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SUNAC 融創服務
SUNAC SERVICES HOLDINGS LIMITED
融創服務控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01516)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2023

RESULTS HIGHLIGHTS

For the six months ended 30 June 2023:

- The revenue of the Group was approximately RMB3,396 million, representing a decrease of approximately 15% as compared to the same period last year. While, the revenue from property management services was approximately RMB2,924 million, representing an increase of approximately 8% as compared to the same period last year; the Group's gross profit was approximately RMB848 million, representing a decrease of approximately 25% as compared to the same period last year. While, the gross profit from property management services was approximately RMB726 million, representing an increase of approximately 4% as compared to the same period last year; the profit attributable to the owners of the Company was approximately RMB340 million; the loss attributable to the owners of the Company for the same period last year was approximately RMB751 million;
- The revenue of the Group's non-related-party businesses was approximately RMB3,204 million, representing an increase of approximately 13% as compared to the same period last year;
- The Group's net cash flows from operating activities was approximately RMB6.61 million; the Group's net cash flows from operating activities for the same period last year was approximately RMB(1,009) million. The balance of available funds^(note) was approximately RMB4,216 million; and
- The Group's gross trade receivables from related parties decreased by approximately RMB131 million as compared to that as at 31 December 2022; and a reversal of provision for impairment of trade receivables from related parties of approximately RMB56 million was recognised as compared to that as at 31 December 2022.

Note: Available funds consists of cash and cash equivalents, restricted cash, bank deposits with the maturity over three months and wealth management products.

The board (the “**Board**”) of directors (the “**Directors**”) of Sunac Services Holdings Limited (the “**Company**”) is pleased to announce the unaudited interim consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2023 (the “**Period**”), as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

| | | Six months ended 30 June | |
|---|-------------|---------------------------------|--------------------|
| | <i>Note</i> | 2023 | 2022 |
| | | (Unaudited) | (Unaudited) |
| | | RMB’000 | RMB’000 |
| Revenue | 4 | 3,396,051 | 3,988,551 |
| Cost of sales | 5 | (2,548,545) | (2,861,907) |
| Gross profit | | 847,506 | 1,126,644 |
| Administrative expenses | 5 | (315,406) | (378,806) |
| Selling and marketing expenses | 5 | (37,974) | (46,337) |
| Net impairment losses on financial assets | 5 | (38,385) | (1,833,366) |
| Other income | | 33,963 | 42,798 |
| Other (losses)/gains – net | | (57,028) | 11,013 |
| Operating profit/(loss) | | 432,676 | (1,078,054) |
| Finance income | | 41,224 | 47,287 |
| Finance costs | | (3,421) | (2,872) |
| Finance income – net | | 37,803 | 44,415 |
| Share of post-tax profits of associates and joint ventures accounted for using the equity method, net | | 3,115 | 4,409 |
| Profit/(loss) before income tax | | 473,594 | (1,029,230) |
| Income tax (expense)/credits | 6 | (108,674) | 282,279 |
| Profit/(loss) for the period | | 364,920 | (746,951) |
| Profit/(loss) for the period attributable to: | | | |
| – Owners of the Company | | 339,925 | (750,795) |
| – Non-controlling interests | | 24,995 | 3,844 |
| | | 364,920 | (746,951) |
| Earnings/(loss) per share (expressed in RMB per share) (unaudited) | | | |
| – Basic and diluted earnings/(loss) per share | 7 | 0.11 | (0.24) |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

| | <i>Note</i> | 30 June 2023 (Unaudited) <i>RMB'000</i> | 31 December 2022 (Audited) <i>RMB'000</i> |
|---|-------------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 105,440 | 114,370 |
| Investment properties | | 49,750 | 51,192 |
| Right-of-use assets | | 83,456 | 99,523 |
| Intangible assets | | 2,121,826 | 2,102,426 |
| Investments accounted for using the equity method | | 63,406 | 60,291 |
| Financial assets at fair value through profit or loss | | 354,948 | 418,101 |
| Prepayments | | 17,991 | 28,208 |
| Other receivables | 8 | 68,934 | 61,171 |
| Deferred tax assets | | 493,792 | 441,167 |
| Bank deposits with the maturity over three months | | 50,000 | – |
| | | 3,409,543 | 3,376,449 |
| Current assets | | | |
| Inventories | | 51,582 | 55,324 |
| Trade and other receivables | 8 | 4,842,015 | 4,307,390 |
| Prepayments | | 44,553 | 43,438 |
| Cash and cash equivalents | | 3,123,176 | 3,878,267 |
| Restricted cash | | 33,568 | 39,431 |
| Bank deposits with the maturity over three months | | 109,047 | 72,355 |
| Financial assets at fair value through profit or loss | | 900,019 | 720,803 |
| | | 9,103,960 | 9,117,008 |
| Total assets | | 12,513,503 | 12,493,457 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2023

| | <i>Note</i> | 30 June 2023 (Unaudited) RMB'000 | 31 December 2022 (Audited) RMB'000 |
|---|-------------|---|---|
| EQUITY AND LIABILITIES | | | |
| Equity attributable to the owners of the Company | | | |
| Share capital | | 25,645 | 25,645 |
| Reserves | | 5,748,173 | 6,163,342 |
| Retained earnings | | 1,754,236 | 1,414,716 |
| | | <u>7,528,054</u> | <u>7,603,703</u> |
| Non-controlling interests | | 189,158 | 165,326 |
| | | <u>7,717,212</u> | <u>7,769,029</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Lease liabilities | | 109,391 | 120,528 |
| Deferred tax liabilities | | 115,551 | 119,688 |
| | | <u>224,942</u> | <u>240,216</u> |
| Current liabilities | | | |
| Lease liabilities | | 20,766 | 24,389 |
| Trade and other payables | 9 | 2,748,574 | 2,740,676 |
| Contract liabilities | 4 | 1,493,531 | 1,449,753 |
| Current income tax liabilities | | 308,478 | 269,394 |
| | | <u>4,571,349</u> | <u>4,484,212</u> |
| Total liabilities | | <u>4,796,291</u> | <u>4,724,428</u> |
| Total equity and liabilities | | <u>12,513,503</u> | <u>12,493,457</u> |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 10 January 2019 as an exempted company with limited liability under the Companies Act (Cap. 22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

The Group is principally engaged in the provision of property management services, community living services, value-added services to non-property owners and commercial operational services in the People's Republic of China (the "PRC").

