

# 新希望服务

NEWHOPE SERVICE

## 新希望服务控股有限公司 NEW HOPE SERVICE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 3658



2023 INTERIM  
REPORT



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# Corporate Information



## BOARD OF DIRECTORS

### Executive Directors

Ms. Wu Min (*Co-chairman*)  
(*appointed as the co-chairman on 22 March 2023*)  
Ms. Chen Jing

### Non-executive Directors

Mr. Jiang Mengjun (*Chairman*)  
(*appointed as the chairman on 22 March 2023*)  
Mr. Dong Li  
Mr. Liu Xu (*appointed on 22 March 2023*)  
Ms. Zhang Wei (*appointed on 22 March 2023*)  
Ms. Huang Kun (*resigned on 22 March 2023*)  
Mr. Zhang Minggui (*resigned on 22 March 2023*)

### Independent Non-executive Directors

Mr. Cao Qilin  
Mr. Li Zhengguo  
Mr. Kong Chi Mo

## AUDIT COMMITTEE

Mr. Kong Chi Mo (*Chairman*)  
Mr. Li Zhengguo  
Mr. Liu Xu (*appointed on 22 March 2023*)  
Mr. Jiang Mengjun (*resigned on 22 March 2023*)

## REMUNERATION COMMITTEE

Mr. Cao Qilin (*Chairman*)  
Mr. Li Zhengguo  
Ms. Wu Min (*appointed on 22 March 2023*)  
Ms. Huang Kun (*resigned on 22 March 2023*)

## NOMINATION COMMITTEE

Mr. Jiang Mengjun (*Chairman*)  
(*appointed on 22 March 2023*)  
Mr. Li Zhengguo  
Mr. Cao Qilin  
Mr. Zhang Minggui (*resigned on 22 March 2023*)

## JOINT COMPANY SECRETARIES

Mr. Li Hongjia (*appointed on 22 March 2023*)  
Mr. Lau Kwok Yin  
Ms. Zhao Xiaoxing (*resigned on 22 March 2023*)

## HONG KONG LEGAL ADVISOR

Sidley Austin  
Level 39  
Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

## AUTHORIZED REPRESENTATIVES

Ms. Chen Jing  
Mr. Lau Kwok Yin

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre  
248 Queen's Road East  
Wanchai  
Hong Kong

## THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTER AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited  
71 Fort Street  
PO Box 500  
George Town  
Grand Cayman KY1-1106  
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



### AUDITOR

KPMG  
Certified Public Accountants  
Public Interest Entity Auditor registered in accordance  
with the Accounting and Financial Reporting Council  
Ordinance  
8/F, Prince's Building  
10 Chater Road  
Central  
Hong Kong

### PRINCIPAL BANK

China Merchants Bank  
Chengdu Jinguancheng Sub-branch  
Building 5  
Times Sunny Garden  
8 Hangkong Road  
Chengdu City  
Sichuan Province  
China

### REGISTERED OFFICE

71 Fort Street, PO Box 500  
George Town, Grand Cayman, KY1-1106  
Cayman Islands

### PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN CHINA

16/F, Building 2  
New Hope Zhongding International  
No. 366 Jinshi Road  
Jinjiang District  
Chengdu, Sichuan  
China

### STOCK CODE

3658

### COMPANY'S WEBSITE

[newhopeservice.com.cn](http://newhopeservice.com.cn)

# Management Discussion and Analysis

## BUSINESS REVIEW

### Overview

New Hope Service Holdings Limited (the “**Company**”, together with its subsidiaries, “**we**”, “**our**” or the “**Group**”) is a local Sichuan integrated property management enterprise engaging in the provision of lifestyle service solutions with leading position in the Western China region. Backed by the Fortune Global 500 New Hope Group Co., Ltd.\* (新希望集團有限公司) (together with its subsidiaries, the “**New Hope Group**”), the Group placed emphasis on adhering to “asset value appreciation and maintenance” and “care-free and wonderful life”, and provided building block services such as property management services, lifestyle services and commercial operational services to middle-to-high-end residences, medical institutions, schools, commercial office buildings, public facilities, urban spaces and various types of properties. Meanwhile, leveraging our industry leading comprehensive capability and brand influence, the Group has been awarded “Top 100 Property Management Companies in China” (中國物業服務百強企業) by the China Index Academy (the “**CIA**”) for six consecutive years. As at 30 June 2023, we ranked Top 22 and Top 25 in “2023 Listed Property Service Companies in China” (2023年中國物業服務上市企業) by EH Consulting (億翰智庫) and “Top 100 Property Service Companies in China” (中國物業服務百強企業) by the CIA, respectively, and was ranked “A tier of EH Consulting’s ESG rating for Property Services” (億翰物業服務ESG評級A級) by EH Consulting for the first time in recognition of our outstanding services.

The Group generated revenue primarily from four business segments: (i) property management services; (ii) lifestyle services; (iii) commercial operational services; and (iv) value-added services to non-property owners. During the six months ended 30 June 2023 (the “**Reporting Period**”), the Group recorded revenue of RMB599.8 million, representing a year-on-year increase of 17.1%, and realized net profit attributable to equity shareholders of RMB109.5 million, representing a year-on-year increase of 9.6%. In particular, revenue from the Southwestern China region was RMB341.8 million, representing a year-on-year increase of 17.5% and accounting for 57.0% of the total revenue; revenue from the Eastern China region was RMB166.2 million, representing a year-on-year increase of 21.5% and accounting for 27.7% of the total revenue; total revenue from the Southwestern China region and the Eastern China region accounted for 84.7% of the total revenue, increasing by 1.2% from the corresponding period last year. In the Southwestern China region, the proportion of the Group’s revenue in Chengdu increased by 2.9% from 32.8% in the corresponding period last year to 35.7%, while revenue increased by 27.6% from RMB167.7 million to RMB214.1 million, which further verified the Group’s strategic cultivation in Chengdu.

The Group continued to optimize its operation and management capabilities and maintained a relatively high net profit margin during the Reporting Period, with net profit margin attributable to the Shareholders of 18.3%. At the same time, the Company kept on enhancing dedicated actions on lean management, commencing works such as the integration of business and finance as well as procedures upgrade, while further strengthening the management and construction of supply chain. By continuous digital investment and management innovation, the Group further lowered business costs and sales management fees, and realized management fee rate of 13.6% during the Reporting Period, representing a year-on-year decrease of 2.2%.

With advantages of regional cultivation and brand influence, the Group commenced cooperation in property management services, lifestyle services and commercial operational services via mergers and acquisitions, bidding, strategic cooperation, establishing joint ventures and other means. During the Reporting Period, given the deceleration of development of real estate enterprises and the significant increase in the number of land acquired by urban investment and development enterprises, we, Chengdu Economic and Development Park Investment Co., Ltd. (成都經開園區投資有限公司), a state-owned enterprise of Wuhou District (武侯區屬國有企業), Chengdu Renju Commercial Management Co, Ltd.\* (成都人居商業管理有限公司) and other parties have formulated cooperation partnership, which enabled us to provide services with our standardized property management service system to realize the goal of “asset value appreciation and maintenance”. As at 30 June 2023, the Group has established 2 joint ventures and contracted 15 projects under the above strategic cooperation framework.



## Business Model

We provide property management services to projects under our management, including property and equipment maintenance services, safety and security services, cleaning services, gardening services, public area maintenance and other property management related services. During the Reporting Period, the Group further realized the rapid growth of area under management. As at 30 June 2023, the Group's gross floor area (the "GFA") under management was 29.076 million square metres ("sq.m."), representing a growth of 31.6% from the corresponding period last year, while contracted GFA was 37.93 million sq.m., representing a year-on-year increase of 22.5%. The ratio of contracted GFA to GFA under management was 1.30.

## Property Management Services

Continuously expanding GFA under management is one of our solid development strategies. With the Group's further development in market expansion, the Group had contracted 245 property management projects in total in 33 cities nationwide, with a contracted GFA of 37.9 million sq.m., representing a year-on-year increase of 22.5%. Meanwhile, we had 205 projects under management with a GFA under management of 29.1 million sq.m., representing a year-on-year increase of 31.6%.

The following table sets forth the number of our property projects and GFA under management, as well as the number of property projects we were contracted to manage and corresponding contracted GFA as at the dates indicated.

	As at 30 June 2023	As at 30 June 2022	Growth rate
Number of properties we were contracted to manage <sup>(1)</sup>	<b>245</b>	207	18.4%
Number of properties under management <sup>(2)</sup>	<b>205</b>	156	31.4%
GFA under management (0'000 sq.m.)	<b>2,907.6</b>	2,209.6	31.6%
Contracted GFA (0'000 sq.m.)	<b>3,793.0</b>	3,096.1	22.5%

Notes:

- (1) Refers to all properties for which we have entered into the relevant operating property management service agreements, which may include properties that have not been delivered to us for property management purposes in addition to properties under management.
- (2) Refers to properties that have been delivered to us for property management purposes.

