benefits	1,695	2,148

(d) Balances with related parties

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Receivables from related parties		
Trade receivables (Note 16) (Note (i))		
Companies under control of Ms. Man	375	701
Companies under control of the spouse of Ms. Man	19,560	16,123
Companies under significant influence of the spouse of Ms. Man	30,707	19,218
A company under joint control of the spouse of Ms. Man and independent third parties	321	–
	50,963	36,042



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

26. Related party transactions (continued) (d) Balances with related parties (continued)

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Other receivables (Note 16) (Note (ii))		
Companies under control of Ms. Man	25	–
Companies under control of the spouse of Ms. Man	2,380	1,337
Companies under significant influence of the spouse of Ms. Man	2,039	1,883
	4,444	3,220
Contract assets (Note 18)		
Companies under control of Ms. Man	8	69
Companies under control of the spouse of Ms. Man	1,603	1,291
Companies under significant influence of the spouse of Ms. Man	4,479	5,585
	6,090	6,945
Total receivables from related parties	61,497	46,207



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

26. Related party transactions (continued)

(d) Balances with related parties (continued)

	As at	
	30 June	31 December
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Payables to related parties		
Trade payables (Note 20) (Note (i))		
Companies under significant influence of the spouse of Ms. Man	99	829
Other payables (Note 20) (Note (ii))		
Companies under control of the spouse of Ms. Man	1,701	1,672
Companies under significant influence of the spouse of Ms. Man	1,957	1,974
	3,658	3,646



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

26. Related party transactions (continued) (d) Balances with related parties (continued)

	As at	
	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contract liabilities (Note 21)		
Companies under control of the spouse of Ms. Man	32	–
Companies under significant influence of the spouse of Ms. Man	6,496	9,947
A company under joint control of the spouse of Ms. Man and independent third parties	1,963	1,566
	8,491	11,513
Total payables to related parties	12,248	15,988

- (i) Trade receivables and payables with related parties are unsecured and interest-free. These balances are with credit period varying from one to three months (31 December 2020: one to three months).
- (ii) Other receivables and payables with related parties are unsecured and interest-free. Except for the balances paid as rental deposits, which are repayable upon maturity of rental period according to the respective contracts, the remaining balances are repayable on demand.