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The ultimate holding company of the Company is Sunac China Holdings Limited ("Sunac China"), an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange.

These condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated.

2 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted by the Group are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax and the adoption of new and amended standards as set out below.

(A) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing on 1 January 2023:

HKFRS 17 – Insurance contract

Amendments to HKAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of accounting policies

Amendments to HKAS 8 – Definition of accounting estimates

Amendments to HKAS 12 – International Tax Reform – Pillar Two Model Rules (amendments)

The amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(B) New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 2023 interim reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

| | Effective for the financial year beginning on or after |
|--|---|
| <i>Amendments to HKAS 1 – Classification of liabilities as current or non-current</i> | 1 January 2024 |
| <i>Hong Kong Interpretation 5 (2020) – Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause</i> | 1 January 2024 |
| <i>Amendments to HKAS 1 – Non-current liabilities with covenants</i> | 1 January 2024 |
| <i>Amendments to HKFRS 16 – Lease liability in sale and leaseback</i> | 1 January 2024 |
| <i>Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements</i> | 1 January 2024 |
| <i>Amendments to HKFRS 10 and HKAS 28 – Sale or contribution of assets between an investor and its associates or joint ventures</i> | To be determined |

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Makers (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

During the six months ended 30 June 2023, the Group is principally engaged in the provision of property management services, community living services, value-added services to non-property owners and commercial operational services in the PRC. Management reviews the operating results of the business by geographic location but these operating segments are aggregated into a single operating segment as the nature of services, the type of customers for services, the methods used to provide their services and the nature of regulatory environment are the same in different regions.

The principal operating entities of the Group are domiciled in the PRC. Accordingly, all of the Group’s revenue was derived in the PRC during the six months ended 30 June 2023.

As at 30 June 2023 and 31 December 2022, almost all of the non-current assets of the Group were located in the PRC.

4 REVENUE OF SERVICES

Revenue mainly comprises of proceeds from property management services, community living services, value-added services to non-property owners and commercial operational services. An analysis of the Group's revenue by category for the six months ended 30 June 2023 and 2022 was as follows:

| | Six months ended 30 June | |
|---|---------------------------------|-------------------------|
| | 2023 | 2022 |
| | RMB'000 | RMB'000 |
| <i>Recognised over time</i> | | |
| – Property management services | 2,924,075 | 2,704,047 |
| – Community living services | 113,325 | 120,736 |
| – Value-added services to non-property owners | 192,628 | 843,225 |
| – Commercial operational services | 22,343 | 109,890 |
| | <u>3,252,371</u> | <u>3,777,898</u> |
| <i>Recognised at a point in time</i> | | |
| – Community living services | 132,871 | 173,273 |
| – Value-added services to non-property owners | 10,809 | 37,380 |
| | <u>143,680</u> | <u>210,653</u> |
| | <u><u>3,396,051</u></u> | <u><u>3,988,551</u></u> |

(a) Contract liabilities

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

| | 30 June | 31 December |
|----------------------|-------------------------|------------------|
| | 2023 | 2022 |
| | RMB'000 | RMB'000 |
| Contract liabilities | | |
| – Third parties | 1,467,433 | 1,421,880 |
| – Related parties | 26,098 | 27,873 |
| | <u>1,493,531</u> | <u>1,449,753</u> |

5 EXPENSES BY NATURE

Expenses included in cost of sales, administrative expenses, selling and marketing expenses and net impairment losses on financial assets are analysed as follows:

| | Six months ended 30 June | |
|--|--------------------------|-------------------------|
| | 2023 | 2022 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Employee benefit expenses | 1,351,563 | 1,738,201 |
| Security, maintenance, cleaning and greening costs | 1,113,190 | 1,029,619 |
| Utilities | 137,970 | 123,953 |
| Depreciation and amortisation | 90,095 | 85,956 |
| Consumable materials cost | 44,735 | 51,958 |
| Travelling and entertainment expenses | 40,085 | 47,219 |
| Net impairment losses on financial assets | 38,385 | 1,833,366 |
| Cost of goods sold | 26,854 | 36,556 |
| Office and communication expenses | 26,021 | 36,276 |
| Others | 71,412 | 137,312 |
| | <u>2,940,310</u> | <u>5,120,416</u> |

6 INCOME TAX EXPENSE/(CREDITS)

| | Six months ended 30 June | |
|---------------------|--------------------------|-------------------------|
| | 2023 | 2022 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Current income tax | 165,436 | 180,546 |
| Deferred income tax | (56,762) | (462,825) |
| | <u>108,674</u> | <u>(282,279)</u> |

7 EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the owners of the Company by the weighted average number of ordinary shares in issue or deemed to be in issue during each of the six months ended 30 June 2023 and 2022, excluding shares repurchased for deregistration.

