Onewo Inc.
萬物雲空間科技服務股份有限公司

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

(Stock Code: 2602)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2023

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2023, revenue for the Reporting Period amounted to RMB16.02 billion, representing a period to period increase of 12.5%. Of which: revenue generated from the community space living consumption services was RMB9.04 billion, representing a period to period increase of 13.0%; revenue generated from the commercial and urban space integrated services was RMB5.67 billion, representing a period to period increase of 11.3%; revenue generated from the AIoT and BPaaS solution services was RMB1.32 billion, representing a period to period increase of 13.9%.

For the six months ended June 30, 2023, gross profit for the Reporting Period was RMB2.41 billion, representing a period to period increase of 13.4%. The gross profit margin was 15.1%, while the adjusted gross profit margin (excluding the amortization of customer relationship of RMB321.1 million resulting from historical acquisitions) was 17.1%.

For the six months ended June 30, 2023, the profit for the Reporting Period was RMB1,050.0 million, representing a period to period increase of 15.7%, and EBITDA was RMB1,858.1 million, representing an increase of 20.4%.

For the six months ended June 30, 2023, the total number of Onewo Towns increased from 584 in 2022 to 601, with the efficiency improvement and reformation of 150 Onewo Towns completed in total, and a total of 40 Onewo Towns have started the decoration business. Due to the smooth implementation of the Onewo Town Strategy, the gross profit margin of the community space living consumption services for the Reporting Period was 14.9%, representing a period to period increase of 2.2 percent.

For the six months ended June 30, 2023, earnings per share attributable to Shareholders for the Reporting Period was RMB0.85. The Board recommends an interim dividend totalling 20% of the EBITDA, with RMB0.315 per share (including tax), which will be declared to Shareholders for the six months ended June 30, 2023.

The board of directors (the "**Directors**") (the "**Board**") of Onewo Inc. (the "**Company**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2023 (the "**Reporting Period**").

FINANCIAL INFORMATION

The following financial information is a summary of the Group's interim condensed consolidated financial statements for the six months ended June 30, 2023:

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	**Six months ended 30 June** **2023** ***RMB'000*** **(unaudited)**	2022 *RMB'000* (unaudited) (restated) note 2(c)
REVENUE	*4*	**16,019,670**	14,243,206
Cost of sales		**(13,607,638)**	(12,115,963)
Gross profit		**2,412,032**	2,127,243
Other income and gains, net	*5*	**447,531**	365,665
Selling and distribution expenses		**(229,179)**	(205,055)
Administrative expenses		**(995,740)**	(961,513)
Impairment losses on financial assets, net		**(232,436)**	(177,497)
Finance costs		**(4,034)**	(6,007)
Share of profits and losses of joint ventures and associates		**969**	4,851
PROFIT BEFORE TAX	*6*	**1,399,143**	1,147,687
Income tax expense	*7*	**(349,176)**	(239,895)
PROFIT FOR THE PERIOD		**1,049,967**	907,792
Attributable to:			
Shareholders of the Company		**997,733**	873,596
Non-controlling interests		**52,234**	34,196
		1,049,967	907,792
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY IN RMB			
Basic and diluted	*9*	**0.85**	0.83

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
		(restated)
PROFIT FOR THE PERIOD	**1,049,967**	907,792
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**10**	214
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**10**	214
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(282,921)**	(417,841)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(282,921)**	(417,841)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(282,911)**	(417,627)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**767,056**	490,165
Attributable to:		
Shareholders of the Company	**714,822**	455,969
Non-controlling interests	**52,234**	34,196
	767,056	490,165

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
30 June 2023

	Notes	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited) (restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**699,389**	666,151
Investment properties		**556,178**	579,912
Right-of-use assets		**198,606**	231,058
Intangible assets	*10*	**8,209,977**	8,506,987
Investments in joint ventures and associates		**1,519,449**	1,739,177
Equity investments designated at fair value through other comprehensive income		**627,909**	910,830
Financial assets at fair value through profit or loss		**976**	976
Deferred tax assets		**160,858**	150,302
Prepayments, deposits and other receivables		**2,385,093**	2,388,804
Total non-current assets		**14,358,435**	15,174,197
CURRENT ASSETS			
Inventories		**130,276**	69,950
Trade and retention receivables	*11*	**7,393,962**	6,277,903
Prepayments, deposits and other receivables	*12*	**2,048,337**	1,697,854
Restricted bank deposits		**365,627**	376,188
Time deposits with original maturity of over three months		**14,930**	21,830
Cash and cash equivalents		**12,339,885**	13,345,063
Total current assets		**22,293,017**	21,788,788
CURRENT LIABILITIES			
Trade and notes payables	*13*	**4,814,574**	5,319,717
Financial liabilities at fair value through profit or loss		**–**	191,792
Contract liabilities		**4,566,361**	4,514,977
Other payables and accruals	*14*	**6,556,839**	6,839,543
Lease liabilities		**95,431**	109,438
Tax payable		**891,467**	738,077
Total current liabilities		**16,924,672**	17,713,544
NET CURRENT ASSETS		**5,368,345**	4,075,244

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
30 June 2023

	Notes	**As at 30 June 2023** *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000* (audited) (restated)
TOTAL ASSETS LESS CURRENT LIABILITIES		**19,726,780**	19,249,441
NON-CURRENT LIABILITIES			
Other payables and accruals	*14*	**1,050,226**	963,769
Provision		**137,515**	117,283
Lease liabilities		**100,321**	124,106
Deferred tax liabilities		**952,518**	1,042,779
Total non-current liabilities		**2,240,580**	2,247,937
Net assets		**17,486,200**	17,001,504
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	*15*	**1,178,469**	1,178,469
Other reserves		**15,705,254**	15,281,727
		16,883,723	16,460,196
Non-controlling interests		**602,477**	541,308
Total equity		**17,486,200**	17,001,504

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by IASB. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

IFRS 17	*Insurance Contracts*
Amendments to IFRS 17	*Insurance Contracts*
Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and impact of the new and revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

2. **CHANGES IN ACCOUNTING POLICIES (continued)**

The nature and impact of the revised IFRSs are described below: (continued)

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022. The quantitative impact on the financial information is summarised below.

Impact on the interim condensed consolidated statement of financial position:

	Increase/(decrease)		
	As at 30 June 2023	As at 31 December 2022	As at 1 January 2022
	RMB'000	*RMB'000*	*RMB'000*
Assets			
Deferred tax assets	**30,269**	53,163	57,554
Total non-current assets	**30,269**	53,163	57,554
Total assets	**30,269**	53,163	57,554
Liabilities			
Deferred tax liabilities	**(30,139)**	(52,641)	(58,189)
Total non-current liabilities	**(30,139)**	(52,641)	(58,189)
Total liabilities	**(30,139)**	(52,641)	(58,189)
Net assets	**(130)**	(522)	635
Equity			
Retained profits (included in other reserves)	**(120)**	(487)	672
Equity attributable to shareholders of the Company	**(120)**	(487)	672
Non-controlling interests	**(10)**	(35)	(37)
Total Equity	**(130)**	(522)	635

2. CHANGES IN ACCOUNTING POLICIES (continued)

The nature and impact of the revised IFRSs are described below: (continued)

(c) (continued)

Impact on the interim condensed consolidated statement of profit or loss:

	Increase/(decrease) For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Income tax expense from continuing operations	**392**	(394)
Profit for the period from continuing operations	**392**	(394)
Profit for the period	**392**	(394)
Attributable to:		
Shareholders of the Company	**367**	(394)
Non-controlling interests	**25**	–
	392	(394)
Total comprehensive income for the period	**392**	(394)
Attributable to:		
Shareholders of the Company	**367**	(394)
Non-controlling interests	**25**	–
	392	(394)

The adoption of amendments to IAS 12 did not have any impact on the basic and diluted earnings per share attributable to ordinary shareholders of the Company, other comprehensive income and the interim condensed consolidated statements of cash flows for the six months ended 30 June 2023 and 2022.

Comparative figures have been restated due to Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction.*

(d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product lines.

During the six months ended 30 June 2023 and 2022, the Group was principally engaged in the provision of community space living consumption services, commercial and urban space integrated services and AIoT and BPaaS solution services in the PRC. Management reviews the operating results of the business as a single operating segment to make decisions about resources to be allocated. Therefore, the executive directors regard that there is only one segment which is used to make strategic decisions.

The principal operating entities of the Group are domiciled in the PRC and majority of revenue is derived in the PRC for the six months ended 30 June 2023 and 2022.

