

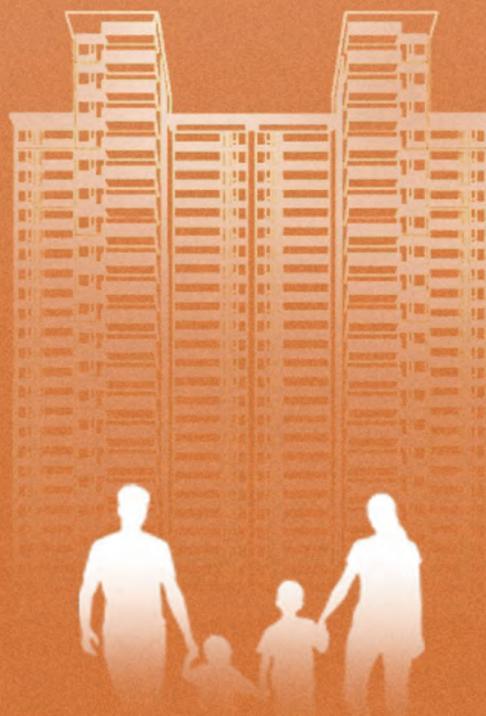
Ling Yue Services Group Limited  
**領悅服務集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2165

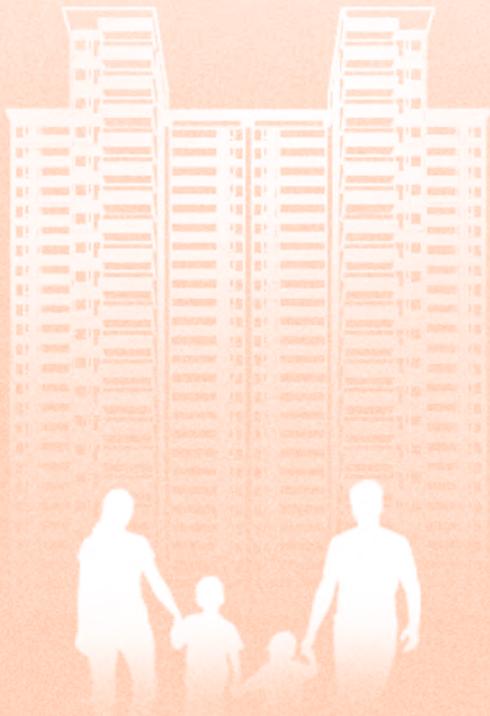
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**2023** INTERIM REPORT



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# Corporate Information

## BOARD OF DIRECTORS

### Executive directors

Mr. Liu Yuhui (*Chairman*)  
Ms. Luo Hongping

### Non-executive directors

Ms. Wang Tao  
Ms. Hou Sanli

### Independent non-executive directors

Ms. Luo Ying  
Ms. Zhang Qian  
Ms. Zou Dan

## JOINT COMPANY SECRETARIES

Ms. Luo Hongping  
Ms. Tang King Yin

## AUTHORIZED REPRESENTATIVES

Mr. Liu Yuhui  
Ms. Tang King Yin

## AUDIT COMMITTEE

Ms. Zou Dan (*Chairlady*)  
Ms. Luo Ying  
Ms. Zhang Qian

## REMUNERATION COMMITTEE

Ms. Zhang Qian (*Chairlady*)  
Mr. Liu Yuhui  
Ms. Luo Ying

## NOMINATION COMMITTEE

Mr. Liu Yuhui (*Chairperson*)  
Ms. Luo Ying  
Ms. Zhang Qian

## AUDITOR

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditors*

## LEGAL ADVISOR AS TO HONG KONG LAW

Sidley Austin

## PRINCIPAL BANKS

Agricultural Bank of China  
Chengdu High-tech Industrial Development  
Zone Branch

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place  
348 Kwun Tong Road, Kowloon  
Hong Kong

## HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

44/F, Tower A  
Leading International Finance Center  
No. 151, 2nd Tianfu Street  
Gaoxin District  
Chengdu, Sichuan Province  
PRC

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

**PRINCIPAL SHARE REGISTRAR  
AND TRANSFER OFFICE**

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

**HONG KONG SHARE REGISTRAR**

Computershare Hong Kong Investor  
Services Limited  
Shops 1712–1716  
17/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

**STOCK CODE**

2165

**COMPANY'S WEBSITE**

<http://www.lingyue-service.com>

# Management Discussion and Analysis

## BUSINESS REVIEW

During the Reporting Period, the Group remains steadfast in its development strategy of “deep cultivation in Southwest China, establishing a strong presence in Xinjiang, and pursuing nationwide development.” As a result, the management scale in respect of the GFA has achieved steady growth. Furthermore, the Group is expanding its operations in sectors such as schools, parks, and public buildings, gradually advancing towards a comprehensive and diversified market.

## OUTLOOK

In the face of opportunities and challenges brought about by the rapid industry growth, we are committed to upholding our service philosophy of “Friendship, Companionship, and Warmheartedness”. With quality as our foundation and warm services as our core, we will strengthen our operational fundamentals, prioritize value creation for customers, expand our service coverage, and persistently pursue long-term, high-quality corporate development in the second half of 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Model of the Group

The Group has three business lines, namely, (i) property management services, (ii) value-added services to non-property owners and (iii) community value-added services, forming an integrated service offering to its customers that cover the entire value chain of property management.

- Property management services. The Group offers a wide range of property management services to property owners, residents and property developers, as well as tenants in non-residential properties under our management. The Group’s services typically include security services, cleaning and greening services, and repair and maintenance services. The Group manages a diverse portfolio of properties, including residential properties, commercial properties and public and other properties.
- Value-added services to non-property owners. The Group offers value-added services to non-property owners, including (i) preliminary planning and design consultancy services; (ii) sales office management services; (iii) pre-delivery services; (iv) repair and maintenance services; (v) property transaction assistance services; and (vi) security support services.
- Community value-added services. The Group offers community value-added services primarily to property owners and residents to make their lives more convenient, such as (i) community space management services; (ii) decoration and turnkey furnishing services; (iii) convenient living services; and (iv) community retail services.

The Group offers comprehensive portfolio of property management services in order to diversify the Group’s sources of revenue and achieve rapid growth. In recent years, the Group has been strengthening its community value-added service offerings. Leveraging its in-depth understanding of the needs of residents, the Group endeavor to further diversify its community value-added services. Community value-added services have been enhancing the Group’s financial performance, as they typically generate higher profit margins, as compared to other types of property management services. The Group will continue to gain greater market shares and expand business presence in China.

## Property Management Services

The Group has been providing property management services since its establishment in 2002. As at 30 June 2023, the Group's aggregate contracted GFA amounted to approximately 38.7 million sq.m., representing an increase of 1.9% as compared with same period of the last year. As at the same date, the Group managed 228 properties with an aggregate GFA under management of approximately 26.0 million sq.m., representing an increase of 18.2% as compared with same period of the last year.

The following table sets forth the number of properties and GFA under the Group's management, as well as the number of properties the Group were contracted to manage and corresponding contracted GFA as of the dates indicated.