The Company did not have any potential ordinary shares outstanding to be issued during the six months ended 30 June 2023 and 2022. Diluted earnings/(loss) per share is equal to basic earnings/(loss) per share.

| | Six months ended 30 June | |
|--|--------------------------|----------------------|
| | 2023 | 2022 |
| Profit/(loss) attributable to the owners of the Company (RMB'000) | 339,925 | (750,795) |
| Weighted average number of ordinary shares in issue | <u>3,056,844,000</u> | <u>3,073,154,667</u> |
| Basic earnings/(loss) per share for profit/(loss) attributable to the owners of the Company during the period (expressed in RMB per share) | <u>0.11</u> | <u>(0.24)</u> |

8 TRADE AND OTHER RECEIVABLES

| | 30 June 2023 RMB'000 | 31 December 2022 RMB'000 |
|--|------------------------------------|--------------------------------------|
| Non-current – Other receivables (ii) | <u>73,394</u> | <u>65,434</u> |
| Less: loss allowance | <u>(4,460)</u> | <u>(4,263)</u> |
| Non-current total | <u>68,934</u> | <u>61,171</u> |
| Current – Trade receivables (i) Other receivables (ii) | <u>5,660,401</u> <u>979,831</u> | <u>5,050,001</u> <u>1,030,203</u> |
| Less: loss allowance | <u>(1,798,217)</u> | <u>(1,772,814)</u> |
| Current total | <u>4,842,015</u> | <u>4,307,390</u> |

As at 30 June 2023 and 31 December 2022, the Group's trade and other receivables were all denominated in RMB.

- (i) Trade receivables (including notes receivables) mainly arise from rendering of property management services managed under lump sum basis and value-added services. Revenue from property management services, community living services, value-added services to non-property owners and commercial operational services are received in accordance with the terms of the relevant service agreements and are due for payment upon rendering of service. As at 30 June 2023, the Group's trade receivables from related parties was amounted to approximately RMB3,236.68 million (31 December 2022: approximately RMB3,367.79 million) and trade receivables from the third parties was amounted to approximately RMB2,423.72 million (31 December 2022: approximately RMB1,682.21 million), respectively. The ageing analysis of trade receivables (including notes receivables) based on dates of rendering of services is as follows:

| | 30 June 2023 RMB'000 | 31 December 2022 RMB'000 |
|---------------|-------------------------------------|--------------------------------|
| Within 1 year | 1,887,533 | 2,292,864 |
| 1 to 2 years | 2,654,951 | 2,479,618 |
| 2 to 3 years | 1,002,560 | 209,278 |
| 3 to 4 years | 70,597 | 34,131 |
| 4 to 5 years | 18,425 | 14,806 |
| Over 5 years | 26,335 | 19,304 |
| | <u>5,660,401</u> | <u>5,050,001</u> |

- (ii) Other receivables mainly include refundable deposit paid to related parties, the payments on behalf of property owners in respect of utilities costs and the lease receivables in the sublease.

9 TRADE AND OTHER PAYABLES

| | 30 June 2023 RMB'000 | 31 December 2022 RMB'000 |
|--|-------------------------------------|--------------------------------|
| Trade payables (i) | 1,035,788 | 967,501 |
| Temporary receipt on behalf (ii) | 431,682 | 378,823 |
| Deposits payables | 376,549 | 362,303 |
| Payroll and welfare payables | 325,935 | 423,448 |
| Consideration payable arising from non-controlling shareholders' put option | 182,500 | 182,500 |
| Other tax payable | 138,567 | 151,142 |
| Amounts due to related parties (iii) | 49,712 | 50,750 |
| Consideration payables for acquisition transactions | 5,000 | 5,000 |
| Accruals and others | 202,841 | 219,209 |
| | <u>2,748,574</u> | <u>2,740,676</u> |

As at 30 June 2023 and 31 December 2022, trade and other payables were denominated in RMB and the carrying amounts approximated their fair values.

- (i) The ageing analysis of trade payables based on the invoice date was as follows:

| | 30 June 2023 RMB'000 | 31 December 2022 RMB'000 |
|---------------|-------------------------------------|--------------------------------|
| Within 1 year | 866,786 | 847,447 |
| 1 to 2 years | 154,763 | 112,935 |
| 2 to 3 years | 10,541 | 3,293 |
| Over 3 years | 3,698 | 3,826 |
| | <u>1,035,788</u> | <u>967,501</u> |

- (ii) Temporary receipt on behalf mainly represented the proceeds received from property owners in respect of utilities costs and miscellaneous income on common area resources payable to property owners.
- (iii) The amounts due to related parties mainly represented the amounts collected on behalf of related parties.

10 DIVIDENDS

No interim dividend for the six months ended 30 June 2023 was proposed by the Board (for the six months ended 30 June 2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

1. Revenue

For the six months ended 30 June 2023, the Group recorded revenue of approximately RMB3,396.1 million, representing a decrease of approximately RMB592.5 million (approximately 14.9%) as compared with approximately RMB3,988.6 million for the six months ended 30 June 2022. The decrease in revenue was primarily due to the decrease in revenue from value-added services to non-property owners. The following tables set forth the details of the Group's total revenue by source and business line for the periods indicated:

By source:

| | For the six months ended 30 June | | | | Growth rate |
|---------------|----------------------------------|---------------------|-------------------------|---------------------|---------------------|
| | 2023 | | 2022 | | |
| | <i>RMB'000</i> | % | <i>RMB'000</i> | % | % |
| Third party | 3,203,764 | 94.3 | 2,833,051 | 71.0 | 13.1 |
| Related party | 192,287 | 5.7 | 1,155,500 | 29.0 | -83.4 |
| Total | <u>3,396,051</u> | <u>100.0</u> | <u>3,988,551</u> | <u>100.0</u> | <u>-14.9</u> |

By business line:

| | For the six months ended 30 June | | | | Growth rate |
|---|----------------------------------|---------------------|-------------------------|---------------------|---------------------|
| | 2023 | | 2022 | | |
| | <i>RMB'000</i> | % | <i>RMB'000</i> | % | % |
| Property management services | 2,924,075 | 86.1 | 2,704,047 | 67.7 | 8.1 |
| Community living services | 246,196 | 7.2 | 294,009 | 7.4 | -16.3 |
| Value-added services to non-property owners | 203,437 | 6.0 | 880,605 | 22.1 | -76.9 |
| Commercial operational services | 22,343 | 0.7 | 109,890 | 2.8 | -79.7 |
| Total | <u>3,396,051</u> | <u>100.0</u> | <u>3,988,551</u> | <u>100.0</u> | <u>-14.9</u> |