As at 30 June 2023 and 31 December 2022, except for the equity investments designated at fair value through other comprehensive income, majority of the non-current assets of the Group were located in the PRC.

4. REVENUE

Revenue mainly comprises proceeds from community space living consumption services, commercial and urban space integrated services and AIoT and BPaaS solution services. An analysis of the Group's revenue and cost of services by category for the six months ended 30 June 2023 and 2022 is as follows:

An analysis of revenue is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Types of goods or services		
Community space living consumption services	**9,035,753**	7,994,605
Commercial and urban space integrated services	**5,667,506**	5,093,148
AIoT and BPaaS solutions	**1,316,411**	1,155,453
Total revenue from contracts with customers	**16,019,670**	14,243,206
Timing of revenue recognition		
Goods or services transferred at a point in time	**720,145**	506,624
Services transferred over time	**15,299,525**	13,736,582
Total revenue from contracts with customers	**16,019,670**	14,243,206

5. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest income	**56,147**	20,525
Government grants	**104,133**	101,076
Fair value gains on financial assets at fair value through profit or loss	**33,884**	6,350
Fair value gains on financial liabilities at fair value through profit or loss	**191,792**	–
Gain on disposal of investment properties	**14,948**	16,451
Gain on disposal of joint ventures and associates	**27,964**	13,058
Gain on remeasurement of the previously held interest in an associate	**–**	215,563
Foreign exchange differences, net	**3,393**	522
Other non-operating income	**15,270**	(7,880)
	447,531	365,665

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of services provided	**13,126,514**	11,575,451
Cost of inventories sold	**481,124**	540,512
Depreciation and amortisation	**511,112**	410,597
Research and development costs	**193,871**	204,825
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	**4,783,516**	4,558,196
Pension costs, housing funds, medical insurances and other social insurances	**876,722**	871,387
	5,660,238	5,429,583
Impairment losses on financial assets, net:		
Impairment of trade and retention receivables, net	**118,784**	51,275
Impairment of financial assets included in prepayments, deposits and other receivables, net	**113,652**	126,222
	232,436	177,497
Gain on disposal of items of property, plant and equipment	**(16,527)**	(75)
Loss/(gain) on disposal of subsidiaries	**15,486**	(767)

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The provision for Mainland China current income tax was based on a statutory rate of 25% of the taxable profits for the six months ended 30 June 2023 and 2022 as determined in accordance with the PRC Income Tax Law and the respective regulations.

Under the Law of the PRC on Enterprise Income Tax ("EIT") and Implementation Regulation of the Enterprise Income Tax Law, the tax rate of the PRC subsidiaries are (i) 25% for the six months ended 30 June 2023 and 2022, or (ii) 15% if qualified as high and new technology enterprises or registered in the western region, Shenzhen Qianhai region and Guangdong Hengqin region of the PRC and fullfill certain requirements.

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on any estimated assessable profits arising in Hong Kong during the six months ended 30 June 2023 and 2022. No provision for Hong Kong profits tax has been made as the Group has no assessable profits derived from or earned in Hong Kong during the six months ended 30 June 2023 and 2022.

The major components of income tax expenses for the six months ended 30 June 2023 and 2022 are as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
		(restated)
Current – PRC	**450,516**	340,792
Deferred tax	**(101,340)**	(100,897)
Total tax charge for the period	**349,176**	239,895

8. DIVIDENDS

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Final dividend in respect of the previous financial year, approved during the period	**284,011**	–

At a meeting held by the board on 24 August 2023, the board of directors recommended an interim dividend of RMB0.315 per ordinary share (including tax) totalling RMB371,628,000 for the six months ended 30 June 2023 ("2023 Interim Dividend").

2023 Interim Dividend is subject to the approval of the Company's shareholders at the general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the six months ended 30 June 2023 and 2022 attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares in issue during the six months ended 30 June 2023 and 2022.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2023 and 2022.

The calculation of basic earnings per share are based on:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
		(restated)
Earnings		
Earning attributable to the shareholders of the Company, used in the basic earnings per share calculation *(RMB'000)*	**997,733**	873,596
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,178,468,700**	1,050,420,000
Basic and diluted earnings per share *(RMB)*	**0.85**	0.83

10. INTANGIBLE ASSETS

As at 30 June 2023 (unaudited)

	Customer relationship ***RMB'000***	**Goodwill** ***RMB'000***	**Others** ***RMB'000***	**Total** ***RMB'000***
At 1 January 2023:				
Cost	**5,971,911**	**3,700,222**	**12,107**	**9,684,240**
Accumulated amortisation	**(1,171,223)**	**–**	**(6,030)**	**(1,177,253)**
Net carrying amount	**4,800,688**	**3,700,222**	**6,077**	**8,506,987**
At 1 January 2023, net of accumulated amortisation	**4,800,688**	**3,700,222**	**6,077**	**8,506,987**
Additions*	**18,406**	**–**	**8,299**	**26,705**
Amortisation provided during the period	**(321,105)**	**–**	**(853)**	**(321,958)**
Disposals	**(1,757)**	**–**	**–**	**(1,757)**
At 30 June 2023, net of accumulated amortisation	**4,496,232**	**3,700,222**	**13,523**	**8,209,977**
At 30 June 2023:				
Cost	**5,970,919**	**3,700,222**	**20,406**	**9,691,547**
Accumulated amortisation	**(1,474,687)**	**–**	**(6,883)**	**(1,481,570)**
Net carrying amount	**4,496,232**	**3,700,222**	**13,523**	**8,209,977**

10. INTANGIBLE ASSETS (continued)

As at 30 June 2022 (unaudited)

	Customer relationship *RMB'000*	Goodwill *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2022:				
Cost	5,139,992	3,700,222	12,097	8,852,311
Accumulated amortisation	(603,765)	–	(4,457)	(608,222)
Net carrying amount	4,536,227	3,700,222	7,640	8,244,089
At 1 January 2022, net of accumulated amortisation	4,536,227	3,700,222	7,640	8,244,089
Additions	772,389	–	129	772,518
Amortisation provided during the period	(274,194)	–	(951)	(275,145)
At 30 June 2022, net of accumulated amortisation	5,034,422	3,700,222	6,818	8,741,462
At 30 June 2022:				
Cost	5,912,381	3,700,222	11,967	9,624,570
Accumulated amortisation	(877,959)	–	(5,149)	(883,108)
Net carrying amount	5,034,422	3,700,222	6,818	8,741,462

* During the six months ended 30 June 2023, the Group generated intangible assets by internal development amount of RMB 8,262,000 (30 June 2022: Nil).

Impairment testing of goodwill

Impairment test on the cash-generating units ("CGUs") including goodwill should be performed annually or when the management is aware of events and circumstance changes that might be identified as goodwill impairment indicators.

As at 30 June 2023, management is not aware of any circumstances indicating that the CGUs to which the goodwill has been allocated may be impaired.

11. TRADE AND RETENTION RECEIVABLES

	As at 30 June 2023 ***RMB'000*** **(unaudited)**	As at 31 December 2022 *RMB'000*
Trade and notes receivables		
– Related parties	**2,534,754**	2,124,407
– Third parties	**5,141,204**	4,330,843
Retention receivables	**62,652**	48,517
	7,738,610	6,503,767
Less: Allowance for impairment of trade and retention receivables	**(344,648)**	(225,864)
	7,393,962	6,277,903

11. TRADE AND RETENTION RECEIVABLES (continued)

Retention receivables are related to revenue earned from the provision of construction of intelligent property management services for which the right to the receipt of consideration for work performed remains conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the service contracts. The retention receivables are transferred to the trade receivables when the right becomes unconditional, which is typically at the expiry date of the defect liability period.

Trade receivables mainly arise from commercial and urban space integrated services and AIoT and BPaaS solution services.