	<b>As at 30 June 2023</b>	2022
Number of properties under management <sup>(1)</sup>	<b>228</b>	202
Number of properties we were contracted to manage <sup>(2)</sup>	<b>257</b>	250
GFA under management (sq.m. in thousands)	<b>26,039</b>	22,022
Contracted GFA (sq.m. in thousands)	<b>38,689</b>	37,969
Undelivered GFA (sq.m. in thousands) <sup>(3)</sup>	<b>12,650</b>	15,947

*Notes:*

- (1) Refers to properties that have been delivered to the Group for property management purposes.
- (2) Refers to all properties for which the Group has entered into the relevant property management service agreements, which may include properties that have not been delivered to the Group for property management purposes in addition to properties under management.
- (3) Undelivered GFA is calculated as the difference between contracted GFA and GFA under management as of the dates indicated. The estimated time of delivery and revenue generation of the undelivered projects as at 30 June 2023 ranges from July 2023 to August 2031.

## Management Discussion and Analysis

### Geographic Presence of the Group

As at 30 June 2023, the Group has expanded its geographic presence to 36 cities, across 9 provinces, 1 autonomous region and 1 municipality. The following table sets forth a breakdown of total number of projects under management and GFA under management by geographic region as at the dates indicated, and revenue from property management services by geographic region for the periods indicated below.

	2023				As at/For the six months ended 30 June 2022			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Sichuan Province <sup>(1)</sup>	195	21,062	199,698	79.6	169	17,843	176,446	78.8
Xinjiang Uygur Autonomous Region <sup>(2)</sup>	12	1,873	15,751	6.3	15	2,061	18,605	8.3
Guangdong Province <sup>(3)</sup>	8	1,148	12,313	4.9	8	912	10,601	4.7
Jilin Province <sup>(4)</sup>	3	598	10,980	4.4	3	598	10,747	4.8
Hebei Province <sup>(5)</sup>	2	148	1,447	0.6	2	148	1,478	0.7
Henan Province <sup>(6)</sup>	3	286	2,886	1.2	1	12	704	0.3
Hubei Province <sup>(7)</sup>	1	396	3,875	1.5	1	286	3,034	1.4
Jiangsu Province <sup>(8)</sup>	1	113	875	0.3	1	41	952	0.4
Guizhou Province <sup>(9)</sup>	2	329	1,617	0.6	1	35	—	—
Chongqing Municipality	1	86	1,406	0.6	1	86	1,385	0.6
<b>Total</b>	<b>228</b>	<b>26,039</b>	<b>250,848</b>	<b>100</b>	<b>202</b>	<b>22,022</b>	<b>223,952</b>	<b>100</b>

Notes:

- (1) The Group provided property management services to properties located in Chengdu, Leshan, Meishan, Mianyang, Xichang, Ya'an, Nanchong, Ziyang, Panzhihua and Emeishan.
- (2) The Group provided property management services to properties located in Changji, Urumqi and Korla.
- (3) The Group provided property management services to properties located in Foshan, Huizhou, Haifeng.
- (4) The Group provided property management services to properties located in Changchun.
- (5) The Group provided property management services to properties located in Chengde.
- (6) The Group was contracted to provide property management services to properties located in Luohe, Zhumadian and Xingyang.
- (7) The Group provided property management services to properties located in Jingzhou.
- (8) The Group provided property management services to properties located in Xuzhou.
- (9) The Group was contracted to provide property management services to properties located in Kaili and Zunyi.

The following table sets forth a breakdown of the Group's total number of contracted projects, contracted GFA and undelivered GFA by geographic region as at the dates indicated.

	As at 30 June					
	2023			2022		
	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)
Sichuan Province <sup>(1)</sup>	214	28,922	7,860	203	27,910	10,067
Xinjiang Uygur Autonomous Region <sup>(2)</sup>	19	4,868	2,995	24	5,439	3,378
Guangdong Province <sup>(3)</sup>	9	1,314	167	9	1,314	402
Hebei Province <sup>(4)</sup>	3	211	63	3	211	63
Henan Province <sup>(5)</sup>	3	829	542	3	829	817
Jilin Province <sup>(6)</sup>	3	598	—	3	598	—
Guizhou Province <sup>(7)</sup>	2	1,073	744	2	1,073	1,038
Hubei Province <sup>(8)</sup>	1	396	—	1	396	110
Jiangsu Province <sup>(9)</sup>	1	113	—	1	113	72
Chongqing Municipality	1	86	—	1	86	—
Hunan Province <sup>(10)</sup>	1	279	279	—	—	—
<b>Total</b>	<b>257</b>	<b>38,689</b>	<b>12,650</b>	<b>250</b>	<b>37,969</b>	<b>15,947</b>

Notes:

- (1) The Group was contracted to provide property management services to properties located in Chengdu, Emeishan, Guangyuan, Leshan, Luzhou, Meishan, Mianyang, Nanchong, Panzihua, Xichang, Ya'an, Huili, Dazhou, Yibin and Ziyang and Duijiangyan.
- (2) The Group was contracted to provide property management services to properties located in Changji, Kashgar, Korla, Tacheng and Urumqi.
- (3) The Group was contracted to provide property management services to properties located in Foshan, Shanwei, Shenzhen and Huizhou.
- (4) The Group was contracted to provide property management services to properties located in Chengde.
- (5) The Group was contracted to provide property management services to properties located in Luohe, Zhumadian and Xinyang.
- (6) The Group was contracted to provide property management services to properties located in Changchun.
- (7) The Group was contracted to provide property management services to properties located in Kaili and Zunyi.
- (8) The Group was contracted to provide property management services to properties located in Jingzhou.
- (9) The Group was contracted to provide property management services to properties located in Xuzhou.
- (10) The Group was contracted to provide property management services to properties located in Zhangjiajie.

## Management Discussion and Analysis

### Source of Properties under Management

The Group primarily offers property management services to properties developed by Leading Holdings Group. The following tables set forth a breakdown by developer type as of the dates indicated or the periods indicated of our (i) total number of projects under management and GFA under management, as well as revenue from property management services; and (ii) total number of contracted projects, contracted GFA and undelivered GFA.

### Breakdown of the Group's Total Number of Projects under Management, GFA under Management and Revenue from Property Management Services by Developer Type

	As at/For the six months ended 30 June							
	2023				2022			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Leading Holdings Group <sup>(1)</sup>	86	14,458	168,288	67.1	72	11,664	150,285	67.1
Joint ventures of Leading Holdings Group <sup>(2)</sup>	10	1,120	6,289	2.5	6	661	7,451	3.3
Non-Leading Holdings Group and non-joint ventures of Leading Holdings Group <sup>(3)</sup>	132	10,461	76,271	30.4	124	9,697	66,216	29.6
<b>Total</b>	<b>228</b>	<b>26,039</b>	<b>250,848</b>	<b>100</b>	<b>202</b>	<b>22,022</b>	<b>223,952</b>	<b>100</b>

**Breakdown of the Group's Total Number of Contracted Projects, Contracted GFA and Undelivered GFA by Developer Type**

	As at 30 June					
	2023	2023		2022	2022	
Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)	
Leading Holdings Group <sup>(1)</sup>	98	20,008	5,550	96	19,322	7,658
Joint ventures of Leading Holdings Group <sup>(2)</sup>	16	3,390	2,270	16	3,286	2,625
Non-Leading Holdings Group and non-joint ventures of Leading Holdings Group <sup>(3)</sup>	143	15,291	4,830	138	15,361	5,664
<b>Total</b>	<b>257</b>	<b>38,689</b>	<b>12,650</b>	<b>250</b>	<b>37,969</b>	<b>15,947</b>

## Notes:

- (1) Refers to properties solely developed by Leading Holdings Group or jointly developed by Leading Holdings Group and third-party property developers in which Leading Holdings Group held a controlling interest.
- (2) Refer to properties jointly developed by the Leading Holdings Group and third-party property developers in which the Leading Holdings Group did not hold a controlling interest.
- (3) Refer to properties developed solely by third-party property developers independent from Leading Holdings Group.