Revenue from property management service recorded an increase to 86.1%, representing an increase of 18.4 percentage points for its proportion to the Group's total revenue as compared to the same period of last year, which was due to an increase of approximately 8.1% in revenue as compared to the same period of last year attributable to an increase in gross floor area (“GFA”) under management. As for value-added services to non-property owners, revenue from value-added services to non-property owners for the six months ended 30 June 2023 recorded a sharp decline as there was no significant improvement in the real estate industry and the Group continuously adjusted the business based on the principle of marketization.

Property management services

For the six months ended 30 June 2023, the Group's revenue from property management services was approximately RMB2,924.1 million, representing an increase of approximately RMB220.0 million (approximately 8.1%) as compared with that for the six months ended 30 June 2022, which was mainly attributable to the increase in GFA under management that is in line with the Group's business expansion. During the Period, the Group adjusted the revenue recognition schedule for part of the related-party businesses with low collection rate for the sake of prudence, and as a result of which most of the vacancy service charge was not recognised during the Period. Excluding such effect, revenue from property management services for the six months ended 30 June 2023 increased by approximately RMB373.2 million (approximately 13.8%) as compared to the same period last year.

As at 30 June 2023, the contracted GFA of the Group was approximately 396 million sq.m. and the GFA under management was approximately 263 million sq.m., with 82% of residential properties and 18% of non-residential properties. The following tables set forth the breakdown of the Group's revenue from property management services for the periods indicated by source of projects and type of projects, respectively:

By source of projects:

| | For the six months ended 30 June | | | |
|---|----------------------------------|---------------------|------------------|--------------|
| | 2023 | | 2022 | |
| | <i>RMB'000</i> | % | <i>RMB'000</i> | % |
| Properties developed by Sunac Group, its joint ventures and associates ⁽¹⁾ | 1,965,131 | 67.2 | 1,831,420 | 67.7 |
| Properties developed by independent third party property developers ⁽²⁾ | <u>958,944</u> | <u>32.8</u> | <u>872,627</u> | <u>32.3</u> |
| Total | <u>2,924,075</u> | <u>100.0</u> | <u>2,704,047</u> | <u>100.0</u> |

Notes:

- (1) Including properties developed independently by Sunac China and its subsidiaries, excluding the Group (“**Sunac Group**”), and jointly with other property developers.
- (2) Including properties other than those developed independently by Sunac Group or jointly with other property developers.

By type of projects:

| | For the six months ended 30 June | | | |
|----------------------------|----------------------------------|---------------------|------------------|--------------|
| | 2023 | | 2022 | |
| | <i>RMB'000</i> | % | <i>RMB'000</i> | % |
| Residential properties | 2,311,568 | 79.1 | 2,070,929 | 76.6 |
| Non-residential properties | <u>612,507</u> | <u>20.9</u> | <u>633,118</u> | <u>23.4</u> |
| Total | <u>2,924,075</u> | <u>100.0</u> | <u>2,704,047</u> | <u>100.0</u> |

Community living services

For the six months ended 30 June 2023, the Group's revenue from community living services was approximately RMB246.2 million, representing a decrease of approximately RMB47.8 million (approximately 16.3%) as compared with approximately RMB294.0 million for the six months ended 30 June 2022.

The following table sets forth the components of the Group's revenue from community living services for the periods indicated:

| | For the six months ended 30 June | | | |
|---------------------------------------|----------------------------------|---------------------|-----------------------|---------------------|
| | 2023 | | 2022 | |
| | <i>RMB'000</i> | <i>%</i> | <i>RMB'000</i> | <i>%</i> |
| Convenience services | 110,574 | 44.9 | 141,357 | 48.1 |
| Space operation services | 74,072 | 30.1 | 72,924 | 24.8 |
| Property agency services | 31,901 | 13.0 | 36,999 | 12.6 |
| Property interior decoration services | 29,649 | 12.0 | 42,729 | 14.5 |
| Total | <u>246,196</u> | <u>100.0</u> | <u>294,009</u> | <u>100.0</u> |

Convenience services mainly include house cleaning, home appliance cleaning, home repair and maintenance, cleaning service for corporate customers and community commerce based on the needs of property owners. Revenue from convenience services for the six months ended 30 June 2023 was approximately RMB110.6 million, representing a decrease of approximately RMB30.8 million as compared with that for the six months ended 30 June 2022. The decrease in revenue from convenience services was mainly due to the significant year-on-year decrease in sales of high-end liquor and other commodities, which accounted for a relatively high proportion of the sales of convenience services in the same period last year, as well as the adjustment of the Group's strategy in carrying out its housekeeping business strategy during the Period, which put more focus on core cities and core products and scaled down its development in part of non-core business.

Revenue from property agency services was approximately RMB31.9 million, representing a decrease of approximately RMB5.1 million as compared with that for the six months ended 30 June 2022, mainly due to the decline in revenue from the Group's agency services for certain developers' left-over properties after the completion of sales. Excluding such effect, revenue from property agency services recorded a year-on-year increase.

Revenue from property interior decoration services was approximately RMB29.6 million, representing a decrease of approximately RMB13.1 million as compared with that for the six months ended 30 June 2022. As affected by the real estate industry environment, revenue from tenant sourcing and promotion services for property interior decoration of newly delivered property management projects significantly decreased as compared to the same period last year. Meanwhile, the Group actively carried out self-operated property interior decoration businesses, such as partial decoration for existing projects and sales of home decoration products, and revenue from self-operated property interior decoration services increased significantly as compared to the same period last year.