The Group's trading terms with its customers are mainly on credit. The credit term is normally decided on a case-by-case basis upon the acceptance of the products or the completion of service. The credit period is generally one month, extending up to three months for major customers. In view of the aforementioned and the fact that the Group's trade and retention receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade and retention receivables as at 30 June 2023 and 31 December 2022, based on the invoice date, is as follows:

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000*
Within 1 year	**6,754,641**	5,724,428
1 to 2 years	**563,123**	502,923
2 to 3 years	**67,661**	40,661
Over 3 years	**8,537**	9,891
	7,393,962	6,277,903

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2023 *RMB'000* (unaudited)	As at 31 December 2022 *RMB'000*
Current:		
Other receivables		
– Payments on behalf of property owners	**1,720,078**	1,428,297
– Deposits	**401,618**	392,822
– Other receivables	**74,131**	72,467
	2,195,827	1,893,586
Less: allowance for impairment of other receivables	**(1,028,676)**	(915,050)
	1,167,151	978,536
Prepayments to suppliers	**317,158**	281,362
Prepayments for tax	**564,028**	437,956
	2,048,337	1,697,854
Non-current:		
Deposits		
– Amounts due from related parties	**1,587,212**	1,602,676
– Others	**149,154**	153,025
	1,736,366	1,755,701
Others	**648,727**	633,103
	2,385,093	2,388,804

13. TRADE AND NOTES PAYABLES

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000*
Trade and notes payables		
– Related parties	**145,704**	905,243
– Third parties	**4,668,870**	4,414,474
	4,814,574	5,319,717

An ageing analysis of the trade and notes payables as at 30 June 2023 and 31 December 2022, based on the invoice date, is as follows:

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000*
Within 1 year	**4,453,885**	5,085,753
1 to 2 years	**213,788**	173,480
2 to 3 years	**91,583**	31,191
Over 3 years	**55,318**	29,293
	4,814,574	5,319,717

14. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000*
Current:		
Other payables		
Amounts due to related parties	**436,204**	505,230
Cash collected on behalf of property owners	**2,336,544**	2,373,984
Deposits payable	**1,083,472**	1,026,029
Dividends	**356,170**	105,536
Accruals and other payables	**856,777**	1,043,809
	5,069,167	5,054,588
Payroll payables	**1,270,257**	1,555,974
Long-term payables within one year	**3,520**	16,948
Other taxes payables	**213,895**	212,033
	6,556,839	6,839,543
Non-current:		
Amounts held on behalf of property owners	**1,045,547**	955,811
Long term payables	**4,679**	7,958
	1,050,226	963,769

15. SHARE CAPITAL

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000*
Issued and fully paid:		
Ordinary shares of RMB1 each	**1,178,469**	1,178,469

A summary of movements in the Company's share capital are as follows:

	Number of shares in issue	**Share capital** *RMB'000*
At 31 December 2022 and 30 June 2023	1,178,468,700	1,178,469

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion should be read in conjunction with the interim condensed consolidated financial information of the Group, including the related notes, set out on pages 2 to 17 of this interim results announcement.

INDUSTRY REVIEW

Amid the continuous downbeat sentiment haunting the real estate development industry in 2023, the independent development ability underpinned by the living consumption of residents and enterprises in the existing market has become the key to success in the industry.

The Existing Residential Property Services Market Witnessing a Significant Increase in Changes of Property Services Providers and the Living Consumption Market Experiencing Noteworthy Structural Changes

Currently, the urban residents' perceptions of what living is truly about and how living is defined are undergoing profound changes. They have come to realize that it is not only about possessing a house, but also about continuously exploring and improving the quality of living.

People's demands of living drive changes in the residential property services market. Urban residents have a more earnest pursuit of a better life, and they have become more and more aware of the importance of paying for good property services. With the gradual improvement of the property services marketization system, a growing number of property services providers are challenged by the demand of their existing clients' attempt to try the services of other providers; in this context, property services companies in higher-tier cities have sensed a higher demand. At the same time, many industry players seeking continuous development have joined the competition. According to CRIC's market research, the owners' committee formation rate of Shanghai reached more than 95% in 2021; Beijing, Shenzhen, Guangxi Province and other prominent provinces and cities in China have proposed respective goals of further improving the owners' committee formation rate, and most cities have set the target at 80% or above. The proportion of the contracts signed by the existing property projects for replacing their current property services providers to the total number of newly signed property service contracts has been increasing year on year in the megacities and super cities[Note 1] in recent years, and the average proportion in cities such as Beijing, Shanghai, Guangzhou and Shenzhen has exceeded 60%. According to the research of China International Capital Corporation Limited, the existing market will be opened gradually. By building up its brand reputation, a property management company can enhance the advantages of bidding for projects developed by third-party developers, and the property management enterprises committing to the high-quality asset-intensive market and having established brand power and service capabilities are expected to become the "long-distance running champion". Armed with its strong brand potential energy and service capabilities, Vanke Service has stronger confidence to win in the competition for existing markets.

Note 1:
Megacities: Shanghai, Beijing, Shenzhen, Chongqing, Guangzhou, Chengdu, Tianjin and Wuhan
Super cites: Hangzhou, Dongguan, Xi'an, Zhengzhou, Nanjing, Jinan, Hefei, Shenyang, Qingdao, Changsha and Harbin

In addition to the basic residential property management services, in terms of housing, the consumer demand arising from people's aspiration for a better life is a new growing point. Ni Hong, Minister of the Ministry of Housing and Urban-Rural Development of the PRC, emphasized that living and working in peace and contentment is the simplest expectation of the people for happiness; he proposed to jointly build digital homes, smart communities and smart cities, establish a housing inspection and insurance system, and do a good job of property management services like automobile 4S stores. The "Communities of the Future" for the new type of urban functional units needs to be built to satisfy the service needs of the full life chain of communities. According to the report of "Residential Demand in the New Era – Connotation and Boundary" (《新時代居住需求，內涵與邊界》) by Beike Research Institute, residents' understanding of residential space has changed and their demand for health, aesthetics and comfort is growing. Demand for technology-enabled residential housing, construction and improvement of nine community scenarios, decoration upgrades, and supporting services for community "life circles" has emerged, and the housing-oriented living consumption market will show great vitality.

Integrated Facilities and Equipment Management Services Have Become a New Track for Gaining a Larger Share of the Commercial Enterprise Customer Market

Leading companies in the industry are investing in a new track. As more and more real estate is held by enterprises, integrated facilities and equipment management services have become a new battlefield. For mature markets in developed countries, large enterprises usually choose to outsource their non-core businesses, including property management, administrative management, energy management, etc. In 2023, CRIC predicts that the average administrative management outsourcing rate of Chinese enterprises will reach more than 60%, and the administrative management outsourcing rate of large enterprises will reach 81.5%. At the same time, it is estimated that the market of integrated facilities and equipment management services will reach RMB1,681.1 billion in 2025, which will still exceed RMB800 billion after excluding the basic property management service sector. The outsourcing rate of enterprises with self-owned properties (76.0%) is higher than that of enterprises with leased properties (61.5%). Enterprises have an enormous demand for outsourcing integrated facilities and equipment management services for their buildings, hence a promising market for integrated facilities and equipment management services. Listed property management service providers have also taken the initiative to adjust their business structure to gain a larger share of the commercial enterprise customer market, and the proportion of the income attributable to residential property management services generally decreased. In the future, only enterprises with the ability to cultivate the commercial enterprise customer market in depth and width can maintain long-term and steady development.

During the Reporting Period, Cushman & Wakefield Vanke Service, the Group's commercial office property management brand, successfully established cooperative relationships with nearly 20 top 500 enterprises and unicorn enterprises in the world and China. The enterprises with which we have established cooperative relationships in previous reporting periods contributed an increase of saturated income of more than RMB667.8 million, accounting for 32% of the saturated income from the new contracts during the Reporting Period.

The Emergence of New Technologies such as Large Language Models (LLMs), a New Type of AI Technology, Has Accelerated the Transformation and Upgrading of Labor-intensive Industries

Changes in the relation between supply and demand in the labor market have relieved the labor pressure of labor-intensive enterprises in the short term.

However, labor-intensive enterprises shall not ignore the profound impact that the emergence of new technologies such as LLMs, that will exert on their industries. The application of new technologies such as LLMs will accelerate and drive the transformation and upgrade of labor-intensive industries, improve production efficiency, reduce labor demand, and promote industrial structure adjustment. Some traditional labor-intensive posts may be replaced by LLM-enabled automation, which will lead to a reduction in labor demand. At the same time, AI also brings new opportunities to help enterprises optimize their processes and improve efficiency. Whether enterprises are able to seize the opportunities brought by the technologies including LLMs and integrate them with their businesses to achieve transformation and upgrading or not will determine if they can gain competitive advantages under the new circumstances.

STRATEGIES REVIEW

During the Reporting Period, the Group achieved steady progress in its three strategies.