## Management Discussion and Analysis

### Type of Properties under Management

The Group primarily managed residential properties. The Group also managed other types of properties such as commercial properties and public and other properties. The following table sets forth a breakdown of our total GFA under management by property type as of the dates indicated, and revenue from property management services by property type and stage of projects for the periods indicated:

	As at/For the six months ended 30 June							
	2023				2022			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Residential properties	132	20,467	190,798	76.1	114	16,793	139,124	62.1
— Preliminary stage <sup>(1)</sup>	116	17,232	165,576	66.0	97	13,499	115,987	51.8
— Property owners' association stage <sup>(2)</sup>	16	3,235	25,222	10.1	17	3,294	23,137	10.3
Commercial properties	6	700	31,706	12.6	8	736	44,754	20.0
Public and other properties	90	4,872	28,344	11.3	80	4,493	40,074	17.9
<b>Total</b>	<b>228</b>	<b>26,039</b>	<b>250,848</b>	<b>100</b>	<b>202</b>	<b>22,022</b>	<b>223,952</b>	<b>100</b>

#### Notes:

- (1) Refers to residential property projects for which property owners' associations were not established as of the dates indicated.
- (2) Refers to residential property projects for which property owners' associations were established as of the dates indicated.

### Value-added Services to Non-property Owners

The Group's value-added services to non-property owners include (i) preliminary planning and design consultancy services; (ii) sales office management services; (iii) pre-delivery services; (iv) repair and maintenance services; (v) property transaction assistance services; and (vi) security support services.

During the Reporting Period, revenue from value-added services to non-property owners decreased by 51.8% to approximately RMB20.6 million compared to approximately RMB42.8 million in the corresponding period of 2022, mainly due to a decrease in revenue from sales office management services and security services. During the Reporting Period, the revenue from value-added services to non-property owners accounted for 7.0% of the total revenue of the Group. The following table sets forth a breakdown of our revenue from value-added services to non-property owners for the periods indicated.

	For the six months ended 30 June			
	2023		2022	
	RMB'000	%	RMB'000	%
Preliminary planning and design consultancy services	113	0.5	1,992	4.7
Sales office management services	15,792	76.7	30,844	72.1
Pre-delivery services	1,032	5.0	339	0.8
Repair and maintenance services	2,130	10.3	916	2.1
Property transaction assistance services	1,536	7.5	664	1.5
Security support services	—	—	8,031	18.8
<b>Total</b>	<b>20,603</b>	<b>100</b>	<b>42,786</b>	<b>100</b>

### Community Value-added Services

The Group offers community value-added services to property owners and residents, including (i) community space management services; (ii) decoration and turnkey furnishing services; (iii) convenient living services; and (iv) community retail services.

During the Reporting Period, the revenue from community value-added services increased by 39.7% to approximately RMB23.2 million compared to approximately RMB16.6 million in the corresponding period of 2022, mainly due to an increase in revenue from decoration and turnkey furnishing services. During the Reporting Period, revenue from community value-added services accounted for 7.9% of total revenue of the Group.

## Management Discussion and Analysis

The following table sets forth a breakdown of the Group's revenue from community value-added services during the periods indicated.

	For the six months ended 30 June			
	2023		2022	
	RMB'000	%	RMB'000	%
Community space management services	3,342	14.4	3,841	23.1
Decoration and turnkey furnishing services	13,149	56.7	9,840	59.2
Convenient living services	6,621	28.5	2,745	16.6
Community retail services	95	0.4	184	1.1
<b>Total</b>	<b>23,207</b>	<b>100</b>	16,610	100

## FINANCIAL REVIEW

### Revenue

The Group's revenue is mainly derived from three major businesses: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services. During the Reporting Period, the Group's revenue amounted to approximately RMB294.7 million, representing an increase of approximately 4.0% compared with RMB283.3 million in the same period of 2022.

The following table sets out the revenue contribution of each business segment during the period indicated:

	Six months ended 30 June			
	2023		2022	
	RMB'000	Percentage of revenue	RMB'000	Percentage of revenue
	Unaudited	%	Unaudited	%
Property management services	250,848	85.1	223,952	79.0
Value-added services to non-property owners	20,603	7.0	42,786	15.1
Community value-added services	23,207	7.9	16,610	5.9
<b>Total</b>	<b>294,658</b>	<b>100</b>	283,348	100

Property management services is still the largest source of revenue for the Group. For the six months ended 30 June 2023, revenue from property management services amounted to approximately RMB250.8 million, accounting for 85.1% of the total revenue of the Group. Such revenue growth was attributable to an increase in GFA under management. The decrease in revenue from value-added services to non-property owners was mainly due to a decrease in revenue from sales office management services and security services. The increase in revenue from community value-added services was mainly due to an increase in revenue from decoration and turnkey furnishing services.

### Cost of Sales

The cost of sales of the Group mainly includes (i) staff costs; (ii) subcontracting costs; (iii) costs of consumables; (iv) utilities costs; (v) office expenses; and (vi) repair and maintenance costs.

During the Reporting Period, the cost of sales of the Group was approximately RMB194.3 million, representing a decrease of approximately 2.1% compared with approximately RMB198.4 million in the corresponding period of 2022. The decrease in cost of sales of the Group was mainly due to the reduction in outsourcing expenses.

### Gross profit and gross profit margin

During the Reporting Period, the Group's gross profit increased by 18.1% from approximately RMB85.0 million for the corresponding period in 2022 to approximately RMB100.4 million.

During the Reporting Period, the gross profit margin of the Group increased by 4.1 percentage points to 34.1% from 30.0% for the same period in 2022, mainly due to the Company's strict control on costs.

The gross profit margin of the Group by business line is as follows:

	<b>Six months ended 30 June</b>		
	<b>2023</b> <b>gross profit</b> <b>margin</b> <b>%</b>	2022 gross profit margin %	Changes in gross profit margin %
Property management services	<b>32.7</b>	28.7	4.0
Value-added services to non-property owners	<b>35.0</b>	31.1	3.9
Community value-added services	<b>48.3</b>	44.3	4.0
<b>Total</b>	<b>34.1</b>	30.0	4.1

### Administrative expenses

During the Reporting Period, the administrative expenses of the Group decreased by approximately 13.3% from approximately RMB28.3 million for the same period in 2022 to approximately RMB24.5 million, mainly due to the reduction in professional intermediary agency expenses and labour costs.

## Management Discussion and Analysis

### Income tax expenses

During the Reporting Period, the income tax expenses of the Group increased by approximately 70.1% from RMB7.8 million for the same period in 2022 to approximately RMB13.2 million. The increase in income tax expenses was mainly due to a significant increase in profit before tax.

### Profit attributable to owners of the Company

During the Reporting Period, the profit and total comprehensive income attributable to owners of the Company for the period was approximately RMB53.9 million, representing an increase of approximately 17.1% compared with RMB46.1 million for the same period in 2022.