## Upholding Regional Focus and Cultivating High-tier Cities

As at 30 June 2023, the Group had projects in 33 cities in 14 provinces, autonomous regions and municipalities in China. During the Reporting Period, the Group continued to increase efforts on the cultivation of the Southwestern China region, with Chengdu-Chongqing metropolitan area as the core, and high-tier cities in the Eastern China region, achieving sustainable growth in property management revenue and management scale in these two regions. In particular, for property management revenue, property management revenue in the Southwestern China region was RMB150.5 million, accounting for 47.4% of the total property management revenue and representing a year-on-year growth of 30.1%. Property management revenue in the Eastern China region was RMB124.3 million, accounting for 39.1% of the total property management revenue and representing a year-on-year growth of 46.7%. Total property management revenue in these two regions accounted for 86.5% of the total property management revenue. The Group's GFA under management in the Southwestern China region was 16.0 million sq.m., representing a year-on-year growth of 28.3% and accounting for 55.0% of the total GFA under management; GFA under management in Eastern China region was 9.3 million sq.m., representing a year-on-year growth of 37.6% and accounting for 31.9% of the total GFA under management. Total GFA under management in the Southwestern China region and the Eastern China region accounted for 86.5% of the total GFA under management, which continued to show the advantage of regional intensity.

The table below sets forth a breakdown and growth rate of our total GFA under management and revenue by region as at the dates/for the periods indicated:

Regional distribution	As at/for the six months ended 30 June 2023				As at/for the six months ended 30 June 2022				Growth of GFA (%)	Growth of revenue (%)
	Revenue (RMB'000)	Percentage (%)	GFA under management (sq.m. 0'000)	Percentage (%)	Revenue (RMB'000)	Percentage (%)	GFA under management (sq.m. 0'000)	Percentage (%)		
Southwestern China region	150,530.7	47.4	1,598.7	55.0	115,725.4	49.7	1,245.8	56.4	28.3	30.1
Eastern China region	124,335.4	39.1	927.8	31.9	84,758.2	36.3	674.3	30.5	37.6	46.7
Southern China region	21,296.4	6.7	206.6	7.1	18,969.3	8.1	178.0	8.1	16.1	12.3
Northern China region	20,547.9	6.5	123.9	4.3	13,747.7	5.9	111.5	5.0	11.1	49.5
Central China region	1,035.6	0.3	50.6	1.7	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>317,746.0</b>	<b>100.0</b>	<b>2,907.6</b>	<b>100.0</b>	<b>233,200.6</b>	<b>100.0</b>	<b>2,209.6</b>	<b>100.0</b>	<b>31.6</b>	<b>36.3</b>

## Continuous Cultivation in High-tier Cities

As at 30 June 2023, 91.5% of the Group's property management projects were in first-tier, new first-tier and second-tier cities in China, while 95.9% of revenue from property management were from projects under management in first-tier, new first-tier and second-tier cities in China, which further verified the Group's strategy of cultivation in high-tier cities.



The table below sets forth a breakdown of our total GFA under management and revenue by city tier as at the dates indicated:

Tier of city	As at/for the six months ended 30 June 2023				As at/for the six months ended 30 June 2022				Growth of GFA (%)	Growth of revenue (%)
	Revenue (RMB'000)	Percentage (%)	GFA under management (sq.m. 0'000)	Percentage (%)	Revenue (RMB'000)	Percentage (%)	GFA under management (sq.m. 0'000)	Percentage (%)		
First-tier <sup>(1)</sup>	6,648.5	2.1	18.1	0.6	4,302.0	1.8	14.7	0.7	22.4	54.5
New first-tier <sup>(2)</sup>	142,968.5	45.0	1,335.5	46.0	105,037.0	45.0	942.4	42.6	41.7	36.1
Second-tier <sup>(3)</sup>	155,129.2	48.8	1,305.7	44.9	115,022.1	49.4	1,024.2	46.4	27.5	34.9
Others <sup>(4)</sup>	12,999.8	4.1	248.3	8.5	8,839.9	3.8	228.3	10.3	8.8	47.1
<b>Total</b>	<b>317,746.0</b>	<b>100.0</b>	<b>2,907.6</b>	<b>100.0</b>	<b>233,201.0</b>	<b>100.0</b>	<b>2,209.6</b>	<b>100.0</b>	<b>31.6</b>	<b>36.3</b>

Notes:

- (1) First-tier cities in which we provide property management services include Shanghai.
- (2) New first-tier cities in which we provide property management services include Chengdu, Chongqing, Hangzhou, Suzhou, Shenyang, Qingdao and Nanjing.
- (3) Second-tier cities in which we provide property management services include Dalian, Nanning, Kunming, Ningbo, Jiaxing, Wenzhou, Wuxi and Changchun.
- (4) Others in which we provide property management services include Nanchong.

### Further Enhancement of Market Expansion Capability

The Group focused on market expansion in terms of quality and size, and upheld a flexible and open market-oriented cooperation manner. During the Reporting Period, the Group continued to conduct multi-channel market expansion via, among other means, bidding, establishing joint ventures and strategic partnership, and successfully won the bid for high-end residential projects such as Wuxi Jiazhou Garden (無錫嘉洲花園) and Chengdu Lingyu (成都領域) as well as property management projects in medical sector such as Wenzhou Ruian Fifth People's Hospital (溫州瑞安市第五人民醫院) and Kunming Orthopedic Hospital Co., Ltd. (昆明骨科醫院有限公司). Such expansion realized the Group's breakthrough in the medical sector in Wenzhou and Kunming to further consolidate its cultivation in such regions. By duly contracting and stationing in Chengdu C8 Digital Economic Industrial Park (成都C8數字經濟產業園), Chengdu Chabaidao Industrial Park (成都茶百道產業園), Chengdu Zhongbao BMW 4S Store and Nanning Vipshop Logistics Park, the Group started a new chapter in its expansion into industrial park service sectors.

## Management Discussion and Analysis



The table below sets forth a breakdown and growth rate of the Group's GFA under management and contracted GFA of property management projects obtained through market expansion:

Market expansion	As at 30 June 2023 (sq.m. 0'000)	As at 30 June 2022 (sq.m. 0'000)	Newly obtained GFA (sq.m. 0'000)	Growth rate (%)
GFA under management	965.8	541.3	424.5	78.4
Contracted GFA	1,153.2	622.5	530.7	85.3

Meanwhile, the Group's performance of market expansion in the Southwestern China region and the Eastern China region was outstanding, with respective increases in the proportion of GFA under management and contracted GFA of property projects obtained through market expansion to the total area of those regions. In particular, the proportion of GFA under management and contracted GFA of market expansion increased by 14.4% and 15.0% from the corresponding period last year in the Southwestern China region, among which, both the proportion of GFA under management and contracted GFA of market expansion in Chengdu and Kunming increased by over 15.0% from the corresponding period last year, which further verified the Group's strategy of regional cultivation.

- The table below sets forth a breakdown and growth rate of the Group's GFA under management for property management projects obtained through market expansion in relevant regions:

Region	As at 30 June 2023			As at 30 June 2022			Growth rate of expanded GFA (%)
	Expanded GFA (sq.m. 0'000)	Total GFA (sq.m. 0'000)	Percentage (%)	Expanded GFA (sq.m. 0'000)	Total GFA (sq.m. 0'000)	Percentage (%)	
Eastern China region	266.4	927.8	28.7	179.9	674.3	26.7	48.1
Southwestern China region	637.0	1,598.6	39.8	316.9	1,245.8	25.4	101.0
Of which							
Chengdu	428.9	953.7	45.0	211.3	716.5	29.5	103.0
Kunming	166.8	398.4	41.9	70.4	272.3	25.9	136.9

- The table below sets forth a breakdown and growth rate of the Group's contracted GFA for property management projects obtained through market expansion in relevant regions:

Region	As at 30 June 2023			As at 30 June 2022			Growth rate of expanded GFA (%)
	Expanded GFA (sq.m. 0'000)	Total GFA (sq.m. 0'000)	Percentage (%)	Expanded GFA (sq.m. 0'000)	Total GFA (sq.m. 0'000)	Percentage (%)	
Eastern China region	357.4	1,240.1	28.8	221.8	1,135.4	19.5	61.1
Southwestern China region	727.1	1,834.6	39.6	349.9	1,417.9	24.7	107.8
Of which							
Chengdu	461.8	1,008.2	45.8	234.4	807.7	29.0	97.0
Kunming	214.1	485.4	44.1	70.4	272.3	25.9	204.1



## New Hope Wuxin Industrial has relatively strong performance capability

Benefitted from the continuous growth of various business segments of New Hope Group, particularly the stable development of New Hope Wuxin Industrial Group Co.,Ltd.\* (“**New Hope Wuxin Industrial**”) (新希望五新實業集團有限公司) (together with its subsidiaries, associates and joint ventures, “**New Hope Wuxin Industrial Group**”), during the Reporting Period, New Hope Wuxin Industrial has delivered 22 quality projects in 11 cities nationwide, amounting to 16,641 units in total, of which over 4,000 units were delivered earlier than scheduled. This indicates New Hope Wuxin Industrial’s relatively strong performance capability, and brings the Group concrete support for continuous growth in terms of GFA under management. Among the Group’s newly obtained GFA under management, 2.8 million sq.m. were from New Hope Wuxin Industrial and its associates or joint ventures, accounting for approximately 40.3% of the Group’s newly obtained GFA under management, while 4.2 million sq.m. were from independent third parties, accounting for approximately 59.7% of the Group’s newly obtained GFA under management. Among the newly obtained contracted GFA, over 6.3 million sq.m. were from independent third parties, accounting for approximately 90.0% of the Group’s newly obtained GFA under management.