Onewo Town Strategy

Site selection and construction of Onewo Town: Amid opportunities emerging in the existing market, the Group continued to increase spatial density

As of June 30, 2023, the Group has established a presence in major cities across the country with a total of 601 Onewo Towns[Note 2], of which 177 were Standard Onewo Towns, 184 were Focused Onewo Towns and 240 were Target Onewo Towns. During the Reporting Period, Vanke Service further enhanced the brand image in respect of "transparent service, smart community, and asset preservation and appreciation" by virtue of its high-quality service capabilities. Within the 3,402 value sub-districts, 188 new residential property services projects were contracted, generating a saturated income of RMB991.3 million[Note 3].

Note 2: A strategically selected sub-district in which (i) the Group has multiple properties under management; and (ii) the Group's employees could commute between managed properties within 20 to 30 minutes.

Note 3: The pre-property service contracts with developers and the property service contracts with owners' committees are quite different in terms of areas such as acquisition methods and contract transformation. Based on the contracts signed by the Group historically, it takes an average of more than 800 days from signing to fulfillment for pre-property service contracts with developers, and fewer than three months on average from signing to fulfillment for property service contracts with owners' committees.

In order to further focus on the Onewo Town strategy and effectively improve the Company's operating efficiency, the Group took the initiative to reduce residential property services projects with low profitability in non-value sub-districts. During the Reporting Period, it has actively withdrawn from 89 residential property services projects in total, with a total saturated income of RMB370.7 million.

Process transformation: Transformation progress ahead of schedule

As of June 30, 2023, the Group has promoted three batches of Onewo Towns in total to carry out process transformation, which covered a total of 150 Onewo Towns and over 1,000 residential projects, of which 102 Onewo Towns completed all transformation work and passed the acceptance inspection. During the advancement of the Onewo Town strategy, the Company has invested a total of RMB299.2 million in the process transformation for Onewo Towns, which has brought about an increase in the gross profit margin of the basic residential properties of the transformed Onewo Towns by more than 4 percent, and has increased the gross profit by RMB103.5 million during the Reporting Period.

Ecological superposition: Home renovation and furnishing business has taken root in 40 Onewo Towns

The Group's home renovation and furnishing business, with Onewo Town as the basis, has developed a unique acquaintance-based economic model.

Our community service personnel have been stationed in the community for a long time, and have won the trust of customers with high-quality services. Long-term and high-frequency contact with customers is the prerequisite for developing acquaintance-based economy.

The Group's home renovation and furnishing business can develop "one price for one household" ("一戶一價") model for the project and the unit according to the consumption capacity and the unit area of the community as well as the special needs of different people. Customers may shorten their decision-making process through open and transparent pricing, schedule of construction and service rules. At the same time, the Group also quickly performs background split of orders by the quantities of construction work, process and materials during the research and development of the products, so as to achieve scientific scheduling. In the future, when every building has our service cases and every property owner has our customers who have enjoyed our services around, our home renovation and furnishing business will become the priority choice of our customers. Moreover, as the age of buildings within Onewo Towns increases, the customers' demands will further emerge, and the acquaintance-based economic model will support the continuous growth of the home renovation and furnishing business.

As of June 30, 2023, the Company has implemented home renovation and furnishing business in a total of 40 Onewo Towns. During the Reporting Period, the contract value of home renovation and furnishing in Onewo Towns reached RMB155.9 million, representing a period to period increase of 65.5% with a satisfaction rate exceeding 98%.

Customer diversification strategy: Increase the number of top customers in the high-quality industries and deeply explore the needs of those customers

Since the beginning of market-oriented development in 2015, the independence of the Company has become increasingly prominent. Since the establishment of the brand Cushman & Wakefield Vanke Service in 2019, the Company has adopted the customer diversification strategy, and formed a moat from the angles of "spatial characteristics", "spatial functions" of the building and the "diversified demands" of the customers and other aspects to strengthen the diversified customer service capabilities and competitive advantages.

Firstly, the Group has refined universal professional management capabilities for different building forms, such as providing specialized solutions addressing energy conservation and intelligent operation for the high-energy consumption characteristics of super high-rise projects; and it also provides professional elevator operation services for its complex vertical traffic characteristics.

Secondly, taking into account the actual situation, the Group has divided specific business scenarios such as large-scale workplaces at the enterprise headquarters, manufacturing factories, shopping malls, data centers, and logistics parks, and created adaptive products based on different scenarios. There are relatively large differences in demand for different scenarios. Take the clean room in manufacturing for example, customers have strict requirements for key indicators such as cleanliness standards, business continuity, laboratory environmental parameter control, and EHS (environment, health, safety) compliance. In this regard, the Group provides CEM (critical environmental management) solutions which focus on clean room cleaning operations, special equipment management, hazardous operation control, sewage collection and discharge management, solid waste and hazardous waste management and other key areas. As a result, customized products are created for high-end manufacturing customers in the semiconductor and biopharmaceutical industries.

In order to ensure service quality, the Group adopted a headquarter-to-headquarter docking method for enterprise customers with cross-regional, multi-workplaces, high share characteristics, as well as high demand for unified multi-workplaces service standards, territorial demands, and rapid response. With this method, we provided a comprehensive infrastructure service featuring the "1+N" mode, i.e. "headquarters + decentralized workplaces", thereby solving the problems of office rent-seeking, service standardization, and diversified office demand response for these enterprises in cities at all levels, and accompanying customers to achieve their development aspirations. Meanwhile, the Group has set up "Little Bee" ("小蜜蜂") as an on-site service ambassador to undertake various derivative service demands of enterprise administrative logistics and link internal and external ecological resources to provide a package of services. Currently, "Little Bee" has achieved coverage in 892 projects.

During the Reporting Period, Cushman & Wakefield Vanke Service continued to penetrate deeply into industries such as the internet, biopharmaceutical, high-end manufacturing and financial industry, and the saturated income from new contracts from existing customers amounted to RMB667.8 million, accounting for approximately 32% of the total amount of saturated income from new contracts; the Company has newly acquired nearly 20 Top 500 and unicorn clients, including leading insurance companies, domestic sports leaders and leading liquor enterprises, etc., and seven newly contracted super high-rise projects; and it has provided dust-free management services to five customers, including top domestic telecommunication companies, top bio-technology companies and top household appliance companies.

Technology strategy: Consolidating technological capabilities to maintaining steady development

The investment in the technology strategy has mainly brought about internal efficiency improvement and external revenue enhancement for the Group.

During the Reporting Period, the Group's overall operating capacity has been enhanced. As of June 30, 2023, the Group has installed nearly 30,000 units of access control equipment and 1,451 sets of self-developed "Black Cat Series" ("黑貓系"） equipment in 1,082 projects, and 2,279 units of self-service kiosk at the front desk of property "Pineapple No. 1" ("鳳梨一號") in a total of 1,705 projects, creating the foundation for the efficiency improvement and reformation of residential properties in Onewo Town. In the future, the Group will enhance the resource reusing capacity between people and machines, materials and infrastructure through data aggregation and scheduling optimization of algorithms, geographic locations and service work orders within Onewo Town, so as to further improve the operational efficiency of Onewo Town.

Building intelligent cities is a major practical target of the Group's technology strategy, which uses technology to empower urban governance, thereby reducing costs and increasing efficiency. In June 2023, China Global Television Network introduced the Group's intelligent city service project in Beijing Lize in a special report in Davos, explaining how technology can make urban life better. During the Reporting Period, after the Intelligent City Project in Kulangsu was equipped with a smart urban management system, the response speed increased by 80%, the dispatching time was reduced from 25 minutes to five minutes, and the labor efficiency was increased by more than 10%; after the Intelligent City Project of Chengdu High-tech Zone realized urban-intensive and refined governance, the work order response rate increased from 11.3% to 99.99%, resulting in citizen satisfaction rate of over 90%. Based on its own management and service experience, the Intelligent City Project of Chengdu High-tech Zone compiled the first industry standard in the country organized by the provincial housing construction administrative department – "Property Management Urban Service Standards of Sichuan Province" (《四川省物業城市服務標準》), which serves as a case of standardization of urban management in Sichuan.

Based on the practical experience of internal and external implementation scenarios, the Group has continuously iterated and optimized technology products and achieved rapid development of the technology sector during the Reporting Period. Among them, the recurring technology business has developed rapidly, and 22 new external customers have been added to our enterprise remote operation service, including a leading automobile company, a top 100 global banking company, a leading high-end equipment manufacturer, etc.; in terms of the space remote operation service, more than 200 government and state-owned enterprise customers have been connected, which were implemented in a total of 42 projects; the revenue of BPaaS solution services amounted to RMB646.7 million in total, representing a period to period increase of 48.0%, driving the rapid growth of the Company's technology business and promoting the optimization of the Company's profit structure.