Value-added services to non-property owners

For the six months ended 30 June 2023, the Group's revenue from value-added services to non-property owners amounted to approximately RMB203.4 million, representing a decrease of approximately RMB677.2 million (approximately 76.9%) as compared with approximately RMB880.6 million for the six months ended 30 June 2022. It was mainly attributable to the Group's adjustment to the business on the value-added services to non-property owners based on the principle of marketization affected by the environment of the real estate industry since the second half of 2022, leading to a decrease in the Group's revenue from value-added services to non-property owners.

The following table sets forth the components of the Group's revenue from value-added services to non-property owners for the periods indicated:

| | For the six months ended 30 June | | | |
|---|---|---------------------|-----------------------|---------------------|
| | 2023 | | 2022 | |
| | <i>RMB'000</i> | <i>%</i> | <i>RMB'000</i> | <i>%</i> |
| Sales assistance services | 117,329 | 57.7 | 360,997 | 41.0 |
| Consultancy and other value-added services | 70,677 | 34.7 | 305,275 | 34.7 |
| Others | 15,431 | 7.6 | 214,333 | 24.3 |
| Total | <u>203,437</u> | <u>100.0</u> | <u>880,605</u> | <u>100.0</u> |

Commercial operational services

Commercial operational services mainly include research and planning services, opening preparation services, tenant sourcing agency services and operation management services, etc. Revenue from commercial operational services for the six months ended 30 June 2023 was approximately RMB22.3 million, representing a decrease of approximately RMB87.5 million as compared with that for the six months ended 30 June 2022. The decrease in revenue was due to substantial revenue not yet being recognised during the Period which was caused by the Group's adjustment of revenue recognition schedule for part of the related-party businesses with low collection rate for the sake of prudence. Excluding such effect, revenue from commercial operational services for the six months ended 30 June 2023 decreased by approximately RMB4.5 million as compared to the same period last year, due to the year-on-year decline in revenue from research and planning services and consultancy services resulting from the adjustment of development plans of commercial project by certain property owners.

2. Cost of Sales

The Group's cost of sales refers to the costs directly related to the provision of services, including (i) staff cost, mainly related to on-site staff providing property management services at properties under management; (ii) security, maintenance, cleaning and greening costs in connection with sub-contracting services; (iii) utilities cost; (iv) cost of consumable materials; (v) depreciation and amortisation; (vi) office, travelling and communication cost; and (vii) other cost such as community activity cost.

The Group's cost of sales amounted to approximately RMB2,548.5 million for the six months ended 30 June 2023, representing a decrease of approximately RMB313.4 million (approximately 10.9%) as compared with approximately RMB2,861.9 million for the six months ended 30 June 2022. The decrease in cost of sales was mainly due to the significant decrease in value-added services business to non-property owners of the Group.

3. Gross Profit and Gross Profit Margin

The Group's gross profit amounted to approximately RMB847.5 million for the six months ended 30 June 2023, representing a decrease of approximately RMB279.1 million (approximately 24.8%) as compared with approximately RMB1,126.6 million for the six months ended 30 June 2022, which was mainly due to a year-on-year decrease in gross profit of value-added services to non-property owners and commercial operational services during the Period. The Group's gross profit margin for the six months ended 30 June 2023 was approximately 25.0%, representing a decrease of approximately 3.2 percentage points from 28.2% for the six months ended 30 June 2022, which was mainly attributable to the decrease in the gross profit margin of value-added services to non-property owners and the significant decrease in the gross profit margin of commercial operational services resulting from the adjustment of revenue recognition schedule for low collection rate during the Period.

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

| | For the six months ended 30 June | | | |
|---|---|----------------------------|-------------------------|----------------------------|
| | 2023 | | 2022 | |
| | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin |
| | <i>RMB'000</i> | <i>%</i> | <i>RMB'000</i> | <i>%</i> |
| Property management services | 725,619 | 24.8 | 700,709 | 25.9 |
| Community living services | 86,679 | 35.2 | 112,546 | 38.3 |
| Value-added services to non-property owners | 32,009 | 15.7 | 231,280 | 26.3 |
| Commercial operational services | 3,199 | 14.3 | 82,109 | 74.7 |
| Total | <u>847,506</u> | <u>25.0</u> | <u>1,126,644</u> | <u>28.2</u> |

The gross profit margin of community living services decreased from approximately 38.3% for the six months ended 30 June 2022 to approximately 35.2% for the six months ended 30 June 2023, which was mainly due to the decrease in the proportion of revenue from tenant sourcing and promotion services for the newly delivered property projects with high gross profit margins while an increase in self-operated property interior decoration business with low gross profit margins as a result of the adjustment of the structure of property interior decoration business as affected by the environment of the real estate industry during the Period, which caused a significant decrease in the gross profit margin of property interior decoration business. The gross profit margin of the community living services business other than the property interior decoration business increased by 3.7 percentage points as compared to the same period last year.

The gross profit margin of value-added services to non-property owners decreased from approximately 26.3% for the six months ended 30 June 2022 to approximately 15.7% for the six months ended 30 June 2023, which was mainly due to the decline in the profitability of value-added services to non-property owners as a result of the yet-to-be-improved in the environment of the real estate industry.

The gross profit margin of commercial operational services decreased from approximately 74.7% for the six months ended 30 June 2022 to approximately 14.3% for the six months ended 30 June 2023, which was mainly due to substantial revenue not yet being recognised during the Period which was caused by the Group's adjustment of revenue recognition schedule for part of the related-party businesses with low collection rate for the sake of prudence. Excluding such effect, the gross profit margin of commercial operational services for the Period increased by approximately 7.1 percentage points as compared to the same period last year.