The table below sets forth the breakdown of the Group’s GFA under management and revenue by the type of property developer:

Type of property developer	As at/for the six months ended 30 June 2023				As at/for the six months ended 30 June 2022				Growth of GFA under management (%)	Growth of revenue (%)
	Revenue (RMB'000)	Percentage (%)	GFA under management (sq.m. 0'000)	Percentage (%)	Revenue (RMB'000)	Percentage (%)	GFA under management (sq.m. 0'000)	Percentage (%)		
New Hope Wuxin Industrial <sup>(1)</sup>	161,652.1	50.9	1,097.4	37.7	127,534.8	54.7	989.6	44.8	10.9	26.8
Associates or joint ventures of New Hope Wuxin Industrial <sup>(2)</sup>	18,707.2	5.9	496.6	17.1	12,716.6	5.4	323.5	14.6	53.5	47.1
Ultimate controlling shareholders and their associates <sup>(3)</sup>	37,604.5	11.8	32.3	1.1	30,945.6	13.3	31.9	1.4	1.3	21.5
Independent third parties	99,782.2	31.4	1,281.3	44.1	62,003.6	26.6	864.6	39.2	48.2	60.9
<b>Total</b>	<b>317,746.0</b>	<b>100.0</b>	<b>2,907.6</b>	<b>100.0</b>	<b>233,200.6</b>	<b>100.0</b>	<b>2,209.6</b>	<b>100.0</b>	<b>31.6</b>	<b>36.3</b>

Notes:

- (1) Refer to properties solely developed by New Hope Wuxin Industrial Group, as well as properties jointly developed by New Hope Wuxin Industrial Group and other property developers in which New Hope Wuxin Industrial Group held a controlling interest.
- (2) Refer to properties developed by joint ventures or associates of New Hope Wuxin Industrial Group (New Hope Wuxin Industrial Group does not hold a controlling interest in these properties).
- (3) Refer to properties developed by other associates of our ultimate controlling shareholders, namely Mr. Liu Yonghao (劉永好) and Ms. Liu Chang (劉暢).

## Lifestyle Services

Relying on the industrial background of New Hope Group, New Hope Service, with its own customer access attributes, connected various business segments of New Hope Group through its lifestyle services business. Lifestyle services are an important source of revenue for the Group, and continue to develop as one of the major driving forces for the Company's development. The Group's lifestyle services comprise (i) community living services; (ii) community asset management services, including carpark related services and property agency services; and (iii) online and offline retail services and catering services. During the Reporting Period, the Group achieved revenue of RMB135.2 million from the lifestyle services segment, representing an increase of 17.3% over the corresponding period last year.

The following table sets forth a breakdown of our revenue from lifestyle services:

	As at/for the six months ended 30 June 2023		As at/for the six months ended 30 June 2022		Growth rate Percentage (%)
	Revenue (RMB'000)	Percentage (%)	Revenue (RMB'000)	Percentage (%)	
Community operational services	67,752.9	50.1	56,548.5	49.1	19.8
Community asset management services	16,475.5	12.2	15,914.4	13.8	3.5
Online and offline retail services and catering services	50,939.1	37.7	42,817.5	37.1	19.0
<b>Total</b>	<b>135,167.5</b>	<b>100.0</b>	<b>115,280.4</b>	<b>100.0</b>	<b>17.3</b>

## Commercial Operational Services

We provide commercial operational services to commercial properties, including shopping centers, shopping streets, office buildings, specialty markets and industrial parks. Adhering to the strategic direction of asset value appreciation and maintenance, the Group enhanced its business development of stock customers. As at 30 June 2023, the number of the Group's commercial operational projects increased by three from the corresponding period last year, namely Mingyu Building, Mingyu Financial Plaza and Nanning Xinchangxing (南寧新暢行). The acquisition of new projects formulated a strong bond between commercial operational business and the Group's strategic direction, and further exemplified the capability for stable development.

The table below sets forth a breakdown of our total revenue from commercial operational services by service category for the periods indicated:

	As at/for the six months ended 30 June 2023		As at/for the six months ended 30 June 2022		Growth rate Percentage (%)
	Revenue (RMB'000)	Percentage (%)	Revenue (RMB'000)	Percentage (%)	
Market research and positioning and opening preparation services	5,337.1	7.4	754.7	1.3	607.2
Commercial operational services	67,188.5	92.6	56,400.7	98.7	19.1
<b>Total</b>	<b>72,525.6</b>	<b>100.0</b>	<b>57,155.4</b>	<b>100.0</b>	<b>26.9</b>



### Value-added services to non-property owners

We also provide a series of value-added services to non-property owners, mainly for property developers. Our value-added services to non-property owners include (i) on-site management services; (ii) preliminary planning and design consultation, pre-delivery and repair and maintenance services; and (iii) other services, such as construction site management services.

The following table sets forth a breakdown of our revenue from value-added services to non-property owners for the periods indicated:

	As at/for the six months ended 30 June 2023		As at/for the six months ended 30 June 2022		Growth rate Percentage (%)
	Revenue (RMB'000)	Percentage (%)	Revenue (RMB'000)	Percentage (%)	
Preliminary planning, design consultancy and pre-delivery services	35,633.8	47.9	44,832.4	42.1	-20.5
Revenue from on-site service fee	33,654.6	45.3	50,721.5	47.6	-33.6
Special entrusted services	5,057.4	6.8	10,915.9	10.3	-53.7
<b>Total</b>	<b>74,345.8</b>	<b>100.0</b>	<b>106,469.8</b>	<b>100.0</b>	<b>-30.2</b>

## PROSPECTS

### Stride forward with Quality Services and Solid Development

For a property management company, it shall clearly see the fact that as its environment evolves, the industry has shifted development goal from scale-guided expansion to quality-guided growth, which means attaining quality development carries more weight. A company shall pursue quality development based on its service capabilities, and to achieve outstanding service capabilities, it shall have high collection ratio, high renewal ratio and high satisfaction. In the future, we will continue to strengthen services capabilities, stick to services quality, and continuously acquire ideal market expansion projects with great services. Meanwhile, we will pay attention to good M&A targets in the market in order to achieve scale expansion of high quality.

### Join Hands with Hope to Serve Lifestyle

In recent years, with the continuous introduction of property-related policies, on one hand, property's lifestyle attribute was emphasized from the policy side, and on the other hand, property management companies were offered more standardized development guidelines. For property management companies, their property management work shall start from and end at giving residents a happy experience. In the future, while guaranteeing service quality and refining and furthering property management services, we will facilitate our connection with New Hope Group, drill down into New Hope's brand strengths in lifestyle, and explore product supply and cooperation opportunities with companies including New Hope Liuhe Co., Ltd.\* (新希望六和股份有限公司), New Hope Dairy Co., Ltd.\* (新希望乳业股份有限公司) and Grass Green Group (草根知本集團) in order to offer our clients diversified comprehensive solutions for lifestyle services such as "property + group meal, property + retail, property + centralized purchase" and effectively provide "property services + living services".



## Plow Profoundly in Livable Chengdu

As of half year of 2023, Chengdu, as a new tier-1 city and a national central city in the western region, has a permanent resident population of over 21.0 million, and a property management market stock of over 630.0 million sq.m. New Hope Group, as a Global 500 enterprise based in Chengdu, has not only being a well-known brand but also established harmonious government-enterprise relationships with various governments at the district and county levels. Leveraging on New Hope Group's support and as a only group company equipped with services capacities of "property + commercial + living services and group meal" in Chengdu, the Company's future move will be making fully use of the development opportunity posed by Chengdu's new-type urbanization, focusing on the greater Chengdu market, exploring in the city, giving full play to core resources, optimizing New Hope Group's brand influence in Chengdu region, and driving high quality development across all of our business segments.

## FINANCIAL REVIEW

### Revenue

The Group's revenue is primarily generated from four business lines: (i) property management services; (ii) lifestyle services; (iii) commercial operational services; and (iv) value-added services to non-property owners. The Group's revenue increased by RMB87.7 million or approximately 17.1% to RMB599.8 million for the six months ended 30 June 2023 from RMB512.1 million for the six months ended 30 June 2022, which was primarily attributable to (i) the increase in revenue from property management services arising from the increase in the GFA under management of the Group; and (ii) the increase in revenue from commercial operational and lifestyle services.