BUSINESS REVIEW

The Group is divided into three business segments: (i) community space living consumption services; (ii) commercial and urban space integrated services; (iii) AIoT and BPaaS solution services.

The following table sets out the details of revenue by business and service type as at the dates indicated:

	For the six months ended June 30,				
	2023		2022		Growth rate
	RMB'000	*%*	*RMB'000*	*%*	*%*
	(unaudited)		(unaudited)		
Community space living consumption services					
– Residential property services	**8,154,558**	**50.9**	7,270,288	51.0	12.2
– Home-related asset services	**685,444**	**4.3**	526,563	3.7	30.2
– Other community value-added services	**195,751**	**1.2**	197,754	1.4	(1.0)
Subtotal	**9,035,753**	**56.4**	7,994,605	56.1	13.0
Commercial and urban space integrated services					
– Property and facility management services	**3,974,327**	**24.9**	3,454,339	24.3	15.1
– Value-added services for developers	**1,383,499**	**8.6**	1,366,160	9.6	1.3
– Urban space integrated services	**309,680**	**1.9**	272,649	1.9	13.6
Subtotal	**5,667,506**	**35.4**	5,093,148	35.8	11.3
AIoT and BPaaS solution services					
– AIoT solutions	**669,751**	**4.2**	718,650	5.0	(6.8)
– BPaaS solutions	**646,660**	**4.0**	436,803	3.1	48.0
Subtotal	**1,316,411**	**8.2**	1,155,453	8.1	13.9
Total	**16,019,670**	**100.0**	14,243,206	100.0	12.5

The following table sets out the details of gross profit by business and service type as at the dates indicated:

	For the six months ended June 30,			
	2023		2022	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	***%***	*RMB'000*	*%*
	(unaudited)		(unaudited)	
Community space living consumption services				
－Residential property services	**1,026,769**	**12.6**	764,647	10.5
－Home-related asset services	**194,925**	**28.4**	127,068	24.1
－Other community value-added services	**126,775**	**64.8**	124,177	62.8
Subtotal	**1,348,469**	**14.9**	1,015,892	12.7
Commercial and urban space integrated services				
－Property and facility management services	**412,503**	**10.4**	403,429	11.7
－Value-added services for developers	**194,056**	**14.0**	283,698	20.8
－Urban space integrated services	**29,471**	**9.5**	29,413	10.8
Subtotal	**636,030**	**11.2**	716,540	14.1
AIoT and BPaaS solution services				
－AIoT solutions	**208,354**	**31.1**	193,531	26.9
－BPaaS solutions	**219,179**	**33.9**	201,280	46.1
Subtotal	**427,533**	**32.5**	394,811	34.2
Total	**2,412,032**	**15.1**	2,127,243	14.9

During the Reporting Period, the Group has further consolidated its basic capabilities with the growth of scale and the quality of its operations has been taken into account to ensure the long-term sound development of its operations.

Recurring Businesses Stably Growing with Better Profitability

The Group's residential property services under the community space living consumption services, property and facility management services under the commercial and urban space integrated services, and BPaaS solution business under the AIoT and BPaaS solution services are recurring businesses. During the Reporting Period, the Company's recurring businesses achieved revenue of RMB12,775.5 million, representing a period to period increase of 14.5%, accounting for 79.7% of total revenue; the gross profit reached RMB1,658.5 million, representing a period to period increase of 21.1%, representing 68.8% of total gross profit.

– ***Residential property services***

During the Reporting Period, the Group's revenue from residential property services was RMB8,154.6 million, representing an increase of 12.2% as compared to the same period of last year, accounting for 50.9%. The business generated a gross profit of RMB1,026.8 million during the Reporting Period, representing a period to period increase of 34.3%, accounting for 42.6%. Due to the smooth progression in the process transformation of the Onewo Town strategy, the overall gross profit margin of the business increased by 2.1 percent, and the space efficiency has improved. As of June 30, 2023, the saturated income of residential property service projects under management was RMB22,948.4 million, representing a period to period increase of 18.5%; the number of residential projects under management was 3,586, representing an increase of 140 as compared to the number of residential projects under management as of December 31, 2022. The growth of results is mainly due to the Company's outstanding market expansion ability, especially its deep cultivation ability in the existing market.

The following table sets forth the details of the number of residential projects under management and contracts and the saturated income as at the dates indicated:

	As of June 30,	
	2023	2022
Saturated income from contracts (RMB million)	**29,263.7**	26,374.4
Number of contracted projects	**4,478.0**	4,096.0
Saturated income from projects under management (RMB million)	**22,948.4**	19,368.5
Number of projects under management	**3,586.0**	3,035.0

During the Reporting Period, the Group has actively withdrawn from a total of 89 residential projects which were located in the non-value sub-district with low profitability, with a saturated income of RMB370.7 million.

The following table sets forth the number of residential property projects under management, the saturated income from projects under management as at the dates indicated, as well as a breakdown of income from residential property management services during the periods indicated by type of property developer:

	As of June 30, 2023			As of June 30, 2022		
	Number of projects under management (units)	**Annualized saturated income (RMB million)**	**Financial income (RMB million)**	Number of projects under management (units)	Annualized saturated income (RMB million)	Financial income (RMB million)
China Vanke Group and its joint ventures and associates	**1,446**	**11,432.3**	**4,490.2**	1,278	10,069.5	4,013.9
Independent Third Party real estate developers	**2,140**	**11,516.1**	**3,664.4**	1,757	9,299.0	3,256.4
Total	**3,586**	**22,948.4**	**8,154.6**	3,035	19,368.5	7,270.3

– ***Property and facility management services***

During the Reporting Period, the Group's revenue from property and facility management services was RMB3,974.3 million, representing an increase of 15.1% as compared to the same period of last year, accounting for 24.9%; the business generated a gross profit of RMB412.5 million during the Reporting Period, representing a period to period increase of 2.2%, accounting for 17.1%. As of June 30, 2023, the saturated income from property and facility management service projects under management was RMB11,372.6 million, representing a period to period increase of 21.0%; the number of property and facility management service projects under management was 1,958, representing an increase of 129 as compared to the end of last year. The growth in performance was mainly due to the Company's deep cultivation in customer diversification, as well as the leading professional service capabilities for multi-spatial forms such as super high-rise and super-large intricate complexes.

The following table sets forth the details of the number of property and facility management service projects under management and contracts and saturated income as at the dates indicated:

	As of June 30,	
	2023	2022
Saturated income from contracts (RMB million)	**15,245.5**	11,459.0
Number of contracted projects	**2,356**	1,929
Saturated income from projects under management (RMB million)	**11,372.6**	9,396.5
Number of projects under management	**1,958**	1,706

The following table sets forth the number of residential property projects under management, the saturated income from projects under management as at the dates indicated, as well as a breakdown of income from property and facility management services during the periods indicated by type of property developer:

	June 30, 2023			June 30, 2022		
	Number of projects under management (units)	**Annualized saturated income (RMB million)**	**Financial income (RMB million)**	Number of projects under management (units)	Annualized saturated income (RMB million)	Financial income (RMB million)
China Vanke Group and its joint ventures and associates	**301**	**2,002.4**	**576.9**	271	1,766.5	632.4
Independent Third Party real estate developers	**1,657**	**9,370.2**	**3,397.4**	1,435	7,629.9	2,821.9
Total	**1,958**	**11,372.6**	**3,974.3**	1,706	9,396.5	3,454.3

– ***BPaaS Solutions***

During the Reporting Period, the Group's revenue from BPaaS solutions was RMB646.7 million, representing an increase of 48.0% as compared to the same period of last year, accounting for 4.0% of the total revenue. The business generated a gross profit of RMB219.2 million during the Reporting Period, representing an increase of 8.9% as compared to the same period of last year. The rapid growth of the business was attributable to the Group's vigorous promotion of enterprise BPaaS services, which brought 22 new external customers on the one hand, and the launch of space BPaaS business in a cumulative total of 42 city-as-a-property projects on the other hand.

– ***Home-related asset services***

In addition to the recurring businesses, relying on Onewo Towns, the Group's asset services under the community space showed good development momentum.

During the Reporting Period, the Group's revenue from home-related asset services was RMB685.4 million, representing an increase of 30.2% as compared to the same period of last year, accounting for 4.3% of the total revenue. The business generated a gross profit of RMB194.9 million during the Reporting Period, representing an increase of 53.4% as compared to the same period of last year. As a key ecological business of Onewo Town strategy, the performance was mainly driven by the launch of more home renovation and furnishing business in Onewo Town and the increasing market share.