4. Administrative Expenses

For the six months ended 30 June 2023, the Group's administrative expenses amounted to approximately RMB315.4 million, representing a decrease of approximately RMB63.4 million from approximately RMB378.8 million for the six months ended 30 June 2022. The decrease in administrative expenses was mainly attributable to the leveraging effect of integrated management and improved structure and deployment of employees by the Group and cost savings were achieved.

5. Selling and Marketing Expenses

For the six months ended 30 June 2023, the Group's selling and marketing expenses amounted to approximately RMB38.0 million, representing a decrease of approximately RMB8.3 million from approximately RMB46.3 million for the six months ended 30 June 2022.

6. Net Impairment Losses on Financial Assets

For the six months ended 30 June 2023, the Group's net impairment losses on financial assets amounted to approximately RMB38.4 million, representing a significant decrease of approximately RMB1,795.0 million from approximately RMB1,833.4 million for the six months ended 30 June 2022. The decrease in net impairment losses was mainly attributable to the increase in impairment provision made by the Group for amounts due from related parties during the first half of 2022, based on the principle of prudence, taking into consideration the change in the credit risk resulting from the change in the environment of the real estate industry in the first half of 2022. For the six months ended 30 June 2023, the Group proactively adjusted its related party business in accordance with the principle of marketization and gross trade receivables from related parties decreased by approximately RMB131.1 million as compared to that as at the end of last year and approximately RMB55.9 million of provision for impairment has been reversed during the Period.

7. Finance Income, Net

The Group's finance income mainly represents the interest income on bank deposits, and finance costs mainly represent the Group's interest of lease liabilities charged to profit or loss over the lease period under certain of its lease arrangements.

For the six months ended 30 June 2023, the Group's net finance income amounted to approximately RMB37.8 million, representing a decrease of approximately RMB6.6 million from approximately RMB44.4 million for the six months ended 30 June 2022. The change was mainly due to the lower average balance of the Group's bank deposits than the level of the same period last year, resulting in the decrease in interest income on the Group's deposits by approximately RMB5.0 million as compared to the same period last year.

8. Net Profit/Loss

For the six months ended 30 June 2023, the Group's net profits amounted to approximately RMB364.9 million, in which, the profit attributable to the owners of the Company was approximately RMB339.9 million, while for the six months ended 30 June 2022, the Group's net loss amounted to approximately RMB747.0 million, and the loss attributable to the owners of the Company was approximately RMB750.8 million.

9. Trade and Other Receivables

Trade and other receivables include trade receivables and other receivables.

As at 30 June 2023, the Group's net trade and other receivables (including current and non-current) were approximately RMB4,910.9 million, representing an increase of approximately RMB542.3 million as compared with approximately RMB4,368.6 million as at 31 December 2022, which was mainly due to the increase in the Group's gross trade receivables by approximately RMB610.4 million to approximately RMB5,660.4 million as at 30 June 2023 from approximately RMB 5,050.0 million as at 31 December 2022. The increase in gross trade receivables was mainly due to the revenue from property management services being mostly collected in the second half of the year as a result of the payment habits of third-party property owners for property management services of the Group. While actively accelerating the collection of trade receivables from related parties, the Group also adjusted its business activities related to related parties to control the further increase in the balance of amounts due from related parties. As at 30 June 2023, the Group's gross trade receivables from related parties decreased by approximately RMB131.1 million as compared to those as at 31 December 2022.

10. Trade and Other Payables

Trade and other payables include trade payables, temporary receipt on behalf, deposits payables, consideration payable arising from non-controlling shareholder's put option, payroll and welfare payables, etc.

As at 30 June 2023, the Group's trade and other payables were approximately RMB2,748.6 million, representing an increase of approximately RMB7.9 million from approximately RMB2,740.7 million as at 31 December 2022, which was mainly due to the increase in trade payables to third parties and amounts collected on behalf of property owners.

11. Available Funds, Financial and Capital Resources

As at 30 June 2023, the total amount of available funds (including cash and cash equivalents, restricted cash, bank deposits with the maturity over three months and wealth management products) of the Group was approximately RMB4,215.8 million, representing a decrease of approximately RMB495.1 million from approximately RMB4,710.9 million as at 31 December 2022, which was mainly due to the net cash outflows such as the payment of annual dividends during the six months ended 30 June 2023. As at 30 June 2023, all of the Group's wealth management products were products at low risk, with the longest maturity expiring by 31 October 2023.

As at 30 June 2023, the Group's net current assets (current assets less current liabilities) amounted to approximately RMB4,532.6 million (31 December 2022: approximately RMB4,632.8 million). The Group's current ratio (calculated by dividing current assets by current liabilities) was approximately 2.0 times (31 December 2022: approximately 2.0 times).

As at 30 June 2023, the Group had no loans or borrowings (31 December 2022: Nil).

The Group meets and expects to continue meeting its operating capital, capital expenditure and other capital needs with cash generated from operations and proceeds from the Company's listing on the Main Board of the Stock Exchange.

12. Cash flows

For the six months ended 30 June 2023, the Group's net cash inflows from operating activities was approximately RMB6.6 million (for the six months ended 30 June 2022: net outflows of approximately RMB1,008.9 million); net cash outflows from investing activities was approximately RMB320.5 million (for the six months ended 30 June 2022: net inflows of approximately RMB87.8 million), mainly attributable to net outflows from the purchase of fixed assets, intangible assets and wealth management products. Net cash outflows from financing activities was approximately RMB444.5 million (for the six months ended 30 June 2022: net outflows of approximately RMB471.5 million), mainly attributable to cash outflows for the payment of annual dividends of 2022.

13. Interest Rate Risk

As the Group has no material interest-bearing assets and liabilities, the Group's income and operating cash flows are substantially independent from changes in market interest rates.