The following table sets forth a breakdown of our total revenue by business line during the periods indicated:

	For the six months ended 30 June			
	2023		2022	
	(RMB'000)	%	(RMB'000)	%
Property management services	<b>317,746.0</b>	<b>53.0</b>	233,200.6	45.5
Lifestyle services	<b>135,167.5</b>	<b>22.5</b>	115,280.4	22.5
Commercial operational services	<b>72,525.6</b>	<b>12.1</b>	57,155.4	11.2
Value-added services to non-property owners	<b>74,345.8</b>	<b>12.4</b>	106,469.8	20.8
<b>Total</b>	<b>599,784.9</b>	<b>100.0</b>	512,106.2	100.0

The property management services are our largest source of revenue. For the six months ended 30 June 2023, the revenue from property management services was RMB317.8 million, accounting for 53.0% of the Group's total revenue. The increase in revenue was primarily due to the increased revenue from property management services driven by the increase in GFA under management of the Group from 2,209.6 million sq.m. as at 30 June 2022 to 2,907.6 million sq.m. as at 30 June 2023. The increase in number of properties and GFA under management was mainly due to (i) the continuous delivery of properties developed by New Hope Group to us for management during the Reporting Period; (ii) the Group's expansion in the independent third-party markets.



The revenue from lifestyle services increased by 17.3% from approximately RMB115.3 million, representing 22.5% of total revenue of the Group for the six months ended 30 June 2022 to approximately RMB135.2 million, representing 22.5% of total revenue of the Group for the six months ended 30 June 2023. Among which:

- (1) The revenue from community living services increased by 19.8% from RMB56.5 million for the six months ended 30 June 2022 to RMB67.8 million for the six months ended 30 June 2023, which was mainly due to the surge in GFA under management and active expansion of community living services given the elimination of epidemic factors during the Reporting Period.
- (2) The revenue from community asset management services increased by 3.5% from RMB15.9 million for the six months ended 30 June 2022 to RMB16.5 million for the six months ended 30 June 2023, which was mainly due to the increase in revenue from carpark given the increase in GFA under management of the Group during the Reporting Period.
- (3) The revenue from online and offline retail services and catering services increased by 19.0% from RMB42.8 million for the six months ended 30 June 2022 to RMB50.9 million for the six months ended 30 June 2023, which was mainly due to the Group's active expansion of its lifestyle services business during the Reporting Period, in particular, the increase in group meals and the increasing density of new retail business, which resulted in the increase in revenue from online and offline retail services and catering services.

The revenue from value-added services to non-property owners decreased by 30.2% from approximately RMB106.5 million for the six months ended 30 June 2022 to approximately RMB74.3 million for the six months ended 30 June 2023, which was mainly due to less site services and pre-delivery services undertaken during the Reporting Period.

The revenue from commercial operational services increased by 26.9% from RMB57.2 million for the six months ended 30 June 2022 to RMB72.5 million for the six months ended 30 June 2023, which was mainly due to the newly undertaken and actively expanded commercial operational services business during the Reporting Period.

### Cost of Sales

Our cost of sales represents costs directly attributable to the provision of our services and consist primarily of (i) staff costs; (ii) outsourced labor costs; (iii) maintenance costs; (iv) material and cost of goods sold; (v) energy and resources expenses; (vi) cleaning expenses; (vii) depreciation and amortization charges; and (viii) all other costs of sales, mainly including business consultation expenses, transport expenses, and costs of low value consumption goods such as office supplies and stationery. For the six months 30 June 2023, the total cost of sales of the Group was approximately RMB373.6 million, which increased by approximately RMB70.6 million or approximately 23.3% from approximately RMB303.0 million for the corresponding period of 2022. The growth rate of our cost of sales was higher than that of our revenue, primarily due to the increase in the proportion of revenue contribution from the property management services over the total revenue of the Group, which have a relatively lower gross profit margin compared to other business lines.

### Gross Profit and Gross Profit Margin

The gross profit of the Group increased by RMB17.1 million or 8.2% to RMB226.2 million for the six months ended 30 June 2023 from RMB209.1 million for the six months ended 30 June 2022.

The following table sets forth a breakdown of our gross profit and gross profit margin by business line during the periods indicated:

Type	For the six months ended 30 June			
	2023		2022	
	(RMB'000)	%	(RMB'000)	%
Property management services	91,586.5	28.8	76,168.6	32.7
Lifestyle services	55,923.5	41.4	50,803.0	44.1
Commercial operational services	49,191.9	67.8	39,304.2	68.8
Value-added services to non-property owners	29,515.4	39.7	42,866.0	40.3
<b>Total</b>	<b>226,217.3</b>	<b>37.7</b>	<b>209,141.8</b>	<b>40.8</b>

For the six months ended 30 June 2023, the gross profit margin of the Group decreased by 3.1 percentage points as compared with the corresponding period last year.

Our gross profit margin of property management services decreased by 3.9%, primarily due to the increase in the proportion of independent third-party GFA under management with active external expansion during the Reporting Period. Our gross profit margin of value-added services to non-property owners decreased by 0.6%, which remained basically the same as the corresponding period last year.

Our gross profit margin of commercial operational services decreased by 1.0%, which remained basically the same as the corresponding period last year. Our gross profit margin of lifestyle services decreased by 2.7%, primarily due to the active expansion of third-party business with low gross profit margin and the decrease in site utilization business with high gross profit margin amidst economic downturn.

### Other Net Expense

Other net expense of the Group decreased by RMB10.3 million or 88.3% to RMB1.3 million for the six months ended 30 June 2023 from RMB11.6 million for the six months ended 30 June 2022, which was mainly attributable to the decrease in fair value change with the decrease in project during the Reporting Period.

### Administrative Expenses

Our administrative expenses include (i) staff costs; (ii) professional fees, (iii) office and business entertainment expenses; (iv) depreciation and amortization; (v) tax expenses; and (vi) all other administrative expenses, which primarily consist of office expenses, tax expenses, hiring and training expenses, and cleaning expenses. Total administrative expenses of the Group were approximately RMB81.5 million for the six months ended 30 June 2023, which remained basically the same as the corresponding period last year.

### Selling Expenses

The selling expenses of the Group were RMB0.3 million for the six months ended 30 June 2022 and RMB0.4 million for the six months ended 30 June 2023, which remained basically the same as the corresponding period last year.



## Finance Income, Net

The net finance income of the Group decreased by RMB3.4 million or 33.4% to RMB6.7 million for the six months ended 30 June 2023 from RMB10.1 million for the six months ended 30 June 2022, with a decrease in interest income under the influence of downward adjustment of national interest rate.

## Income Tax Expense

For the six months ended 30 June 2023, the income tax of the Group was approximately RMB24.2 million (for the six months ended 30 June 2022: RMB17.7 million), which was in line with the increase in profit of the Company during the Reporting Period.

## Profit for the Reporting Period

The net profit of the Group increased by approximately RMB13.7 million or approximately 13.1% to approximately RMB118 million for the six months ended 30 June 2023 from approximately RMB104.3 million for the six months ended 30 June 2022.

## Core Net Profit Attributable to Owners of the Parent

The profit attributable to equity shareholders of the Company increased by approximately 9.6% to approximately RMB109.5 million for the six months ended 30 June 2023 from approximately RMB99.9 million (excluding listing expenses) for the six months ended 30 June 2022.

## Property, Plant and Equipment

Property, plant and equipment of the Group mainly consists of machinery, vehicles, electronic equipment, office and other equipment, furniture and fixtures. As at 30 June 2023, the Group's property, plant and equipment was approximately RMB13.5 million, an increase of approximately RMB0.5 million from approximately RMB14.0 million as at 31 December 2022, which remained basically the same as the corresponding period last year.

## Trade Receivables

Trade receivables primarily arise from the provision of property management services, value-added services to non-property owners, commercial operational services and lifestyle services. The Group's trade receivables as at 30 June 2023 amounted to approximately RMB401.9 million, representing an increase of approximately RMB77.1 million or 23.7% as compared to approximately RMB324.8 million as at 31 December 2022, which was primarily due to (i) the growth in business; and (ii) the increase in third-parties GFA under management.

## Prepayments, Deposits and Other Receivables

Prepayments, deposits and other receivables amounted to RMB78.8 million as at 31 December 2022 and RMB78.2 million as at 30 June 2023, which remained basically the same as the corresponding period last year.

## Trade Payables

The Group's trade payables as at 30 June 2023 amounted to approximately RMB187.3 million, representing an increase of approximately RMB25.4 million or 15.7% as compared to approximately RMB161.9 million as at 31 December 2022, mainly due to the expansion of our business.

## Other Payables and Accruals

Other payables and accruals increased by approximately RMB65.8 million or 29.4% from RMB223.7 million as at 31 December 2022 to RMB289.5 million as at 30 June 2023, primarily due to the increase in bonus payable to shareholders.



### Financial Position and Capital Structure

For the six months ended 30 June 2023, the Group maintained a sound financial position.

As at 30 June 2023, the Group's current ratio (current assets/current liabilities) was 2.2 times (31 December 2022: 2.5 times) and net gearing ratio indicated a net cash status (31 December 2022: net cash). Net gearing ratio is calculated by interest-bearing borrowings minus cash and cash equivalents, and then divided by net assets. As at 30 June 2023 and 30 June 2022, the Group did not have any outstanding interest-bearing borrowings.