### Trade receivables

The Group's trade receivables mainly relate to income from property management services, value added services to non-property owners and community value-added services provided to independent third parties. As at 30 June 2023, the Group's trade receivables amounted to approximately RMB133.2 million, representing an increase of approximately RMB17.8 million or 15.5% compared with RMB115.4 million as at 31 December 2022. The increase was due to an increase in GFA under management as a result of the expansion of the Group's business scale.

### Prepayments, deposits and other receivables

As at 30 June 2023, the Group's prepayments, deposits and other receivables amounted to approximately RMB35.6 million, representing an increase of approximately 31.4% compared with RMB27.1 million as at 31 December 2022. The increase was due to an increase in GFA under management as a result of the expansion of the Group's business scale.

### Trade payables

As at 30 June 2023, the Group's trade payables amounted to approximately RMB39.2 million, representing a decrease of approximately 18.8% from approximately RMB48.3 million as at 31 December 2022. The decrease was mainly due to the reduction in outsourcing expenses.

### Liquidity and financial resources

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet the funding requirements of the Group in the foreseeable future.

During the Reporting Period, the Group's principal use of cash was investment, information construction and working capital, which was mainly funded by proceeds from the Company's operations.

### Interest rate risk

As the Group had no significant interest-bearing assets and liabilities, the Group is not exposed to material risk directly relating to changes in market interest rate.

### Foreign exchange risk

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles all of its transactions is Renminbi. Any depreciation of Renminbi would adversely affect the value of any dividends the Group pays to Shareholders outside of the PRC. As at 30 June 2023, the Group had no cash at banks denominated in foreign currencies. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk.

### Gearing ratio

Gearing ratio is calculated based on the sum of interest-bearing borrowings as of the respective dates divided by total equity as of the same dates and multiplied by 100%. Gearing ratios as at 30 June 2023 is not meaningful because our interest-bearing borrowings as at the same dates was nil (as at 31 December 2022: nil).

### PLEDGE OF ASSETS

As at 30 June 2023, the pledge deposit of the Group was RMB0.1 million.

### CONTINGENT LIABILITIES

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

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

There was no material acquisition and disposal of subsidiaries, associated companies and joint ventures by the Group during the Reporting Period.

### SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Reporting Period, there were no significant investments held by the Group.

### FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section “Future Plans and Use of Proceeds” in the prospectus of the Company dated 29 June 2021, the Group had no plan for material investments and capital assets as at 30 June 2023.

### **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2023, the Group had 4,731 employees (31 December 2022: 4,405 employees). During the Reporting Period, the total staff costs were approximately RMB135.0 million and the total staff costs were approximately RMB131.9 million for the same period in 2022.

The Group will further enhance its employee training program with internal and external resources. The employee training programs primarily cover key areas in the Group's business operations, which provide continuous training to its existing employees at different levels to specialize and strengthen their skills sets.

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to its staff is fixed by reference to the duties and the prevailing market rates in the region. Discretionary performance bonus after assessments is paid to employees to reward their contributions. The Group is subject to social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees, a monthly social insurance funds covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, and the housing provident fund, or to contribute regularly to mandatory provident fund schemes on behalf of its employees. In determining the remuneration and compensation packages of the Directors and senior management, the Group will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

# Corporate Governance and Other Information

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining and strengthening high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness, in order to safeguard and protect the interests of the Shareholders and to enhance corporate value and accountability system.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices. So far as the Directors are aware, the Company has complied with all the applicable code provisions set out in the CG Code during the Reporting Period.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. Upon the enquiries made to all Directors, they confirmed that they have complied with the standards for securities transactions by Directors as set out in the Model Code during the Reporting Period.

## CHANGES IN DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

There are no changes in the directors' information required to be disclosed pursuant to 13.51(2) paragraphs (a) to (e) and paragraph (g) of the Listing Rules as at the date of this interim report.

## SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme through written resolutions on 22 June 2021 (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to recognize and acknowledge the contributions that the eligible participants had or may have made to the Group. The Directors believe the Share Option Scheme will enable the Group to reward the Group's employees, Directors and other selected participants for their contributions to the Group. For details of the Share Option Scheme, please refer to the section headed "Appendix IV — Statutory and General Information — D. Other Information — 1. Share Option Scheme" in the Prospectus.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represents 28,000,000 Shares, representing 9.80% of the total Shares in issue as at the date of this interim report. As at 1 January 2023 and 30 June 2023, the options available for grant under the Share Option Scheme is 28,000,000 Shares.

Since the date of the adoption of the Share Option Scheme and up to the end of the Reporting Period, no options have been granted, exercised, cancelled or lapsed under the Share Option Scheme, and there were no outstanding options under the Share Option Scheme.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at 30 June 2023, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise be notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

### (i) interests in shares or underlying shares of the company

Name of Director	Nature of Interest	Number of Shares Held <sup>(1)</sup>	Approximate percentage of interest in the Company <sup>(2)</sup>
Mr. Liu Yuhui <sup>(3)(4)</sup>	Interest in controlled corporations	213,313,000 (L)	74.67%
Ms. Wang Tao <sup>(3)(5)</sup>	Interest in controlled corporations	213,313,000 (L)	74.67%
Ms. Hou Sanli <sup>(3)(6)</sup>	Interest in controlled corporations	213,313,000 (L)	74.67%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Calculated on the basis of 285,685,000 Shares in issue as at 30 June 2023.
- (3) Pursuant to the Acting in Concert Deed, our Ultimate Controlling Shareholders have agreed and confirmed that from the date when they became the registered owners and/or beneficial owners of the equity interests in our Group until after Listing and to the date when any one of them cease to be our Controlling Shareholders: (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of our Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of our Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of our Group. By virtue of the SFO, each of our Ultimate Controlling Shareholders together with their respective investment holding companies (being Tianyue Holding, Linghui Holding, Yuelai Holding, Tianyue Capital, Fusheng Capital, Linghui Capital and Jin Sha Jiang) are all deemed to be interested in the total Shares directly held by Tianyue Holding, Linghui Holding, Yuelai Holding, Tianyue Capital, Fusheng Capital, Linghui Capital and Jin Sha Jiang. Therefore, each of Mr. Liu Yuhui, Ms. Wang Tao and Ms. Hou Sanli is deemed to be interested in the Shares held by Tianyue Holding, Linghui Holding, Yuelai Holding, Tianyue Capital, Fusheng Capital, Linghui Capital and Jin Sha Jiang for the purpose of Part XV of the SFO.
- (4) Yuelai Holding is wholly owned by Mr. Liu Yuhui. By virtue of SFO, Mr. Liu Yuhui is deemed to be interested in the Shares held by Yuelai Holding.
- (5) Tianyue Capital is wholly owned by Ms. Wang Tao. By virtue of SFO, Ms. Wang Tao is deemed to be interested in the Shares held by Tianyue Capital.
- (6) Linghui Capital is wholly owned by Ms. Hou Sanli. By virtue of SFO, Ms. Hou Sanli is deemed to be interested in the Shares held by Linghui Capital.