14. Foreign Exchange Risks

The Group's operating activities are principally conducted in the PRC and most of its operations are denominated in RMB. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into currency swap arrangement as and when appropriate for hedging corresponding risks. As at 30 June 2023, the Group had no significant foreign exchange risk and had not engaged in hedging activities for managing foreign exchange risk.

15. Pledge of Assets

As at 30 June 2023, none of the assets of the Group were pledged (as at 31 December 2022: Nil).

16. Contingent Liabilities

As at 30 June 2023, the Group did not have any material contingent liabilities (as at 31 December 2022: Nil).

BUSINESS REVIEW AND OUTLOOK

Review of the First Half of 2023

After a turbulent year of 2022, China's economy has entered a year of recovery in 2023, and the development environment of the property industry is gradually improving. The impact of the related party's real estate business has subsided and activities in the capital market as a whole have been calmed down, giving property management companies the opportunity to go back to basics, consolidate their capabilities and build up their strengths for the future. In the first half of 2023, the Group, as usual, adhered firmly to the strategy of high-quality development. On the one hand, the Group continued to deal with the related-party businesses based on the market-oriented principle to ensure operational safety; and on the other hand, it continued to strengthen fundamental capabilities and achieved steady growth in its non-related-party businesses.

For the six months ended 30 June 2023, the Group achieved revenue of approximately RMB3,396 million and gross profit of approximately RMB848 million. In view of the continuing downturn of the real estate environment, the Group has determinedly streamlined value-added services to non-property owners involving related parties since the second half of 2022, which has led to a significant shrinkage of the related party businesses. As a result, both revenue and gross profit decreased in the first half of 2023 as compared to the same period of 2022. Yet, compared to the second half of 2022, revenue and gross profit increased by approximately 8% and approximately 77% respectively in the first half of 2023. Non-related-party business grew steadily, with revenue of approximately RMB3,204 million, representing an increase of approximately 13% year-on-year. The property management services, playing an even more significant role as the cornerstone, generated revenue of approximately RMB2,924 million, representing an increase of approximately 8% as compared to the same period last year, and gross profit of approximately RMB726 million, representing an increase of approximately 4% as compared to the same period last year, with both revenue and gross profit accounting for more than 85% of the total values. Profit attributable to the owners of the Company was approximately RMB340 million and net cash flows generated from operating activities were approximately RMB6.61 million, both of which achieved a positive turnaround compared to the same period last year. Thanks to the adherence to the market-oriented principle in dealing with the related-party business, the gross trade receivables from related parties decreased by approximately RMB131 million as compared with that as at 31 December 2022, and a reversal of the impairment losses provided for trade receivables from related parties of approximately RMB56 million was recorded as compared with that as at 31 December 2022.

As at 30 June 2023, the Group had a contracted GFA of approximately 396 million sq.m. and a GFA under management of approximately 263 million sq.m.. Beginning from the first half of the year, the Group focused its market expansion on 45 core cities, all of which are first- or second-tier high-performance cities, and the GFA under management in these 45 core cities accounted for approximately 80% of the Group's total GFA under management, and the unit price of property fee for projects under management in these 45 core cities reached approximately RMB3 per sq.m. per month, representing a clear advantage. Throughout the market expansion in the first half of the year, the Group strengthened the quality control of its expansion by comprehensively evaluating the reasonable profitability of the projects, the ability of project owners in fulfilling contracts and other criteria, with due consideration given to the risks of repayment default and operation failure. Under the requirements of high standards and stringent assessment, the annualised contract amount newly recorded by market expansion in the first half of the year amounted to approximately RMB200 million, with all the newly-added projects located in core cities and 65% of the newly contracted value located in Top 5 cities, thus further enhancing the density of core cities. The well-established foundational projects located in core cities and the strategy of concentrating on core cities in business expansion, have proven to be a solid cornerstone for the Group's business development.

The stability and development of our foundation rest with the reliable property management services. In the first half of the year, we comprehensively and systematically improved our frontline expertise in project managers, housekeeping, order-keeping, environment and engineering. We have been striving for excellence in service quality, and have been working with property owners, the government and other parties to build a favorable community ecosystem. We focused more on areas related to customers' immediate experience, such as service scenarios and window images. In particular, we organized a "MOT" training for the housekeeping team and established a "Sunac" style for the order-keeping team based on the "visualization manual", which provide a visual overview of the standard requirements for different scenarios. All these high-quality services have further strengthened the recognition and trust of property owners. Guided by the concept of "co-building, co-governing and sharing", we are committed to forming a tripartite "co-building triangle" involving property owners, government and property management companies, aiming at developing a new type of urban governance ecosystem that is government-led, enterprise-operated and society-participated. The favorable tripartite relationship also facilitates the normalized use of the public revenue and the grand maintenance funds, thereby creating a favorable community environment for the high-quality property management services.

In terms of community living services, we solidly advanced the implementation of focusing strategy to improve services and ensure service quality. In the first half of the year, we conducted a comprehensive review of our existing community living services business and adjusted our business development strategies. In terms of orientation adjustment, we put more focus on the construction of business capabilities for sustainable development. In terms of path adjustment, we focus on core cities, focus on the needs of owners and the categories with advantages in properties, and actively shrink marginal products. In terms of structural adjustment, our structure of organization is more lowered, flatter, and professional, with weaken functions and stronger business. In terms of business operation, the overall penetration rate of community convenience services in core cities increased by approximately 1.1 percentage points. After deep exploration and planning of points and locations, the total core value of community resources increased by approximately 124% year-over-year. We have simplified and optimized the organizational structure of agency business, which improved the monthly average labor efficiency of stores by approximately 60% as compared to 2022, with a view to driving the future development of the business. We sought for changes and new growth drivers for the property interior decoration services, revenue from stock property business has further increased to approximately 48% of the total revenue, and proportion of self-operated products increased to approximately 65%.