### Pledge of Assets

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

### Contingent Liabilities

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

### Interest Rate Risk

As the Group has 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 mainly operates its business in the PRC, and substantially all of its revenue and expenses are denominated in RMB. As at 30 June 2023, among the Group's cash and bank balances, RMB108.4 million was denominated in Hong Kong dollars, which was subject to the exchange rate fluctuation. Due to the distribution of annual dividends to shareholders, the Group locked the exchange rate with banks in advance to reduce foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group intends to utilise the net proceeds from the Listing (as defined below) in accordance with the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 11 May 2021 (the "**Prospectus**") and the announcement of the Company dated 25 May 2022. For details, please refer to the section headed "Use of Net Proceeds from the Listing" below.

Save for the above, the Group did not have any other plan for material investments or capital assets as at 30 June 2023.

### SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has no significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.



## USE OF NET PROCEEDS FROM THE LISTING

The shares (the “**Shares**”) of the Company were listed (the “**Listing**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 25 May 2021 (the “**Listing Date**”) and the over-allotment option (the “**Over-allotment Option**”) was partially exercised on 11 June 2021. For details, please refer to the Prospectus and the Company’s announcement dated 15 June 2021. Net proceeds from the Listing (including the partial exercise of the Over-allotment Option), after deducting the underwriting commission and other estimated expenses in connection with the Listing, amounted to approximately HK\$790.0 million (equivalent to approximately RMB648.7 million). As set out in the announcement dated 25 May 2022, the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company changed the utilization plan of proceeds from the Listing. As at 30 June 2023, an analysis of the utilization of net proceeds from the Listing is as follows:

Major categories	Sub-categories	Amount (HK\$ in millions)	% of total proceeds	Unutilized amount as at 1 January 2023 (HK\$ in millions)	Actual utilized amount for the Reporting Period	Unutilized amount as at 30 June 2023	Estimated utilization plan
Strategic acquisition and investment		434.5	55.0%	429.0	–	429.0	On or before 31 December 2023
Upgrade information system and equipment	Middle ground system	23.7	3.0%	17.1	–	17.1	On or before 31 December 2023
	Property management support system	2.4	0.3%	1.0	–	1.0	On or before 31 December 2023
	Lifestyle service support system	15.0	1.9%	8.1	7.1	1.0	On or before 31 December 2023
	Corporate infrastructural operation system	11.1	1.4%	2.3	1.8	0.5	On or before 31 December 2023
	Intelligent community pilot projects	42.6	5.4%	30.2	0.3	29.9	On or before 31 December 2023
	Human resources to support information technology upgrades	23.7	3.0%	11.2	11.2	0	–
Talent recruitment and team building		39.5	5.0%	1.5	1.5	0	–
Development of lifestyle services		79.0	10.0%	37.4	35.6	1.8	On or before 31 December 2023
Working capital		118.5	15.0%	23.9	1.8	22.1	On or before 31 December 2023
<b>Total</b>		<b>790.0</b>	<b>100%</b>	<b>561.7</b>	<b>59.3</b>	<b>502.4</b>	

The remaining net proceeds raised from the Listing which had not been utilized were deposited with well-established and licensed commercial banks and authorized financial institutions. The expected timeframe for the unutilized net proceeds is based on the Directors’ best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group’s business and the market conditions.



### EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, the Group had 3,976 employees (31 December 2022: 4,031 employees). During the Reporting Period, the total staff costs were approximately RMB163.0 million (for the six months ended 30 June 2022: approximately RMB175.6 million).

In order to attract and retain high quality staffs to enable smooth operation within the Group, the remuneration policy of the Group's employees is reviewed periodically to ensure that the salary and benefit levels of the employees of the Group are competitive. The salaries and allowances of employees were determined based on their performance, experience and the then prevailing market rates. Discretionary performance bonus and share option scheme after assessments is in place for 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, 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.

The Group continues to provide adequate job training to employees to equip them with practical knowledge and skills. 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 skill sets.

# Corporate Governance and Other Information



## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of our shareholders and to enhance corporate value and accountability. The Company has adopted Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code of corporate governance.

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code for the six months ended 30 June 2023. The Company will continue to review and monitor its corporate governance practice to ensure the compliance of the CG Code.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions conducted by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own Code of Conduct for securities transactions conducted by relevant Directors. After making specific enquiries to all the Directors, each of them has confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 June 2023.

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

Save as disclosed in this interim report, there is no information required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

## SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme through written resolutions on 30 April 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 V — Statutory and General Information — D. OTHER INFORMATION — 1. Share Option Scheme” in the Prospectus.

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. As at 1 January 2023 and 30 June 2023, the number of options available for grant under the Share Option Scheme is 80,000,000 Shares.



### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2023, the interests or short positions of the Directors or 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were required to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code under the Listing Rules, are set out below:

#### (i) Interest in our Company

Name of Director	Nature of Interest	Number of Shares <sup>(1)</sup>	Percentage of shareholding interest
Ms. Wu Min <sup>(2)</sup>	Beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%
Ms. Chen Jing <sup>(2)</sup>	Beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%
Mr. Jiang Mengjun <sup>(2)</sup>	Beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Mr. Zhang Minggui is the settlor of the Employee Benefit Trust, a discretionary trust for the benefit of New Charm Development Limited ("New Charm"), New Mistry Development Limited ("New Mistry") and New Conception Development Limited ("New Conception") with TMF Trust (HK) Limited as the trustee. Each of New Charm, New Mistry and New Conception is wholly owned by Ms. Wu Min, Ms. Chen Jing and Mr. Jiang Mengjun, respectively, for the purpose of investment holdings. Accordingly, each of Ms. Chen Jing, Ms. Wu Min and Mr. Jiang Mengjun is deemed to be interested under the SFO in the Shares held by the Employee Benefit Trust in their respective capacity as the beneficiary of the Employee Benefit Trust and as a Director.



## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the Company, as at 30 June 2023, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the Shares or underlying Shares:

Name	Nature of interest	Number of Shares <sup>(1)</sup>	Percentage of shareholding interest
Adventure Way Pte. Ltd. <sup>(2)</sup>	Protector of a discretionary trust and interest in controlled corporation	544,800,000 (L)	66.92%
Ms. Liu Chang <sup>(2)</sup>	Settlor of a discretionary trust and interest in controlled corporation	544,800,000 (L)	66.92%
Mr. Liu Yonghao <sup>(2)</sup>	Interest in controlled corporation	544,800,000 (L)	66.92%
Medea Investments Limited <sup>(2)</sup>	Interest in controlled corporation	544,800,000 (L)	66.92%
Vistra Trust (Singapore) Pte. Limited <sup>(2)</sup>	Trustee of a discretionary trust	544,800,000 (L)	66.92%
Sea Glory Developments Limited <sup>(2)</sup>	Interest in controlled corporation	544,800,000 (L)	66.92%
New Prosperity Development Limited <sup>(2)</sup>	Interest in controlled corporation	544,800,000 (L)	66.92%
Golden Rose Developments Limited <sup>(2)</sup>	Beneficial owner	544,800,000 (L)	66.92%
TMF Trust (HK) Limited <sup>(3)</sup>	Interest in controlled corporation	40,848,000 (L)	5.02%
New Voyage Development Limited <sup>(3)</sup>	Beneficial owner	40,848,000 (L)	5.02%
Mr. Zhang Minggui <sup>(3)</sup>	Settlor and beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%
Ms. Huang Kun <sup>(3)</sup>	Beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The entire issued share capital of Golden Rose Developments Limited is wholly owned by New Prosperity Development Limited ("**New Prosperity**"), which is in turn indirectly wholly owned by Sea Glory Developments Limited, a special purpose holding vehicle wholly owned by Vistra Trust (Singapore) Pte. Limited, the trustee of the Cathaya Trust. The Cathaya Trust is an irrevocable discretionary trust for the benefit of Mr. Liu's family members. The protector of the Cathaya Trust is Adventure Way Pte. Ltd., which is directly and indirectly wholly owned by Mr. Liu Yonghao and Ms. Liu Chang through Medea Investments Limited. By virtue of the Acting in Concert Deed, Mr. Liu Yonghao and Ms. Liu Chang both have a deemed interest under the SFO in the Shares held by Adventure Way Pte. Ltd. in its capacity as the protector of the Cathaya Trust. Vistra Trust (Singapore) Pte. Limited has a deemed interest under the SFO in the Shares held by the Cathaya Trust in its capacity as trustee of the Cathaya Trust. Accordingly, each of Mr. Liu Yonghao, Ms. Liu Chang, Medea Investments Limited, Adventure Way Pte. Ltd., Vistra Trust (Singapore) Pte. Limited, Sea Glory Developments Limited, New Prosperity has a deemed interest under the SFO in the Shares held by Golden Rose Developments Limited.