**(ii) interests in shares or underlying shares of the Company's associated corporations (long position)**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Nature of Interest</b>	<b>Number of Shares Held</b>	<b>Percentage of shareholding interest</b>
Mr. Liu Yuhui	Yuelai Holding	Beneficial owner	1	100.00%
Mr. Liu Yuhui	Jin Sha Jiang	Beneficial owner	1	100.00%
Ms. Wang Tao	Tianyue Capital	Beneficial owner	1	100.00%
Ms. Hou Sanli	Linghui Capital	Beneficial owner	1	100.00%

Save as disclosed above, as at 30 June 2023, so far as the Directors are aware, none of the Directors and chief executives of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**INTERESTS OF PERSONS OTHER THAN THE DIRECTORS AND CHIEF EXECUTIVES**

As at 30 June 2023, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

<b>Name of Shareholder</b>	<b>Nature of Interest/Capacity</b>	<b>Number of Shares Held<sup>(1)</sup></b>	<b>Approximate percentage of interest in the Company<sup>(2)</sup></b>
Mr. Liu Haovej <sup>(3)(4)</sup>	Interest in controlled corporation	213,313,000 (L)	74.67%
Tianyue Holding <sup>(3)(4)</sup>	Beneficial Owner	68,960,430 (L)	24.14%
Mr. Liu Ce <sup>(3)(5)</sup>	Interest in controlled corporation	213,313,000 (L)	74.67%
Linghui Holding <sup>(3)(5)</sup>	Beneficial Owner	68,939,640 (L)	24.13%
Yuelai Holding <sup>(3)(6)</sup>	Beneficial Owner	68,939,640 (L)	24.13%
Ms. Long Yiqin <sup>(3)(7)</sup>	Interest in controlled corporation	213,313,000 (L)	74.67%
Ms. Chen Aoao <sup>(8)</sup>	Interest of spouse	213,313,000 (L)	74.67%
Ms. Lan Tian <sup>(9)</sup>	Interest of spouse	213,313,000 (L)	74.67%
Mr. Liu Yuqi <sup>(10)</sup>	Interest of spouse	213,313,000 (L)	74.67%
Mr. Liu Shan <sup>(11)</sup>	Interest of spouse	213,313,000 (L)	74.67%
Hai Yue Holding Limited	Beneficial owner	22,781,000 (L)	7.98%

## Corporate Governance and Other Information

### Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Calculated on the basis of 285,685,000 Shares in issue as at 30 June 2023.
- (3) Pursuant to the Acting in Concert Deed, our Ultimate Controlling Shareholders have agreed and confirmed that from the date when they became the registered owners and/or beneficial owners of the equity interests in our Group until after Listing and to the date when any one of them cease to be our Controlling Shareholders: (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of our Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of our Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of our Group. By virtue of the SFO, each of our Ultimate Controlling Shareholders together with their respective investment holding companies (being Tianyue Holding, Linghui Holding, Yuelai Holding, Tianyue Capital, Fusheng Capital, Linghui Capital and Jin Sha Jiang) are all deemed to be interested in the total Shares directly held by Tianyue Holding, Linghui Holding, Yuelai Holding, Tianyue Capital, Fusheng Capital, Linghui Capital and Jin Sha Jiang.
- (4) Tianyue Holding is wholly owned by Mr. Liu Haowei. By virtue of SFO, Mr. Liu Haowei is deemed to be interested in the Shares held by Tianyue Holding.
- (5) Linghui Holding is wholly owned by Mr. Liu Ce. By virtue of SFO, Mr. Liu Ce is deemed to be interested in the Shares held by Linghui Holding.
- (6) Yuelai Holding is wholly owned by Mr. Liu Yuhui. By virtue of SFO, Mr. Liu Yuhui is deemed to be interested in the Shares held by Yuelai Holding.
- (7) Fusheng Capital is wholly owned by Ms. Long Yiqin. By virtue of SFO, Ms. Long Yiqin is deemed to be interested in the Shares held by Fusheng Capital.
- (8) Ms. Chen Aoao, the spouse of Mr. Liu Haowei, is deemed to be interested in all the Shares that Mr. Liu Haowei is interested in by virtue of the SFO.
- (9) Ms. Lan Tian, the spouse of Mr. Liu Ce, is deemed to be interested in all the Shares that Mr. Liu Ce is interested in by virtue of the SFO.
- (10) Mr. Liu Yuqi, the spouse of Ms. Hou Sanli, is deemed to be interested in all the Shares that Ms. Hou Sanli is interested in by virtue of the SFO.
- (11) Mr. Liu Shan, the spouse of Ms. Wang Tao, is deemed to be interested in all the Shares that Ms. Wang Tao is interested in by virtue of the SFO.

Save as disclosed above, as at 30 June 2023, the Company was not aware that any person (other than a Director or chief executive of the Company) has any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register kept by the Company under section 336 of the SFO, or were directly or indirectly interested in 5% or more of the shares of the Company.

## INTERIM DIVIDEND

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

## USE OF NET PROCEEDS FROM THE LISTING

On 12 July 2021, the Shares were listed on the Stock Exchange and in connection with the Listing, 70,000,000 new Shares with a nominal value of HK\$0.01 each were issued at a price of HK\$4.19 per Share for a total cash consideration of HK\$293,300,000, before deducting underwriting fees, commissions and related expenses. On 9 August 2021, the Company allotted and issued further 5,685,000 Shares at a subscription price of HK\$4.19 per Share pursuant to the partial exercise of the Over-allotment Option. The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering (including the partial exercise of the Over-allotment Options) of approximately HK\$278.0 million.

As stated in the Prospectus and the announcement of the Company dated 5 August 2021, the Group intended to use the net proceeds as follows: (i) approximately 70.0% or HK\$194.6 million, will be used for strategic acquisitions and investments; (ii) approximately 20.0% or HK\$55.6 million, will be used to upgrade information system and equipment; and (iii) approximately 10.0% or HK\$27.8 million, will be used for working capital and general corporate purposes. As at the date of this report, approximately HK\$34.3 million of the net proceeds raised from the Listing were applied by the Company. The net proceeds would be allocated and used according to the purposes and timeframe set out in the Prospectus.

The following table sets forth details of the net proceeds as at the date of this report:

	Planned use of net proceeds as stated in the Prospectus and taking into account the net proceeds received from the partial exercise of the Over- allotment Option		Unutilised net proceeds as at 1 January 2023	Actual use of net proceeds from 1 January 2023 to 30 June 2023	Unutilised net proceeds as at 30 June 2023	Expected utilising timeline for unutilised net proceeds	
	Approximate percentage	HK\$'million	HK\$'million	HK\$'million	HK\$'million	HK\$'million 2023	2024
Strategic acquisition and investment							
— Acquire and invest in other property management companies	70.0%	194.6	194.6	1.0	193.6	96.3	97.3
Upgrade information system and equipment							
— Upgrade Lingyue Service Smart Property Management Platforms	10.0%	27.8	27.1	—	27.1	11.1	11.1
— Upgrade and improve equipment and facilities in the communities under our management	10.0%	27.8	24.2	1.2	23.0	9.9	11.1
Working capital	10.0%	27.8	—	—	—	—	—
Total	100.0%	278.0	245.9	2.2	243.7		

## Corporate Governance and Other Information

As at the date of this report, the unutilised net proceeds were applied to short-term demand deposits with well-established and licensed commercial banks and authorized financial institutions. Further details of the breakdown and description of the use of proceeds are set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The Directors were not aware of any material change to the planned use of proceeds as at the date of this report. The unutilised net proceeds and its following intended timeframe for utilisation will be applied in the manner consistent with that mentioned in the Prospectus.