– ***Urban space integrated services***

Since the Group launched the urban space integrated service business in 2018, it was mainly implemented in the form of minority shareholding management, and has made remarkable progress during the Reporting Period.

During the Reporting Period, the Group's revenue from urban space integrated services was RMB309.7 million, representing an increase of 13.6% as compared to the same period of last year, accounting for 1.9% of the total revenue. The business generated a gross profit of RMB29.5 million during the Reporting Period, representing an increase of 0.2% as compared to the same period of last year. As of June 30, 2023, the Group had implemented 96 urban space integrated service projects in 44 cities across China. During the Reporting Period, the minority shareholding projects achieved an ROI (return on investment) of 8.0%, and the technology business has been started through the implementation of 42 city-as-a-property projects and generated referrals with the value equivalent to RMB105.1 million for the Group's other businesses. In the future, the Group will constantly prefer to conduct urban space integrated services by means of minority shareholding management and implement space BPaaS solution businesses.

The following table sets forth the number of urban service projects by region as at June 30, 2023:

Regions	**Number of projects**
North China	13
East China	20
South China	55
Central China	4
Northwest China	1
Southwest China	3
Total	96

During the Reporting Period, some of the Group's businesses continued to be affected by the pressure on the real estate development industry. However, by virtue of past capability accumulation of some of the businesses, such as capabilities in the areas of AIoT solutions and real estate renovation, the Group is actively acquiring new customers.

– ***AIoT solutions***

During the Reporting Period, the Group's revenue from AIoT solutions was RMB669.7 million, representing a decrease of 6.8% as compared to the same period of last year, accounting for 4.2% of total revenue. The business had a gross profit margin of 31.1% during the Reporting Period, representing an increase of 4.2 percent as compared to the same period of last year. During the Reporting Period, the business's revenue from developers decreased from RMB635.9 million to RMB371.2 million, while revenue from other customers increased from RMB82.8 million to RMB298.5 million. The business is subject to pressures in the development of the real estate development industry, resulting in a decline in the revenue contributed by developer customers, but there is a relatively large room for the growth of the business in the market of renovation of existing and old projects and the construction of urban industrial parks. The Group will continue to actively expand market sources to obtain new non-developer customers.

– ***Value-added services for developers***

During the Reporting Period, the Group's revenue from value-added services for developers was RMB1,383.5 million, representing an increase of 1.3% as compared to the same period of last year, accounting for 8.6% of the total revenue. The business generated a gross profit of RMB194.0 million during the Reporting Period, representing a decrease of 31.6% as compared to the same period of last year. However, it is remarkable that the revenue from building maintenance services in this business amounted to RMB460.6 million during the Reporting Period, representing a period to period increase of 65.8%. Although the continuing decline in the performance of the real estate development industry has reduced the profitability of the sales center business and pre-delivery support services business, the capability of real estate maintenance accumulated in the past has relatively large room to grow in the future renovation of the existing and old projects and urban maintenance. The Group will adhere to the independent development path, deepen the customer diversification strategy, and provide services for more customers and more demands from customers.

– ***Other community value-added services***

During the Reporting Period, the Group's revenue from other community value-added services was RMB195.8 million, representing a decrease of 1.0% as compared to the same period of last year, accounting for 1.2% of the total revenue. The business generated a gross profit of RMB126.8 million during the Reporting Period, representing an increase of 2.1% as compared to the same period of last year.

OUTLOOK

Implementing the "Oneworld Plan" ("萬物雲共同發展計劃") and the Sustainability Philosophy, and Integrating such Practice into the Corporate Culture to Develop the Company's Core Competence

It is a long-term mission for the Group to integrate the environmental, social and governance (ESG) concept and the corporate culture into the business development through stepping up the ESG efforts and to ensure the safety and growth of its employees, customers, facilities and equipment in spaces under management by reflecting a more forward-looking understanding of the industry.

"Love Life: Reducing Abnormal Deaths in Service Spaces": The Group bases its commitment to constantly improving the safety awareness and service capabilities of the staff in service spaces on its insights into the services and users' needs in the spaces. The Group has carried out a plan to equip its service personnel with cardio pulmonary resuscitation (CPR) certification and install automated external defibrillators (AEDs) in the residential and commercial spaces, raising the first-aid awareness of service personnel in the communities and continuously improving the capacity of the service spaces to address health and safety emergencies. More than 30,000 service personnel in total of the Group have obtained CPR certification; with the support of owners, customers and institutions from all walks of life, we have installed more than 1,700 AEDs in over 400 residential and commercial service spaces. During the Reporting Period, five service personnel had saved lives with this first aid measure.

“**Love Growth: Helping Front Line Service Personnel Grow in Diversity**”**:** The advent of the AI era will accelerate the transformation and upgrading of labor-intensive industries, posing a big challenge to the efforts to help deploy the unique value of blue-collar workers under such new circumstance. The Group provides front line service personnel with opportunities to learn new skills and options to try new posts. From the perspective of employees, this initiative will allow more people to take up technical posts and posts requiring social and emotional skills instead of sticking to the ones demanding simple and repeated work, which is in line with the technological upgrading and transformation of the Company's businesses and helps better the staff's career development and income. From the perspective of the Company, offering opportunities for a group of multi-skilled blue-collar workers to create value in the AI era to further satisfy the needs of customers will become one of the core strengths of the Company.

“**Love Environment: Waste Sorting in Communities and Energy Conservation and Emission Reduction Measures for Buildings**”**:** The Group aims to bring more customers satisfactory experience with its environmental services and energy-saving products under the guidance of China's “dual carbon” goal while taking into account the potential demand for energy management from customers in the residential spaces, super high-rise buildings and headquarters of super-large enterprises. In residential communities, the Group increases the awareness of waste sorting and promotes waste sorting actions step by step through high-standard environmental quality management and community culture development. In respect of commercial buildings, the Group meets the green needs of customers with technology-driven energy-saving services and products. The Company will develop eco-friendly service capabilities to further secure its moat and supports its long-term sustainable development.

“**Love Community: Property Refurbishment and Development together with Surrounding Communities**”**:** Renovation in urban areas is another big difficulty arising from the gradual advancement of urbanization. The Group has enriched its skill set in home renovation and maintenance through its historical experience in serving real estate developers. Under this initiative, the Group checks and repairs the facilities and equipment and adopts preventative measures in respect of facilities and equipment in old residential communities, while promoting diverse and mutual development among local governments, real estate developers, properties, owners, and social capital. Thus, owners can live in a safe and quality community with added-value of their properties. Through its provision of services to old residential communities, the Group has built up stronger service capabilities and strengthened its customer relationships, which helps generate more value-added business opportunities.

Tapping into the Opportunities of the Era, the Company will Develop Its Core Technological Capabilities by Leveraging Its Scenario-based and Data Advantages to Deliver Space Services

Using “Zhuzher” (“住這兒”) APP as a port to build a one-stop Internet platform serving a three-kilometer radius of communities: With the Onewo Town model proved to be workable repeatedly, the Group will acquire more projects in the existing market by continuously adopting the subsidy approach for business expansion purposes and will further enrich the “Onewo Town + X” ecosystem in the sub-districts. Based on the life scenarios of its C-end users in sub-districts, the “Zhuzher” APP has expanded user interests, launched marketing tools and enriched the content platforms. The application has also completed a comprehensive upgrade by connecting more services of the ecosystem with the regional shared network by virtue of the LSN (Localized Service Network).

Iterating and optimizing the competitive products of the "Lingshi Series" ("靈石系")Note 4 for their better application to the space service scenarios: Leveraging the Company's first-mover advantages and data advantages in the space service scenarios, the "Lingshi Series" products will work as the brain of the spaces, through which the space service capabilities are empowered at the levels of "terminals, edge computing devices and cloud computing devices" ("端、邊、雲") to meet the service demands of the industry. We have been increasing the investment in research and development. Through the "Lingshi Series" products, we provide customers with an edge computing solution integrating hardware with software for their whole business process, quickly build a nest of "machine rooms for edge computing" ("邊緣計算機房")Note 5 to support their business process flow, and develop their digital operation capabilities through the integration and innovation of edge computing to shore up more business forms.