We believe that digital transformation can help us create more values from improving service experience and enhancing management efficiency to leading business process change, breaking the management scale bottleneck of property management companies and resolving the management pain points of standardization implementation. Relying on service scenarios, we are now able to provide intelligent and personalized services covering all scenarios in the three areas of intelligent services, intelligent parks and intelligent management. A large number of technologies have been put into use, such as smart vehicle traffic, smart human traffic, remote monitoring systems for equipment and facilities, Ronghui remote inspection systems (融慧遠程巡檢系統) and RongE management signboard (融E管理看板). In the first half of 2023, we focused more on the application and promotion of digital technology tools to realize their wide use. We strictly managed data accuracy to improve tool use experience and make the tools more useful. Meanwhile, with the improvement of our independent research and development capability, the cost of software and hardware was also significantly reduced.

Outlook for the Second Half of 2023

In the second half of the year, it is expected that the industry will see a gradual recovery along with the introduction of a number of policies for stabilizing the growth. However, no matter how the external environment changes, we can only go through the ebbs and flows of the industry with a firm heart for long-term development, and achieve the integration and prosperity of commercial value and social value via continued practice of the strategy of high-quality development.

In terms of operation strategy, the Group will continue to adhere to its principle of customer-focused service, and consolidate its development foundation through deepen the understanding of customers' needs and service quality. The Group will strengthen its resources integration and its establishment of public relationship governance ability, to co-build a sound community ecology by all three parties. The uniformity of services will be supported with the enhancement of standardization and making great efforts on implementation. As the first-line team is our foundation of service, the Group will stimulate the vitality of the front-line employees by perfecting and innovating the incentive mechanisms. Since it is still an important strategic task for us to continue to consolidate the digital construction, we will strengthen the implementation and the widespread use of the system and enhance the functions to make a further step in the process of digital intelligence.

In terms of business strategy, sticking to the safety-based approach and pursuing reasonable profits in line with quality and price, the Group adheres to its healthy and sustainable operation approach. First of all, strengthening the sense of survival by thoroughly applying safety operation approach to take project unit as the smallest business management unit, while ensuring an overall safety and healthy operating cash flows to take fund recovery as the foundation of project and business development and thus paying attention to collection. Based on the cost control principle of keeping the product quality in conformity with its price, the Group endeavors to improve management and control efficiency and reduce control costs while ensuring its service quality.

In respect of market expansion, the Group will stick to the standard of high-quality development and firmly promote the focused strategy to develop 45 core cities. It will continue to ensure project quality with high standards, balance risks and benefits, and keep the bottom line. Meanwhile, more attentions will be paid to enhance the ability of long-term development, including promoting the development of major accounts and expanding cooperation with them in a systematic way and boosting the construction of urban networks to accumulate an information pool that will be effective for a long time, to prepare and lay a foundation for the next market expansion.

In terms of living services, the Group will still consider the long-term sustainable business as its goal for development, continue to focus on core quality cities and thoroughly explore the categories needed by property owners. Meanwhile, the Group will continue to optimize the interaction mechanism to give full play to the property advantages. To effectively support strategy implementation and business development, our business structure will be more vertical, flat and business-oriented.

In the face of uncertain environmental changes, the certain way to deal with it is to lay a solid foundation for our service and build up internal strength in our management. No matter how far our goal is, we must start from where we are and never slack off. With persistent strategic determination to achieve high quality development, we firmly believe that the Group will create greater value for its shareholders and the society, and the property management industry in the future will be even brighter.

OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

SIGNIFICANT INVESTMENT, ACQUISITIONS AND DISPOSALS

There were no other significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 June 2023.

EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, there was no other significant event that had an effect on the Group.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as the guidelines for the Directors' dealings in securities of the Company since the Company's listing on the Main Board of the Stock Exchange. Following specific enquiries of all Directors, all Directors confirmed that they have complied with the required standards as set out in the Model Code in relation to their securities dealings (if any) during the six months ended 30 June 2023.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix 14 to the Listing Rules as its own code on corporate governance and had complied with all applicable code provisions of the Corporate Governance Code for the six months ended 30 June 2023.

The Board recognises and appreciates the importance and benefits of good corporate governance practices and has adopted corporate governance and disclosure practices for achieving a higher standard of transparency and accountability. The Board members will have regular discussions about the performance and business strategies of the Group. They, together with the relevant senior executives of the Company, have also attended training on the Listing Rules and other regulatory requirements. The Company has established an internal reporting practice within the Group in order to monitor the operation and business development of the Group.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Listing Rules and the code provisions of the Corporate Governance Code. The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. Yao Ning, Ms. Wang Lihong and Mr. Zhao Zhonghua, and is chaired by Mr. Yao Ning who possesses the qualification of professional accountant. The primary duties of the Audit Committee are to assist the Board to fulfill the functions of reviewing and monitoring the financial reporting procedure, internal control and risk management systems of the Company, to review the Group’s corporate governance policies and implementation and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters concerning the audit, internal control and risk management systems and financial reporting, including reviewing the Group’s unaudited interim results for the six months ended 30 June 2023.

The Group’s unaudited interim results for the six months ended 30 June 2023 have been reviewed by the Company’s independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.sunacservice.com). The Company's interim report for the six months ended 30 June 2023 will be despatched to the shareholders of the Company and published on the above websites in due course.

By order of the Board
Sunac Services Holdings Limited
Wang Mengde
Chairman

Hong Kong, 21 August 2023

As at the date of this announcement, the chairman of the Board and non-executive Director is Mr. Wang Mengde; the executive Directors are Ms. Cao Hongling and Ms. Yang Man; the non-executive Directors are Mr. Lu Peng and Mr. Gao Xi; and the independent non-executive Directors are Ms. Wang Lihong, Mr. Yao Ning and Mr. Zhao Zhonghua.