### **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

The Company and its subsidiaries did not purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

### **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES**

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

### **SUFFICIENCY OF PUBLIC FLOAT**

Pursuant to Rule 8.08(1)(a) of the Listing Rules provides that there must be an open market in the securities for which listing is sought and a sufficient public float of an issuer’s listed securities. This normally means that at least 25% of the issuer’s total issued shares must at all times be held by the public.

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

### **SUBSEQUENT IMPORTANT EVENTS AFTER THE REPORTING PERIOD**

There has been no important events affecting the Company since 30 June 2023 and up to the date of this interim report.

### **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee is responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit.

The Audit Committee comprises of three members, namely Ms. Luo Ying, Ms. Zhang Qian, and Ms. Zou Dan, all of whom are the independent non-executive Directors of the Company. Ms. Zou Dan has been appointed as the chairlady of the Audit Committee and has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

As at the date of this interim report, the Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2023. The Audit Committee and the Company’s management have also reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting. The Audit Committee has agreed with the management of the Company on the interim results of the Group for the six months ended 30 June 2023.

# Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
REVENUE	5	<b>294,658</b>	283,348
Cost of sales		<b>(194,289)</b>	(198,390)
Gross profit		<b>100,369</b>	84,958
Other income and gains		<b>4,204</b>	2,637
Administrative expenses		<b>(24,511)</b>	(28,260)
Impairment losses on financial assets and goodwill, net		<b>(8,878)</b>	(2,899)
Other expenses		<b>(96)</b>	(146)
Finance costs		<b>(3)</b>	(7)
Share of profit of:			
A joint venture		<b>774</b>	649
PROFIT BEFORE TAX	6	<b>71,859</b>	56,932
Income tax expense	7	<b>(13,203)</b>	(7,763)
PROFIT FOR THE PERIOD		<b>58,656</b>	49,169
Attributable to:			
Owners of the parent		<b>53,802</b>	46,065
Non-controlling interests		<b>4,854</b>	3,104
		<b>58,656</b>	49,169
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted			
— For profit for the period		<b>RMB0.19</b>	RMB0.16

# Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023

	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	<b>58,656</b>	49,169
OTHER COMPREHENSIVE INCOME		
Other comprehensive income 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	<b>139</b>	(1)
Income tax effect	<b>(21)</b>	—*
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<b>118</b>	(1)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<b>118</b>	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<b>58,774</b>	49,168
Attributable to:		
Owners of the parent	<b>53,920</b>	46,064
Non-controlling interests	<b>4,854</b>	3,104
	<b>58,774</b>	49,168

\* Less than RMB1,000

# Interim Condensed Consolidated Statement of Financial Position

30 June 2023

	<i>Notes</i>	<b>30 June 2023 (Unaudited) RMB'000</b>	31 December 2022 (Audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	<b>3,303</b>	3,287
Goodwill		<b>18,470</b>	22,772
Other intangible assets		<b>13,947</b>	14,981
Investment in a joint venture		<b>1,449</b>	1,125
Equity investments designated at fair value through other comprehensive income		<b>4,790</b>	4,651
Deferred tax assets		<b>6,889</b>	6,274
Total non-current assets		<b>48,848</b>	53,090
<b>CURRENT ASSETS</b>			
Inventories		<b>1,269</b>	1,394
Trade receivables	11	<b>133,189</b>	115,365
Due from related companies	14	<b>167,741</b>	144,669
Prepayments and other receivables		<b>35,588</b>	27,084
Cash and bank balances		<b>386,370</b>	360,987
Total current assets		<b>724,157</b>	649,499
<b>CURRENT LIABILITIES</b>			
Trade payables	12	<b>39,222</b>	48,322
Other payables and accruals		<b>97,757</b>	90,360
Contract liabilities		<b>117,019</b>	101,037
Due to related companies	14	<b>362</b>	436
Tax payable		<b>6,292</b>	7,516
Total current liabilities		<b>260,652</b>	247,671
NET CURRENT ASSETS		<b>463,505</b>	401,828
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>512,353</b>	454,918
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<b>1,903</b>	2,071
Total non-current liabilities		<b>1,903</b>	2,071
Net assets		<b>510,450</b>	452,847

## Interim Condensed Consolidated Statement of Financial Position

30 June 2023

	<i>Notes</i>	<b>30 June 2023 (Unaudited) RMB'000</b>	31 December 2022 (Audited) RMB'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	13	<b>2,382</b>	2,382
Reserves		<b>484,785</b>	430,865
		<b>487,167</b>	433,247
Non-controlling interests		<b>23,283</b>	19,600
Total equity		<b>510,450</b>	452,847

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to owners of the parent									
	Share capital RMB'000 Note 13	Share premium RMB'000	Merger reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023 (audited)	2,382	250,925	(3,216)	(5,226)	13	21,163	167,206	433,247	19,600	452,847
Profit for the period	—	—	—	—	—	—	53,802	53,802	4,854	58,656
Other comprehensive income for the period:										
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	118	—	—	—	118	—	118
Total comprehensive income for the period	—	—	—	118	—	—	53,802	53,920	4,854	58,774
Capital injection by non-controlling interests	—	—	—	—	—	—	—	—	245	245
Dividends declared to non-controlling interests	—	—	—	—	—	—	—	—	(1,416)	(1,416)
At 30 June 2023 (unaudited)	2,382	250,925*	(3,216)*	(5,108)*	13*	21,163*	221,008*	487,167	23,283	510,450

## Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to owners of the parent								Total equity RMB'000
	Share capital RMB'000 Note 13	Share premium RMB'000	Merger reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2022 (audited)	2,382	250,925	(3,216)	(4,860)	11,554	99,811	356,596	19,153	375,749
Profit for the period	—	—	—	—	—	46,065	46,065	3,104	49,169
Other comprehensive income for the period:									
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	(1)	—	—	(1)	—	(1)
Total comprehensive income for the period	—	—	—	(1)	—	46,065	46,064	3,104	49,168
Capital injection by non-controlling interests	—	—	—	—	—	—	—	74	74
At 30 June 2022 (unaudited)	2,382	250,925*	(3,216)*	(4,861)*	11,554*	145,876*	402,660	22,331	424,991

\* These reserve accounts comprise the consolidated reserves of RMB484,785,000 (30 June 2022: RMB400,278,000) in the interim condensed consolidated statements of financial position.