Seizing the opportunities brought by LLMs in the era of AI to strengthen the Company's technology capabilities for space services: The Company will apply LLMs, a type of AI algorithm, in Onewo's actual business scenarios where it can explore and develop intelligent space service capabilities. Also, AI will be used in work order management to achieve more efficient intelligent labor dispatching and resource allocation, enhancing the efficiency of space services. Traditional property management processes will be optimized by using intelligent monitoring, unmanned inspections and AI-enabled patrol cars to provide round-the-clock security. Smart housekeeper and digital customer service agents will be trained to provide owners with tailored and attentive services through efficient communication channels.

FINANCIAL REVIEW

In the first half of 2023, the Group's income structure continued to be optimized. Revenue from the recurring businesses amounted to RMB12,775.5 million, representing a period to period increase of 14.5%, accounting for 79.7% of revenue. The relevant gross profit amounted to RMB1,658.5 million, with a gross profit margin of 13.0%, representing a period to period increase of 0.7 percent. The operational efficiency was steadily improved. The selling and distribution expenses ratio (as a percentage of revenue) was similar to last year, and the administrative expenses ratio (as a percentage of revenue) decreased by 0.5 percent period to period. The operating net cash flow showed improvement as compared to the same period in 2022, representing a period to period increase of RMB750.3 million.

Revenue

For the six months ended June 30, 2023, the Group's total revenue was RMB16,019.7 million, representing an increase of 12.5% as compared to RMB14,243.2 million in the same period in 2022. The increase in revenue was mainly due to the increase in the Group's business scale under management and business contracts. Including:

- ***Community space living consumption services***

  For the six months ended June 30, 2023, the Group's revenue generated from community space living consumption services was RMB9,035.8 million, representing an increase of 13.0% as compared to RMB7,994.6 million in the same period in 2022, primarily due to the Company's outstanding market expansion ability, especially its deep cultivation ability in the existing market.

Note 4: The competitive products of the "Lingshi Series" refer to our computing centers in communities, including three categories of applications: scene recognition AI for surveillance camera in communities, linkage of Internet of Things equipment in communities, and accurate positioning of cleaning equipment in communities.

Note 5: "Machine rooms for edge computing" refer to the security control rooms of our managed properties, where computing and storage servers are placed to furnish the communities in Onewo Towns with computing power and storage.

- ***Commercial and urban space integrated services***

  For the six months ended June 30, 2023, the Group's revenue generated from commercial and urban space integrated services was RMB5,667.5 million, representing an increase of 11.3% as compared to RMB5,093.1 million in the same period in 2022, which primarily benefited from the Company's deep cultivation in customer diversification.

- ***AIoT and BPaaS solution services***

  For the six months ended June 30, 2023, the Group's revenue generated from AIoT and BPaaS solution services was RMB1,316.4 million, representing an increase of 13.9% as compared to RMB1,155.5 million in the same period in 2022, which primarily benefited from the growth of the revenue from enterprise remote operation services.

Cost of Sales

The Group's cost of sales mainly includes operating costs, depreciation and amortization. Operating costs include (i) subcontracting costs; (ii) staff costs; (iii) common area facility costs; (iv) engineering costs; (v) office and other related costs; and (vi) depreciation and amortization, which are mainly consisted of the amortization of customer relationship resulting from historical acquisitions.

For the six months ended June 30, 2023, the total cost of the Group was RMB13,607.6 million, representing an increase of 12.3% as compared to RMB12,116.0 million in the same period in 2022. The increase in costs was mainly due to the increase in revenue scale.

Gross Profit and Gross Profit Margin

For the six months ended June 30, 2023, the Group's gross profit was RMB2,412.0 million, representing an increase of 13.4% as compared to RMB2,127.2 million in the same period in 2022. For the six months ended June 30, 2023, the Group's gross profit margin was 15.1%, representing an increase of 0.2 percent as compared to 14.9% in the same period in 2022. The adjusted gross profit margin was 17.1%, representing an increase of 0.2 percent as compared to 16.9% in the same period in 2022. The increase in gross profit margin benefited from the increase in gross profit of the recurring businesses. For the six months ended June 30, 2023, the gross profit margin of the "recurring" businesses of the Group was 13.0%, representing an increase of 0.7 percent as compared to 12.3% in the same period in 2022.

- ***Community space living consumption services***

  For the six months ended June 30, 2023, the adjusted gross profit margin of the Group's community space living consumption services was 16.6%, representing an increase of 2.5 percent as compared to the same period of last year, of which the adjusted gross profit margin of residential property services was 14.4%, representing an increase of 2.4 percent as compared to the same period of last year, which benefited from the smooth progress in the process transformation of the Onewo Town strategy; the gross profit margin of home-related asset services was 28.4%, representing an increase of 4.3 percent as compared to the same period of last year, mainly due to the period to period increase in transaction volumes and the constantly increasing market share of home renovation and furnishing business.

- ***Commercial and urban space integrated services***

  For the six months ended June 30, 2023, the adjusted gross profit margin of the Group's commercial and urban space integrated services was 14.3%, of which the adjusted gross profit margin of property and facility management services was 14.1%, representing a decrease of 1.1 percent as compared to the same period of last year, mainly due to the increase in the proportion of revenue from integrated facility management services. The gross profit margin of value-added services for developers was 14.0%, representing a decrease of 6.8 percent as compared to the same period of last year, mainly due to the continuing decline in the real estate development industry. The gross profit margin of urban space integrated services was 9.5%, representing a decrease of 1.3 percent as compared to the same period of last year, mainly due to fluctuations in demand from some businesses.

- ***AIoT and BPaaS solution services***

  For the six months ended June 30, 2023, the gross profit margin of the Group's AIoT and BPaaS solution services was 32.5%, representing a decrease of 1.7 percent as compared to the same period of last year, mainly due to the increase in the proportion of enterprise service business in BPaaS solution services, of which the gross profit margin of AIoT solutions was 31.1%, while the gross profit margin of BPaaS solutions was 33.9%.

Other Income and Gains

The Group's other income and gains increased by 22.4% from RMB365.7 million for the six months ended June 30, 2022 to RMB447.5 million for the same period in 2023, which mainly represented interest income and profits from changes in fair value of financial instruments.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by 11.8% from RMB205.1 million for the six months ended June 30, 2022 to RMB229.2 million for the same period in 2023. The selling and distribution expenses ratio (as a percentage of revenue) was 1.4%, remaining unchanged as compared to the same period in 2022, mainly due to ongoing cost control.

Administrative Expenses

The Group's administrative expenses increased by 3.6% from RMB961.5 million for the six months ended June 30, 2022 to RMB995.7 million for the same period in 2023. The administrative expenses ratio (as a percentage of revenue) was 6.2%, representing a decrease of 0.5 percent as compared to the same period in 2022, which primarily benefited from the improvement of management efficiency achieved by integration after the mergers and acquisitions.

Income Tax Expenses

The Group's income tax expenses increased by 45.6% from RMB239.9 million for the six months ended June 30, 2022 to RMB349.2 million for the same period in 2023, the tax rate is basically consistent with the statutory tax rate.

Profit for the Period

The Group's profit for the period increased by 15.7% from RMB907.8 million for the six months ended June 30, 2022 to RMB1,050.0 million for the same period in 2023. After excluding the effects resulting from the amortization of intangible assets and deferred tax due to mergers and acquisitions, the adjusted profit for the period as of June 30, 2023 amounted to RMB1,307.4 million, representing an increase of 16.1% as compared to RMB1,125.8 million for the same period in 2022.

EBITDA

The Group's EBITDA increased by 20.4% from RMB1,543.8 million for the six months ended June 30, 2022 to RMB1,858.1 million for the same period in 2023.

Intangible Assets

The Group's intangible assets mainly include customer relationships and goodwill acquired in historical acquisitions. The Group's intangible assets decreased from RMB8,507.0 million as of December 31, 2022 to RMB8,210.0 million as of June 30, 2023, mainly due to the amortization of intangible assets.

Liquidity and Financial Resources

Cash position

As of June 30, 2023, the Group had cash and cash equivalents of RMB12,339.9 million, which were mainly denominated in Renminbi.

The operating net cash flow showed improvement as compared to the same period in 2022, representing a period to period increase of RMB750.3 million. The Group conducted effective management under centralized capital management to sustain appropriate and sufficient levels of cash and bank balances.

Loans and net gearing ratio

As of June 30, 2023, the Group had no bank loans or borrowings and therefore had a net cash position. Net gearing ratio is calculated as total interest-bearing borrowings minus cash and cash equivalents divided by total equity as of the end of the relevant period. Accordingly, the net gearing ratio is not applicable to the Group as of June 30, 2023.