- (3) Mr. Zhang Minggui is the settlor of the Employee Benefit Trust, a discretionary trust for the benefit of New Actuation Development Limited (“**New Actuation**”) and New Grace Development Limited (“**New Grace**”) with TMF Trust (HK) Limited as the trustee. New Voyage Development Limited is 100% controlled by TMF Trust (HK) Limited. Each of New Actuation and New Grace is wholly owned by Mr. Zhang Minggui and Ms. Huang Kun, respectively, for the purpose of investment holdings. Accordingly, Mr. Zhang Minggui is deemed to be interested under the SFO in the Shares held by the Employee Benefit Trust in his capacity as the settlor and beneficiary of the Employee Benefit Trust, and Ms. Huang Kun is deemed to be interested under the SFO in the Shares held by the Employee Benefit Trust in her capacity as the beneficiary of the Employee Benefit Trust.

### INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK\$0.073 per Share for the six months ended 30 June 2023 (interim period of 2022: nil) to the shareholders whose names appear on the register of members of the Company on Thursday, 5 October 2023. The interim dividend will be distributed to the shareholders on or before Wednesday, 20 December 2023.

For determining the entitlement of the Shareholders to the proposed interim dividend, the register of members of the Company will be closed from Tuesday, 3 October 2023 to Thursday, 5 October 2023, both days inclusive, during which period no transfer of Shares will be effected. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Center, No. 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 29 September 2023. The interim dividend will be paid on or about Wednesday, 20 December 2023.

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

Neither the Company nor its subsidiaries purchase, sell or redeem any of the listed securities of the Company for the six months ended 30 June 2023.

### 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

Based on the information publicly available to the Company and to the knowledge of the Directors of the Company, the Company’s Shares in public hands are no less than 25% of the entire share capital in issue as at the date of this interim report.

### SUBSEQUENT EVENTS

The Group did not have any significant event subsequent to the Reporting Period.

### AUDIT COMMITTEE

The audit committee of the Company, together with the management of the Company, has reviewed the unaudited condensed consolidated interim results and the interim report for the six months ended 30 June 2023. The audit committee has also reviewed the effectiveness of risk management and internal control system of the Company, and considered the risk management and internal control system to be effective and adequate.



## REVIEW REPORT TO THE BOARD OF DIRECTORS OF NEW HOPE SERVICE HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

### Introduction

We have reviewed the interim financial report set out on pages 24 to 44 which comprises the consolidated statement of financial position of New Hope Service Holdings Limited (the “Company”) as of 30 June 2023 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

### KPMG

*Certified Public Accountants*  
8th Floor, Prince’s Building  
10 Chater Road  
Central, Hong Kong

29 August 2023

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2023 — unaudited  
(Expressed in Renminbi (“RMB”))

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
<b>Revenue</b>	4	<b>599,785</b>	512,106
Cost of sales		<b>(373,568)</b>	(302,964)
<b>Gross profit</b>		<b>226,217</b>	209,142
Other net expense	5	<b>(1,345)</b>	(11,550)
Selling expenses		<b>(389)</b>	(292)
Administrative expenses		<b>(81,501)</b>	(81,000)
Expected credit loss on financial assets		<b>(7,755)</b>	(4,157)
<b>Profit from operations</b>		<b>135,227</b>	112,143
Finance expenses		<b>(2,022)</b>	(1,788)
Finance income		<b>8,721</b>	11,842
Finance income, net	6(a)	<b>6,699</b>	10,054
Share of profits less losses of associates		<b>283</b>	(184)
<b>Profit before taxation</b>	6	<b>142,209</b>	122,013
Income tax	7	<b>(24,194)</b>	(17,705)
<b>Profit for the period</b>		<b>118,015</b>	104,308
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>109,499</b>	99,886
Non-controlling interests		<b>8,516</b>	4,422
<b>Profit for the period</b>		<b>118,015</b>	104,308
<b>Earnings per share</b>			
Basic and diluted (RMB)	8	<b>0.13</b>	0.12

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2023 — unaudited  
(Expressed in Renminbi (“RMB”))



	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Profit for the period</b>	<b>118,015</b>	104,308
<b>Attributable to:</b>		
Equity shareholders of the Company	109,499	99,886
Non-controlling interests	8,516	4,422
<b>Total comprehensive income for the period</b>	<b>118,015</b>	104,308

The notes on pages 31 to 44 form part of this interim financial report.

# Consolidated Statement of Financial Position

at 30 June 2023 — unaudited  
(Expressed in RMB)

	<i>Note</i>	<b>30 June 2023 RMB'000</b>	31 December 2022 RMB'000
<b>Non-current assets</b>			
Investment properties	9	<b>105,672</b>	104,609
Goodwill	12	<b>133,415</b>	133,415
Property, plant and equipment	10	<b>13,508</b>	13,962
Intangible assets	11	<b>128,995</b>	115,330
Interests in associates		<b>4,939</b>	2,148
Financial asset measured at fair value through other comprehensive income ("FVOCI")		<b>30</b>	30
Financial asset measured at fair value through profit or loss ("FVPL")	13	<b>10,000</b>	–
Deferred tax assets		<b>7,085</b>	6,742
		<b>403,644</b>	376,236
<b>Current assets</b>			
Inventories		<b>310</b>	363
Prepayments, deposits and other receivables	14	<b>78,163</b>	78,827
Trade receivables	15	<b>401,859</b>	324,759
Cash and cash equivalents	16	<b>1,043,779</b>	1,039,740
		<b>1,524,111</b>	1,443,689
<b>Current liabilities</b>			
Trade payables	17	<b>187,284</b>	161,864
Other payables and accruals	18	<b>289,485</b>	223,675
Contract liabilities	19	<b>177,169</b>	158,298
Amounts due to related companies		<b>4,135</b>	4,135
Current taxation		<b>6,810</b>	16,124
Lease liabilities		<b>20,353</b>	4,903
		<b>685,236</b>	568,999
<b>Net current assets</b>		<b>838,875</b>	874,690
<b>Total assets less current liabilities</b>		<b>1,242,519</b>	1,250,926

# Consolidated Statement of Financial Position

at 30 June 2023 — unaudited  
(Expressed in RMB)



	<i>Note</i>	<b>30 June 2023 RMB'000</b>	<b>31 December 2022 RMB'000</b>
<b>Non-current liabilities</b>			
Lease liabilities		<b>45,649</b>	60,807
Deferred tax liabilities		<b>14,043</b>	16,286
		<u><b>59,692</b></u>	<u>77,093</u>
<b>NET ASSETS</b>		<u><b>1,182,827</b></u>	<u>1,173,833</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>20(b)</i>	<b>6,741</b>	6,741
Reserves		<u><b>1,103,210</b></u>	<u>1,091,406</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,109,951</b>	1,098,147
<b>Non-controlling interests</b>		<u><b>72,876</b></u>	<u>75,686</u>
<b>TOTAL EQUITY</b>		<u><b>1,182,827</b></u>	<u>1,173,833</u>

The notes on pages 31 to 44 form part of this interim financial report.

# Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023 — unaudited  
(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company						Total	Non-controlling interests	Total equity
		Share Capital	Share premium	Capital reserve	Statutory surplus reserves	Exchange reserve	Retained profits			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Balance at 1 January 2022</b>		6,741	750,036	(44,746)	35,673	(23)	205,168	952,849	1,510	954,359
<b>Changes in equity for the six months ended 30 June 2022:</b>										
Profit for the period		—	—	—	—	—	99,886	99,886	4,422	104,308
Profit and total comprehensive income for the period		—	—	—	—	—	99,886	99,886	4,422	104,308
Business combination	21	—	—	—	—	—	—	—	55,330	55,330
Dividends declared	20(a)	—	—	—	—	—	(58,058)	(58,058)	—	(58,058)
<b>Balance at 30 June 2022</b>		<u>6,741</u>	<u>750,036</u>	<u>(44,746)</u>	<u>35,673</u>	<u>(23)</u>	<u>246,996</u>	<u>994,677</u>	<u>61,262</u>	<u>1,055,939</u>
<b>Changes in equity for the six months ended 31 December 2022:</b>										
Profit for the period		—	—	—	—	—	103,147	103,147	14,824	117,971
Profit and total comprehensive income for the period		—	—	—	—	—	103,147	103,147	14,824	117,971
Acquisition of non-controlling interests		—	—	—	—	—	323	323	(625)	(302)
Contribution from non-controlling interests		—	—	—	—	—	—	—	225	225
Appropriation to statutory reserve		—	—	—	20,306	—	(20,306)	—	—	—
<b>Balance at 31 December 2022</b>		<u>6,741</u>	<u>750,036</u>	<u>(44,746)</u>	<u>55,979</u>	<u>(23)</u>	<u>330,160</u>	<u>1,098,147</u>	<u>75,686</u>	<u>1,173,833</u>

## Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023 — unaudited  
(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company						Non-controlling interests	Total equity	
		Share Capital	Share premium	Capital reserve	Statutory surplus reserves	Exchange reserve	Retained profits			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Balance at 1 January 2023</b>		6,741	750,036	(44,746)	55,979	(23)	330,160	1,098,147	75,686	1,173,833
<b>Changes in equity for the six months ended 30 June 2023:</b>										
Profit for the period		-	-	-	-	-	109,499	109,499	8,516	118,015
Profit and total comprehensive income for the period		-	-	-	-	-	109,499	109,499	8,516	118,015
Dividends declared	20(a)	-	-	-	-	-	(97,695)	(97,695)	-	(97,695)
Dividend distribution to non-controlling interests		-	-	-	-	-	-	-	(11,326)	(11,326)
<b>Balance at 30 June 2023</b>		<b>6,741</b>	<b>750,036</b>	<b>(44,746)</b>	<b>55,979</b>	<b>(23)</b>	<b>341,964</b>	<b>1,109,951</b>	<b>72,876</b>	<b>1,182,827</b>

The notes on pages 31 to 44 form part of this interim financial report.

# Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2023 — unaudited  
(Expressed in RMB)

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
<b>Operating activities</b>			
Cash generated from operations		86,711	29,316
Income taxes paid		(36,094)	(12,941)
<b>Net cash generated from operating activities</b>		<b>50,617</b>	<b>16,375</b>
<b>Investing activities</b>			
Interest received		8,721	11,842
Purchases of property, plant and equipment		(4,317)	(2,446)
Purchases of intangible assets		(6,639)	(17,187)
Net cash outflow from acquisition of subsidiaries	21	(18,014)	(150,293)
Payment for purchase of financial asset	13	(10,000)	—
Other cash flows arising from investing activities		(2,416)	2,189
<b>Net cash used in investing activities</b>		<b>(32,665)</b>	<b>(155,895)</b>
<b>Financing activities</b>			
Dividends paid to non-controlling interests		(8,847)	—
Capital element of leases rentals paid		(3,291)	(686)
Interest element of leases rentals paid		(1,785)	(14)
<b>Net cash used in financing activities</b>		<b>(13,923)</b>	<b>(700)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,029</b>	<b>(140,220)</b>
<b>Cash and cash equivalents at 1 January</b>	16	<b>1,039,740</b>	<b>1,105,530</b>
<b>Effect of foreign exchange rate changes</b>		<b>10</b>	<b>1</b>
<b>Cash and cash equivalents at 30 June</b>	16	<b>1,043,779</b>	<b>965,311</b>

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)



## 1 CORPORATION INFORMATION

New Hope Service Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 5 November 2020 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company and its subsidiaries (together, referred to as “the Group”) are principally engaged in property management services, lifestyle services, commercial operational services and value-added services to non-property owners in the People’s Republic of China (the “PRC”).

The immediate parent of the Group is Golden Rose Developments Limited, a company incorporated under the laws of British Virgin Islands (“BVI”). The ultimate controlling party of the Group are Mr. Liu Yonghao and Ms. Liu Chang (collectively the “Ultimate Owners”).

## 2 BASIS OF PREPARATION

This interim financial report of the Company has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 29 August 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s independent review report to the Board of Directors is included on page 23.

The financial information relating to the financial year ended 31 December 2022 that is included in the interim financial report as comparative information does not constitute the Company’s annual consolidated financial statements for that financial year but is derived from those financial statements.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended IFRSs issued by the IASB to this interim financial report for the current accounting period:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform — Pillar Two model rules*

None of these developments have had a material effect on how the Group's results and financial position for the current period have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 4 REVENUE AND SEGMENT REPORTING

### (a) Revenue

The principal activities of the Group are property management services, lifestyle services, commercial operational services and value-added services to non-property owners.

### (i) Disaggregation of revenue

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
<b>Type of Revenue</b>		
Revenue from contracts with customers within the scope of IFRS 15		
– Over time	487,566	422,039
– A point in time	104,184	79,341
Revenue from other sources		
– Rental income from investment properties	8,035	10,726
Total	599,785	512,106
<b>Type of services</b>		
– Property management services	317,746	233,201
– Lifestyle services	135,167	115,280
– Commercial operational services	72,526	57,155
– Value-added services to non-property owners	74,346	106,470
Total	599,785	512,106

Save as those disclosed in Note 23(a), the Group's customer base is diversified and none of other customers contributed 10% or more of the Group's revenue during the six months ended 30 June 2023 and 2022.



## 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

### (a) Revenue (continued)

#### (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

For property management services, commercial operational services and value-added services to non-property owners, the Group recognises revenue when the services are provided on monthly basis and recognises to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group has elected the practical expedient for not to disclose the remaining performance obligations for this type of contracts.

For lifestyle services, there is no significant unsatisfied performance obligation at the end of respective reporting periods.

### (b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. The accounting policies applied in determining segment revenue and segment results of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of corporate expenses. The chief operating decision maker ("CODM") considers the Group has four operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

The Group's operating and reportable segments are as follows:

- Property management services: this segment provides property management services to residential properties, commercial properties and other types of non-residential properties.
- Lifestyle services: this segment provides community operation services and community asset management services and online and offline retail services and catering services and marketing consultancy services and community space operational services.
- Commercial operational services: this segment provides market research and positioning and tenant sourcing services and commercial operation services and commercial properties leasing.
- Value-added services to non-property owners: this segment provides value-added services to non-property owners, including preliminary planning, design consultancy and pre-delivery services and sales office management.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Central administrative expenses or assistance provided by one segment to the other, including sharing of assets and technical know-how, is not measure in respective operating segment. The measure used for reporting segment profit is gross profit.

No analysis of segment assets and segment liabilities is presented as these information are not regularly provided to the CODM for review.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

### (b) Segment reporting (continued)

The following is an analysis of the Group's revenue and results by operating and reportable segment:

	Property management services RMB'000	Lifestyle services RMB'000	Commercial operational services RMB'000	Value-added services to non-property owners RMB'000	Total RMB'000
<b>For the six months ended 30 June 2023</b>					
Segment revenue	<u>317,746</u>	<u>135,167</u>	<u>72,526</u>	<u>74,346</u>	<u>599,785</u>
Segment gross profits	<u>91,586</u>	<u>55,923</u>	<u>49,192</u>	<u>29,516</u>	<u>226,217</u>
Unallocated corporate expenses					<u>(84,008)</u>
Profit before taxation					<u>142,209</u>

	Property management services RMB'000	Lifestyle services RMB'000	Commercial operational services RMB'000	Value-added services to non-property owners RMB'000	Total RMB'000
<b>For the six months ended 30 June 2022</b>					
Segment revenue	<u>233,201</u>	<u>115,280</u>	<u>57,155</u>	<u>106,470</u>	<u>512,106</u>
Segment gross profits	<u>76,169</u>	<u>50,803</u>	<u>39,304</u>	<u>42,866</u>	<u>209,142</u>
Unallocated corporate expenses					<u>(87,129)</u>
Profit before taxation					<u>122,013</u>

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)



## 5 OTHER NET EXPENSE

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Losses on fair value changes of investment properties	(9,225)	(16,063)
Government grants (Note)	5,189	1,173
Value-added tax additional deduction	943	1,178
Others	1,748	2,162
<b>Total</b>	<b>(1,345)</b>	<b>(11,550)</b>

Note: The government grants represent subsidies from various PRC authorities. There are no unfulfilled conditions or future obligations attached to these subsidies.

## 6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after (crediting)/charging:

### (a) Finance income, net

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Interest income	(8,721)	(11,842)
Interest on lease liabilities	1,790	1,698
Others	232	90
<b>Total</b>	<b>(6,699)</b>	<b>(10,054)</b>

### (b) Staff costs

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Salaries, wages and other benefits	149,535	161,557
Contributions to defined contribution retirement plan	13,437	13,995
<b>Total</b>	<b>162,972</b>	<b>175,552</b>

## Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 6 PROFIT BEFORE TAXATION (CONTINUED)

#### (c) Other items

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Amortisation of intangible assets	7,156	3,871
Depreciation charge of property, plant and equipment	3,905	3,392
Expected credit losses on financial assets		
– Trade receivables (Note 15)	7,213	3,901
– Prepayments, deposits and other receivables (Note 14)	542	256
Expenses relating to short-term leases	1,929	1,936

### 7 INCOME TAX

#### (a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Current tax — PRC Corporate Income Tax</b>		
Provision for the period	26,780	21,811
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(5,323)	(4,106)
Withholding tax in connection with the retained profits to be distributed by a subsidiary of the Group	2,737	–
	<u>24,194</u>	<u>17,705</u>

Pursuant to the tax rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the reporting period.

The provision for the PRC current income tax is based on a statutory rate of 25% of the assessable profit as determined in accordance with the relevant income tax rules and regulations of the PRC.

Pursuant to Caishui [2011] No. 58 Notice on Issues Concerning Relevant Tax Policies to In-depth Implementation of the Western Development Strategy (關於深入實施西部大開發戰略有關稅收政策問題的通知) and Announcement [2012] No. 12 Public Announcement on Corporate Income Tax Issues Relating to In-depth Implementation of the Western Development Strategy (關於深入實施西部大開發戰略有關企業所得稅問題的公告) and Caishui [2020] No. 23 Announcement on Continuation of Corporate Income Tax Policies for the Western Development Strategy (關於延續西部大開發企業所得稅政策的公告), certain subsidiaries of the Group, being enterprises engaged in state encouraged industries established in the specified western regions, are taxed at a preferential income tax rate of 15% till 31 December 2030.