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Notes	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 (Unaudited) RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>71,860</b>	56,932
Adjustments for:			
Finance costs		<b>3</b>	7
Share of profit of a joint venture		<b>(774)</b>	(649)
Interest income		<b>(2,585)</b>	(324)
Depreciation of property, plant and equipment	6	<b>659</b>	273
Depreciation of right-of-use assets	6	<b>—</b>	367
Amortisation of other intangible assets	6	<b>1,397</b>	1,253
Impairment of goodwill	6	<b>4,302</b>	—
Impairment of trade receivables	6	<b>3,922</b>	2,871
Reversal of impairment of due from related companies	6	<b>(682)</b>	—
Impairment of other receivables	6	<b>1,336</b>	27
		<b>79,438</b>	60,757
Decrease in inventories		<b>125</b>	125
Decrease in restricted cash		<b>145</b>	1
Decrease in pledged deposits		<b>—</b>	5
Increase in trade receivables		<b>(21,746)</b>	(34,433)
Increase in prepayments and other receivables		<b>(10,183)</b>	(3,946)
(Decrease)/increase in trade payables		<b>(9,099)</b>	6,354
Increase/(decrease) in other payables and accruals		<b>6,469</b>	(577)
Increase in contract liabilities		<b>15,982</b>	32,005
Increase in amounts due from related companies		<b>(22,390)</b>	(20,321)
(Decrease)/increase in amounts due to related companies		<b>(74)</b>	13
Cash generated from operations		<b>38,667</b>	39,983
Interest received		<b>2,585</b>	324
Interest paid		<b>(3)</b>	(7)
Tax paid		<b>(15,231)</b>	(8,932)
Net cash flows from operating activities		<b>26,018</b>	31,368

## Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	<i>Notes</i>	<b>2023</b> <b>(Unaudited)</b> <b>RMB'000</b>	2022 (Unaudited) RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received from a joint venture		<b>450</b>	—
Purchases of items of property, plant and equipment	10	<b>(675)</b>	(1,235)
Purchase of other intangible assets		<b>(363)</b>	(73)
Decrease in other receivables		<b>343</b>	1,936
Net cash flows (used in)/from investing activities		<b>(245)</b>	628
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital injection by non-controlling interests		<b>245</b>	74
Principal portion of lease payments		<b>—</b>	(374)
Dividends paid to non-controlling shareholders		<b>(490)</b>	—
Net cash flows used in financing activities		<b>(245)</b>	(300)
NET INCREASE IN CASH AND CASH EQUIVALENTS		<b>25,528</b>	31,696
Cash and cash equivalents at beginning of period		<b>360,742</b>	275,289
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<b>386,270</b>	306,985
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>386,370</b>	307,085
Less: Pledged deposits		<b>100</b>	100
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position		<b>386,270</b>	306,985
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows		<b>386,270</b>	306,985

## 1. CORPORATE AND GROUP INFORMATION

Ling Yue Services Group Limited (the “**Company**”) is incorporated and registered as an exempted company with limited liability in the Cayman Islands. The Company and its subsidiaries now comprising the Group underwent the reorganisation which was completed on 21 January 2021. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 12 July 2021. The registered address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the period, the Company and its subsidiaries (together, the “**Group**”) were mainly involved in the provision of property management services, value-added services to non-property owners and community value-added services.

The ultimate controlling shareholders of the Company are Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli (the “**Controlling Shareholders**”).

In the opinion of the directors, the investment holding companies of the Company are Yuelai Holding Limited, Linghui Holding Limited, Tianyue Holding Limited, Jin Sha Jiang Holding Limited, Tianyue Capital Limited, Fusheng Capital Holding Limited and Linghui Capital Limited, which are incorporated in the British Virgin Islands with limited liability, and controlled by the Controlling Shareholders.

## 2. 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*. 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.

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

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.
- (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. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

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

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (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.

### 4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property management services income and value-added services income by project locations for the purpose of making decisions about resource allocation and performance assessment. As all the locations have similar economic characteristics and are similar in the nature of property management services, the nature of the aforementioned business processes, the type or class of the customer for the aforementioned business and the methods used to distribute the property management services and value-added services, all locations were aggregated as one reportable operating segment.

#### Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

#### Information about major customers

For the six months ended 30 June 2023, revenue from Leading Holdings Group Limited and its subsidiaries ("**Leading Holdings Group**") contributed 16.7% (30 June 2022: 25.2%) of the Group's revenue. Other than the revenue from Leading Holdings Group, no revenue derived from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during the period.

## Notes to Interim Condensed Consolidated Financial Information

30 June 2023

### 5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Property management services	250,848	223,952
Value-added services to non-property owners	20,603	42,786
Community value-added services	23,207	16,610
	<b>294,658</b>	<b>283,348</b>

#### Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2023

	Property management services RMB'000 (Unaudited)	Value-added services to non-property owners RMB'000 (Unaudited)	Community value-added services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Type of services</b>				
Rendering of services	250,848	20,603	23,207	294,658
Total revenue from contracts with customers	250,848	20,603	23,207	294,658
<b>Timing of revenue recognition</b>				
Revenue recognised over time	250,848	18,452	3,039	272,339
Revenue recognised at a point in time	—	2,151	20,168	22,319
Total revenue from contracts with customers	250,848	20,603	23,207	294,658

**5. REVENUE** (Continued)**Disaggregated revenue information for revenue from contracts with customers**  
(Continued)**For the six months ended 30 June 2022**

	Property management services <i>RMB'000</i> (Unaudited)	Value-added services to non-property owners <i>RMB'000</i> (Unaudited)	Community value-added services <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<b>Type of services</b>				
Rendering of services	223,952	42,786	16,610	283,348
Total revenue from contracts with customers	223,952	42,786	16,610	283,348
<b>Timing of revenue recognition</b>				
Revenue recognised over time	223,952	40,988	4,604	269,544
Revenue recognised at a point in time	—	1,798	12,006	13,804
Total revenue from contracts with customers	223,952	42,786	16,610	283,348

**6. PROFIT BEFORE TAX**

The Group's profit before tax is arrived at after charging:

	<b>For the six months ended 30 June</b>	
	<b>2023</b> <i>RMB'000</i> (Unaudited)	2022 <i>RMB'000</i> (Unaudited)
Cost of services provided	<b>194,289</b>	198,390
Depreciation of property, plant and equipment	<b>659</b>	273
Depreciation of right-of-use assets	<b>—</b>	367
Amortisation of other intangible assets	<b>1,397</b>	1,253
Impairment of goodwill	<b>4,302</b>	—
Impairment of financial assets, net:		
Impairment of trade receivables, net	<b>3,922</b>	2,871
Reversal of impairment of due from related companies, net	<b>(682)</b>	—
Impairment of financial assets included in prepayments and other receivables, net	<b>1,336</b>	27

## Notes to Interim Condensed Consolidated Financial Information

30 June 2023

### 7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profit currently arising in Hong Kong for the six months ended 30 June 2023.

All subsidiaries of the Group operating in Mainland China are taxed in accordance with the Chinese Corporate Income Tax Law. There were three types of tax rates during the reporting period, including the 25% tax rate, the 15% tax rate under the western preferential tax rate policy, and the preferential tax rate policy for small and low-profit enterprises. For the six months ended 30 June 2023, Lingyue Property Service Group Co., Ltd. and its western branches were subject to the 15% income tax rate, certain subsidiaries were subject to the preferential tax rate for small and low-profit enterprises, and the remaining subsidiaries and branches were subject to the 25% income tax rate.

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current — Mainland China:		
Charge for the period	14,007	8,002
Deferred tax	(804)	(239)
Total tax charge for the period	13,203	7,763

### 8. DIVIDENDS

The board of directors has resolved not to pay an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 285,685,000 (six months ended 30 June 2022: 285,685,000) shares in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2023 and 2022 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the periods.

The calculations of basic earnings per share are based on:

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:		
From continuing operations	<b>53,802</b>	46,065
	Number of shares	
	For the six months ended 30 June	
	2023	2022
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<b>285,685,000</b>	285,685,000

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired assets with at a cost of RMB675,000 (30 June 2022: RMB1,235,000).