Contingent Liabilities

As of June 30, 2023, the Group had no material contingent liabilities.

Pledge of Asset

As of June 30, 2023, the Group had no pledge of assets.

Impact of Exchange Rate Fluctuation

As the Group's business is mainly conducted in the PRC, we mainly adopt RMB as the settlement currency.

As of June 30, 2023, non-RMB assets are cash and cash equivalents, including HKD-denominated assets (worth RMB122.4 million) and USD-denominated assets (worth RMB5.7 million). As of June 30, 2023, the Group's exposure to foreign exchange risk was limited, and fluctuation of the exchange rate between RMB and foreign currencies had no significant impact on the operating results of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

1. Significant Investments, Acquisitions and Disposals

As of June 30, 2023, the Group had not made any significant investments, material acquisitions, or disposals of subsidiaries, associates and joint ventures.

In addition, save as the plans disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated September 19, 2022 (the "**Prospectus**"), the Group has no specific plans to make significant investments or acquire material capital assets. However, the Group will continue to seek new opportunities for business development in line with the Company's strategy. For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

2. Employees and Remuneration Policy

Our journey as a company providing property services started in 1990. Over the last three decades, the Group has established a strong service culture as well as a customer-centric and creative service team. The Group has further developed an inheritable corporate culture and operating system centered on the values of "Service (做服務者)", "Champion (永爭第一)" and "Positivity (陽光健康)", which are crucial for us to keep attracting and retaining talents that meet our business development needs. In addition, the structure of the human resources of the Group includes customer service, sales and marketing, research and operations, property and project delivery, as well as functional support personnel, forming a diversified and all-rounded talent team that lays the foundation for our business development.

As of June 30, 2023, the Group had 97,294 employees (December 31, 2022: 97,930 employees), and the total staff costs during the Reporting Period were approximately RMB5,665.4 million. Remuneration and benefits of the Group's employees include basic salaries, bonuses, social security contributions and housing provident fund contributions, which are determined based on the nature of work, work performance and market conditions. The Group also offers competitive remuneration and employee stock ownership plan for its employees, especially key employees.

Employee training plan

Onewo has built a broad platform for the development of employees. Tailored to the business needs and employees' career planning and development, a training system beneficial to employees' development has been established to provide diversified career paths and learning opportunities.

1. *"Onewo Dream" Development ("萬紫千紅"好發展)*

   In 2019, the Group launched the "Thousands into Pulin" ("千軍萬馬進樸鄰") program, an employee development project, to encourage front line employees to explore new career paths and change into Pulin asset managers. In 2020, the Group launched another employee development project, the "Onewo Dream" Development ("萬紫千紅"好發展) program, to further build a multi-path development mechanism, which covers all business scenarios where expertise and diversity are required, for front line employees in order to help them play bigger roles and gain more labor income.

   The Group provides front line employees with rich skills training and various position choices in different lines of business, thereby helping front line service staff transition to other positions demanding workers more skilled and irreplaceable. During the Reporting Period, the Group assisted 1,520 front line employees in successfully transferring to grid coordinators, asset managers, electromechanical experts, digital operation, etc. Since the inception of the "Onewo Dream" Development program in 2020, the Group has successfully helped a total of 6,693 front line employees transfer to other positions.

2. *Kilo Plan (千人計劃)*

   The Group actively supports front line workers in pursuit of advanced studies and subsidizes the front line employees by providing scholarships for them to improve their academic qualifications through "senior high school to junior college transfer (高升專)" and "junior college to bachelor's degree transfer (專升本)". In 2010, the Group launched the "Double Hundred Plan (雙百計劃)" and planned to provide 200 front line employees with the opportunity to improve their academic qualifications through "senior high school to junior college transfer" every year. In 2021, the Group upgraded the "Double Hundred Plan" to the "Kilo Plan". The Group plans to provide 1,000 front line employees with the opportunity to improve their academic qualifications through "senior high school to junior college transfer" and "junior college to bachelor's degree transfer" every year, and provide each participant with a scholarship of RMB5,000 to RMB7,000.

3. *Talent training and development*

   Taking into account the needs of business development and employee growth, the Group has built a diversified employee training system providing employees with learning opportunities for self-challenge and continuous development. To establish a talent training system nurturing "service ability", "leadership" and "growth momentum", the Group has launched various forms of products and programs for training to meet the development needs of the talent echelons.

3. Major Events after the Reporting Period

There were no major events affecting the Group after the Reporting Period and up to the date of this announcement.

4. Purchase, Sale and Redemption of the Listed Securities of the Company

During the Reporting Period, the Group and its subsidiaries did not purchase, sell or redeem any listed securities of the Company.

5. Corporate Governance Code

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the Shareholders of the Company and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its code of corporate governance and to the best knowledge of the Directors, the Company has complied with all applicable code provisions set out in the CG Code during the Reporting Period, save as disclosed below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Zhu Baoquan is the chairman and the general manager of the Company and the roles of Mr. Zhu Baoquan have not been separated as required under code provision C.2.1 of the CG Code.

In view of the fact that Mr. Zhu Baoquan has been managing and operating the Company as the chairman, an executive Director and the general manager of the Company since February 2011, the Board believes that Mr. Zhu Baoquan should continue to assume the responsibilities of the general manager of the Company as this arrangement will improve the efficiency of the Company's decision-making and execution process and provide strong and consistent leadership to the Company. Further, the Company has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors. In light of the above, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in the circumstances of the Company. The Board will review the current structure from time to time and will make any necessary arrangement as appropriate.

6. 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**") set out in Appendix 10 to the Listing Rules as its code for dealing in securities of the Company by the Directors and supervisors of the Company (the "**Supervisors**").

After specific enquiries made to all Directors and Supervisors, Directors and Supervisors have confirmed their compliance with the required standards set out in the Model Code during the Reporting Period.

7. Audit Committee

The Board has established the audit committee of the Company (the "**Audit Committee**") with written terms of reference in compliance with the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review, supervise and coordinate the external and internal audit process, propose the engagement or replacement of the external auditors, review the financial information and its disclosure as well as the internal control system of the Company, and other matters authorized by the Board.

The Audit Committee consists of three members, namely Ms. Law Elizabeth (羅君美), Mr. Wang Wenjin (王文金) and Mr. Chen Yuyu (陳玉宇). The Audit Committee has reviewed the Company's unaudited condensed consolidated interim results for the six months ended June 30, 2023 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of audit and financial reporting.

The financial information included in this announcement for the six months ended June 30, 2023 has been agreed by the Group's auditor, Ernst & Young.

8. Interim Dividend

The Board recommends an interim dividend of RMB0.315 per share (including tax) to be paid to Shareholders for the six months ended June 30, 2023 ("**2023 Interim Dividend**"). In terms of dividend payment, dividends for holders of domestic shares and unlisted foreign shares will be declared and paid in RMB, while dividends for holders of H Shares will be declared in RMB but paid in Hong Kong dollars. In addition, the Company intends to provide the "scrip dividend" option to H Shareholders, i.e., H Shareholders may choose the options to receive their dividends in cash or shares of the same value. The 2023 Interim Dividend is subject to approval by the Company's Shareholders at the general meeting. The Company will disclose in due course, among other things, further details regarding the proposed payment of 2023 Interim Dividend such as the expected timetable and arrangement for the closure of the register of members of H Shares for the purpose of ascertaining Shareholders' entitlement to the payment of 2023 Interim Dividend by the Company, as well as the specific plan of scrip dividend for H shares.

9. Publication of Interim Results Announcement and Interim Report on the Websites of the Stock Exchange and the Company

This announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.onewo.com). The interim report of the Company will be dispatched to the Company's Shareholders and published on the above websites in due course.

This interim results announcement is prepared in both English and Chinese versions. In the event of any discrepancies in interpretation between the English version and the Chinese version, the Chinese version shall prevail.

By order of the Board
Onewo Inc.
Zhu Baoquan
Chairman, executive Director and general manager

Shenzhen, the PRC, August 24, 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhu Baoquan as chairman and executive Director; Mr. He Shuhua as executive Director; Mr. Wang Wenjin, Mr. Zhang Xu, Mr. Sun Jia, Mr. Zhou Qi and Mr. Yao Jinbo as non-executive Directors; Ms. Law Elizabeth, Mr. Chen Yuyu, Mr. Shen Haipeng and Mr. Song Yunfeng as independent non-executive Directors.