Certain subsidiaries have been approved as Small Low-profit Enterprises (“SLE”). The entitled subsidiaries are subject to a preferential income tax rate of 2.5% or 5% in certain years.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)



## 8 EARNINGS PER SHARE

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Profits</b>		
Profit attributable to equity shareholders of the Company	<u>109,499</u>	<u>99,886</u>

  

	Six months ended 30 June	
	2023	2022
	'000	'000
<b>Number of shares</b>		
Weighted average number of ordinary shares	<u>814,126</u>	<u>814,126</u>

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the six months ended 30 June 2023 and 2022.

## 9 INVESTMENT PROPERTIES

### (a) Right-of-use assets

During the reporting period, the Group leased certain commercial properties located in Wenzhou, Changchun and Chengdu, from property owners and subleased to tenants through operating leases to earn rental income. The right-of-use assets of the leases are determined to meet the definition of investment property.

### (b) Fair value of properties

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurements*. The level into which a fair value measurements is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

## Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 9 INVESTMENT PROPERTIES (CONTINUED)

#### (b) Fair value of properties (continued)

		Fair value as at 30 June 2023 RMB'000	Fair value as at 31 December 2022 RMB'000
Investment properties located in the PRC	<i>Level 3</i>	<u>105,672</u>	<u>104,609</u>

During the period ended 30 June 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 30 June 2023. The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used).

	Valuation techniques	Unobservable input	Range
Investment properties			
– Car parks	Market approach	Market transaction price	Market price per sq.m., 30 June 2023: RMB1,543-RMB2,201 31 December 2022: RMB1,543-RMB2,201
– Commercial properties	Market approach/ Income approach	Market transaction price/Capitalisation rate	Market price per sq.m., 30 June 2023: RMB7,789 31 December 2022: RMB7,789  Capitalisation rate, 30 June 2023: 6% 31 December 2022: 6%

The fair value of investment properties is based on determined income approach or market approach. Under the income approach, the fair value of investment properties is estimated based on capitalisation rate, unit rent and remaining lease term. The unit rent mainly made reference to the rents in existing lease. Under the market approach, the fair value is estimated based on comparable transactions for properties in similar location, accessibility, age, quality and size.

### 10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired items of equipment with a cost of RMB2,808,000 (2022: RMB1,449,000). Items of equipment with a net book value of RMB221,000 were disposed of during the six months ended 30 June 2023 (2022: RMB24,000).

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)



## 11 INTANGIBLE ASSETS

During the six months ended 30 June 2023, additional intangible assets of the Group mainly represented intangible assets of software project procurement amounted to RMB13,665,000 (2022: RMB7,802,000).

## 12 GOODWILL

On 1 April 2022, the Group acquired a property management company Chengdu Mingyu Global Business Management Co., Ltd. (成都明宇環球商業管理有限公司) ("Chengdu Mingyu"). Total identifiable net assets of Chengdu Mingyu on acquisition date amounted to approximately RMB102,055,000. The excess of the consideration and the amount of the non-controlling interests in Chengdu Mingyu over the fair value of the identifiable net assets acquired amounted to approximately RMB133,415,000 is recognised as goodwill.

## 13 FINANCIAL ASSET MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVPL")

On 2 February 2023, the Group and other investors entered into a cooperation agreement ("the Cooperation Agreement") to form an unlisted company ("the Unlisted Company") and the Group is one of the limited partners. Under the Cooperation Agreement, the registered capital of the Unlisted Company is RMB175,000,000, of which RMB25,000,000 is contributed by the Group, representing 14.29% of the total registered capital of the Unlisted Company. The Unlisted Company was incorporated in Beijing, the PRC and is engaged in internet industrial investment. As at 30 June 2023, the actual capital injection of the Group was RMB10,000,000.

The directors consider that the Group has neither significant influence nor control over the investment and designated the investment as financial asset measured at fair value through profit or loss. The investment is not held for trading purposes.

## 14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Prepaid taxes	12,777	13,448
Prepayments	19,862	28,857
Receivables from tenants and staff	4,312	4,858
Deposits	19,273	19,792
Subtotal	56,224	66,955
Other receivables	24,848	14,239
Less: Allowance for other receivables	(2,909)	(2,367)
Subtotal	21,939	11,872
	78,163	78,827

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 15 TRADE RECEIVABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade receivables from related companies	151,789	106,678
Trade receivables from external customers	275,662	236,460
Less: Allowance for trade receivables	(25,592)	(18,379)
	<u>401,859</u>	<u>324,759</u>

### (a) Ageing analysis

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

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Within 1 year	371,852	303,785
1 to 2 years	26,308	19,087
2 to 3 years	3,658	1,832
3 to 4 years	41	55
	<u>401,859</u>	<u>324,759</u>

Trade receivables are due when the receivables are recognised.

## 16 CASH AND CASH EQUIVALENTS

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Cash at bank	1,039,788	1,039,356
Cash on hand	56	52
Deposits in other financial institutions	3,935	332
	<u>1,043,779</u>	<u>1,039,740</u>

## Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)



### 17 TRADE PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors and bills payables, based on the invoice date, is as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Within 1 year	168,343	137,450
1 to 2 years	18,234	22,532
2 to 3 years	406	1,466
Over 3 years	301	416
	<u>187,284</u>	<u>161,864</u>
Total creditors and bills payable	<u>187,284</u>	<u>161,864</u>

### 18 OTHER PAYABLES AND ACCRUALS

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Other taxes and charges payable	22,621	19,313
Accrued payroll and other benefits	22,533	44,636
Deposits	75,834	68,555
Receipts on behalf of residents/tenants	62,940	62,953
Dividends payable	97,695	–
Consideration payable	–	18,014
Other payables and accruals	7,862	10,204
	<u>289,485</u>	<u>223,675</u>

### 19 CONTRACT LIABILITIES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Billings in advance of performance		
– Related companies	6,295	12,619
– External customers	170,874	145,679
	<u>177,169</u>	<u>158,298</u>

## Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 20 CAPITAL, RESERVES AND DIVIDENDS

#### (a) Dividends

##### (i) Dividends payable to equity shareholders attributable to the interim period

	2023 RMB'000	2022 RMB'000
Interim dividend declared and paid after the interim period of RMB0.067 per share (2022: nil)	<u>54,750</u>	<u>–</u>

The interim dividend has not been recognised as a liability at the end of the reporting period.

##### (ii) Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Final dividend in respect of the previous financial year, approved during the following interim period, of RMB0.120 per share (six months ended 30 June 2022: RMB0.071 per share)	<u>97,695</u>	<u>58,058</u>

#### (b) Share capital

##### Authorised share capital

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 November 2020.

##### Issued share capital

Ordinary shares, Issued and fully paid

	No. of shares	RMB
At 31 December 2022 and 30 June 2023	<u>814,126,000</u>	<u>6,740,976</u>

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)



## 21 BUSINESS COMBINATIONS

On 1 April 2022, the Group acquired 51% equity interest of Chengdu Mingyu from a third party and obtained control of Chengdu Mingyu. Chengdu Mingyu is engaged in the provision of property management services. The business combinations were made as part of the Group's strategy to expand its market share of property management operation in the PRC.

During the six months ended 30 June 2023, the remaining consideration payable amounting to RMB18,014,000 for the business combination has been fully paid.

## 22 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability as follows:

	Fair value measurements as at 30 June 2023			
	Fair value at 30 June 2023 RMB\$'000	Level 1 RMB\$'000	Level 2 RMB\$'000	Level 3 RMB\$'000
<b>Recurring fair value measurement</b>				
Assets:				
Unlisted equity securities				
– Units in a fund	10,000	–	–	10,000
– Unlisted equity securities	30	–	–	30

	Fair value measurements as at 30 June 2022			
	Fair value at 30 June 2022 RMB\$'000	Level 1 RMB\$'000	Level 2 RMB\$'000	Level 3 RMB\$'000
<b>Recurring fair value measurement</b>				
Assets:				
Unlisted equity securities				
– Unlisted equity securities	30	–	–	30

### Recurring fair value measurement

Assets:

Unlisted equity securities

– Unlisted equity securities

30

–

–

30

During the six months ended 30 June 2023, there have been no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2022: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

## Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

### 23 MATERIAL RELATED PARTY TRANSACTIONS

#### (a) Significant related party transactions

The principal transactions which were carried out in the ordinary course of business are as follows:

Nature of related party	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Provision of property management services and other services</b>		
– Companies controlled by the Ultimate Owners	108,968	86,798
– Fellow companies controlled by the Ultimate Owners	39,700	36,601

#### (b) Balances with related parties

The outstanding balances arising from above transactions in the consolidated statement of financial position are as follows:

	At 30 June	At 31 December
	2023	2022
	RMB'000	RMB'000
<b>Trade receivables</b>		
– Companies controlled by the Ultimate Owners	151,789	106,678
<b>Trade payables</b>		
– Companies controlled by the Ultimate Owners	5,304	5,425
<b>Contract liabilities</b>		
– Companies controlled by the Ultimate Owners	6,295	12,619

### 24 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

On 29 August 2023, the Company declared an interim dividend. Further details are disclosed in note 20(a).