## Notes to Interim Condensed Consolidated Financial Information

30 June 2023

### 11. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of revenue recognition and net of provision for the loss allowance for impairment, is as follows:

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Within 1 year	<b>104,249</b>	92,902
1 to 2 years	<b>18,400</b>	14,704
2 to 3 years	<b>7,640</b>	5,152
Over 3 years	<b>2,900</b>	2,607
	<b>133,189</b>	115,365

### 12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Within 1 year	<b>39,107</b>	44,837
Over 1 year	<b>115</b>	3,485
	<b>39,222</b>	48,322

### 13. SHARE CAPITAL

#### Shares

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Issued and fully paid: 285,685,000 (2022: 285,685,000) ordinary shares of HK\$0.01 each	<b>2,382</b>	2,382

## 14. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the period:

	<b>For the six months ended 30 June</b>	
	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>	2022 <i>RMB'000</i> (Unaudited)
Income from property management services and value-added services rendered to related companies: <i>(i, ii)</i>		
Companies controlled by the Controlling Shareholders	<b>49,347</b>	71,343
Joint ventures of Leading Holdings Group	<b>662</b>	3,902
Associates of Leading Holdings Group	<b>5,254</b>	1,049
	<b>55,263</b>	76,294
Rental fees to related companies: <i>(i)</i>		
Companies controlled by the Controlling Shareholders	—	367

- (i) These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.
- (ii) These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

## Notes to Interim Condensed Consolidated Financial Information

30 June 2023

### 14. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties:

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
<b>Due from related companies:</b>		
<b>Trade related</b>		
Companies controlled by the Controlling Shareholders	<b>170,281</b>	150,986
Joint ventures of Leading Holdings Group	<b>2,311</b>	2,192
Associates of Leading Holdings Group	<b>8,009</b>	5,033
A joint venture	<b>2</b>	2
	<b>180,603</b>	158,213
Impairment	<b>(12,862)</b>	(13,544)
	<b>167,741</b>	144,669
<b>Due to related companies:</b>		
<b>Trade related</b>		
Companies controlled by the Controlling Shareholders	<b>362</b>	436
	<b>362</b>	436

(c) Compensation of key management personnel of the Group:

	<b>For the six months ended 30 June</b>	
	<b>2023 RMB'000 (Unaudited)</b>	2022 RMB'000 (Unaudited)
Short-term employee benefits	<b>261</b>	408
Pension scheme contributions and social welfare	<b>41</b>	70
Total compensation paid to key management personnel	<b>302</b>	478

## 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of the unlisted equity investment has been estimated by using the market approach, using the ratio of price to book value ("**PB ratio**") of certain comparable companies in the same industry, in arriving at an indicated value of the unlisted equity interest. The valuation takes account of a discount for lack of marketability on this investment. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting periods. The valuation process and results are discussed with the board of directors twice a year for annual financial reporting.

Set out below is a summary of a significant unobservable input to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2023 and 31 December 2022:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Discount for lack of marketability (" <b>DLOM</b> ")	25% to 30% (31 December 2022: 25% to 30%)	5% (31 December 2022: 5%) increase/decrease in DLOM would result in a decrease/increase in fair value by RMB330,000 (31 December 2022: RMB321,000)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

## Notes to Interim Condensed Consolidated Financial Information

30 June 2023

### 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### Fair value hierarchy

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

#### Assets measured at fair value:

As at 30 June 2023

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Equity investments designated at fair value through other comprehensive income	—	—	4,790	4,790

As at 31 December 2022

	Fair value measurement using			Total RMB'000 (Audited)
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Equity investments designated at fair value through other comprehensive income	—	—	4,651	4,651

## 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

### Fair value hierarchy (Continued)

#### Assets measured at fair value: (Continued)

The movements in fair value measurements within Level 3 during the periods are as follows:

	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Equity investments at fair value through other comprehensive income — unlisted:		
At 1 January	4,651	5,082
Total gains/(losses) recognised in other comprehensive income	139	(1)
At 30 June	4,790	5,081

The Group did not have any financial liabilities measured at fair value as at 30 June 2023 (31 December 2022: Nil).

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2022: Nil).

## 16. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the share transfer agreement dated on 3 July 2023, the Group disposed its 51% equity interests in Meishan Tianfu Property Management Co., Ltd. (“**Meishan Tianfu**”) to another shareholder of Meishan Tianfu for a consideration of RMB2,550,000.

## 17. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors of the Company on 30 August 2023.

## Definitions

In this report, unless the context otherwise requires, the following words and expressions have the following meanings.

“Acting in Concert Deed”	the acting in concert deed dated 29 January 2021 and executed by the Ultimate Controlling Shareholders
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors
“BVI”	the British Virgin Islands
“China” or “PRC”	The People’s Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Company”	Ling Yue Services Group Limited (領悅服務集團有限公司) (formerly known as Ling Yue Group Limited (領悅集團有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 28 August 2020, the Shares of which are listed on the Stock Exchange (Stock Code: 2165)
“CG Code”	the Corporate Governance Code contained in Part 2 of Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Fusheng Capital”	Fusheng Capital Holding Limited, a company incorporated in the BVI with limited liability on 27 July 2020, which is wholly owned by Ms. Long Yiqin and is one of the Company’s controlling shareholders
“GFA”	gross floor area
“Global Offering”	has the meaning ascribed to it in the Prospectus
“Group”, “we”, “our” or “us”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong

“Independent third party(ies)”	an individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates (within the meaning of the Listing Rules)
“Jin Sha Jiang”	Jin Sha Jiang Holding Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Mr. Liu Yuhui and is one of the Company’s controlling shareholders
“Leading Holdings”	Leading Holdings Group Limited (領地控股集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 15 July 2019 and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6999)
“Leading Holdings Group”	Leading Holdings and its subsidiaries
“Linghui Capital”	Linghui Capital Limited, a company incorporated in the BVI with limited liability on 23 July 2020, which is wholly owned by Ms. Hou Sanli and is one of the Company’s controlling shareholders
“Linghui Holding”	Linghui Holding Limited, a company incorporated in the BVI with limited liability on 23 July 2020, which is wholly owned by Mr. Liu Ce and is one of the Company’s controlling shareholders
“Listing”	the listing of the Shares on the Stock Exchange
“Listing Date”	12 July 2021, the date on which dealings in the Shares on the Stock Exchange first commence
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Over-allotment Option”	the option granted by the Company to allot and issue up to an aggregate of 10,500,000 additional Shares in connection with the Global Offering of the Company as disclosed in the Prospectus
“Prospectus”	the prospectus of the Company dated 29 June 2021
“Reporting Period”	For the six months ended 30 June 2023
“RMB” or “Renminbi”	the lawful currency of the PRC

## Definitions

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tianyue Capital”	Tianyue Capital Limited, a company incorporated in the BVI with limited liability on 23 July 2020, which is wholly owned by Ms. Wang Tao and is one of the Company’s controlling shareholders
“Tianyue Holding”	Tianyue Holding Limited, a company incorporated in the BVI with limited liability on 23 July 2020, which is wholly owned by Mr. Liu Haowei and is one of the Company’s controlling shareholders
“Ultimate Controlling Shareholders”	Mr. Liu Haowei, Mr. Liu Ce, Mr. Liu Yuhui, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli
“Yuelai Holding”	Yuelai Holding Limited, a company incorporated in the BVI with limited liability on 23 July 2020, which is wholly owned by Mr. Liu Yuhui and is one of the Company’s controlling shareholders
“%”	per cent