



祈福生活服務

CLIFFORD MODERN LIVING

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



2024
INTERIM
REPORT



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



CORPORATE INFORMATION

Executive Directors

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

Non-executive Director

Ms. LIANG Yuhua

Independent non-executive Directors

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

Audit committee

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

Remuneration committee

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

Nomination committee

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

Environmental, social and governance committee

Ms. MAN Lai Hung (*Chairman*)
Ms. HO Suk Mee
Ms. LAW Elizabeth
Mr. MAK Ping Leung
(alias Mr. MAK Wah Cheung)
Mr. LAU Kwok Chin

Company secretary

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

Authorised representatives

Ms. MAN Lai Hung
Mr. LAU Chun Pong

Registered office

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

Headquarters in the PRC Mainland

8 Shiguang Road
Panyu
Guangzhou
Guangdong
PRC Mainland

Principal place of business and headquarters in Hong Kong

7th Floor
Chai Wan Industrial City, Phase II
70 Wing Tai Road
Chai Wan
Hong Kong

Principal share registrar

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

Hong Kong branch share registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal bankers

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

Legal adviser

As to Hong Kong laws
Chiu & Partners

Auditor

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Stock code

3686

Company's website

www.cliffordmodernliving.com

Investor enquiry hotline

Tel: (852) 2889 0183

Investor enquiry email address

pr@cliffordmodernliving.com.hk

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

1. Property Management Services

Property management services

The Group provided property management services to 16 residential communities and 5 pure commercial properties or projects with an aggregate contracted gross floor area (“**GFA**”) of approximately 9,875,000 sq.m. as at 30 June 2024. The table below sets forth the total contracted GFA and the number of residential communities and pure commercial properties or projects which the Group managed in different regions in the mainland of the People’s Republic of China (the “**PRC Mainland**”) as at the dates indicated below:

	As at 30 June 2024		As at 31 December 2023	
	Approximate total contracted GF ('000 sq.m.)	Number of communities	Approximate total contracted GFA ('000 sq.m.)	Number of communities
<i>Residential communities</i>				
Panyu district	4,671	6	4,671	6
Huadu district	1,208	7	1,208	7
Zhaoqing city	346	1	346	1
Foshan city	857	2	857	2
Sub-total	7,082	16	7,082	16
<i>Pure commercial properties/projects</i>				
Huadu district	2,662	3	2,662	3
Panyu district	131	2	131	2
Sub-total	2,793	5	2,793	5
Total	9,875	21	9,875	21

Renovation and fitting-out services

The Group also provides renovation and fitting-out services mainly for residents, tenants or owners or their principal contractors in their residential units, offices, shops and other properties. We outsource certain renovation and fitting-out services to third-party sub-contractors.

2. Retail Services

The Group operated 23 retail outlets of different scales covering a total GFA of approximately 14,297 sq.m. as at 30 June 2024. These 23 retail outlets consist of a wet market, 3 supermarkets and 19 convenience stores.

The following table sets out the Group's average daily revenue by type of retail outlet in operation during the six months ended 30 June 2024 (the "**Reporting Period**") and 2023 respectively:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<i>Average daily revenue by type of retail outlet</i> ^(Note)		
Supermarket	191.07	211.57
Wet market	37.88	36.76
Convenience store	125.6	109.56

Note: Average daily revenue by type of retail outlet is calculated by dividing revenue by type of retail outlet for six months by 180 days.

3. Off-campus Training Services

The Group had four learning centres in Panyu district as at 30 June 2024 (31 December 2023: four learning centres). Training programmes mainly include interest classes and language classes.

4. Information Technology Services **Engineering services**

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

Telecommunication services

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

5. Ancillary Living Services

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

Catering services

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

Property agency services

The property agency industry is linked to the property market. Under the policy of “housing for living instead of speculation”, the regulations introduced by the PRC Mainland government will continue to stabilise the property market. The Group believes that the property market will gradually recover with more supporting policies from local governments.

Employment placement services

The Group constantly monitors the performance and service quality of relevant household helpers and despatched workers.

Laundry services

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

PROSPECTS AND FUTURE PLANS

Expansion of the property management network through engagements in integrated projects

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

Developing online marketing and building online distribution channels

The Group intends to promote its various services by reaching customers through different online channels including websites and apps on smartphones. Currently, the Group is upgrading the sales and accounting systems so as to further enhance the data collection process, which in turn enables the customer service team to respond more quickly to customers' needs.

Further investment in unallocated silver bullion

In light of the ongoing volatility and uncertainty in the global economic landscape, the Group has made strategic decision to further invest in precious metal. Subsequent to the Reporting Period, in July and August 2024, the Group purchased an additional 380,000 ounces of unallocated silver bullion at an aggregate consideration of approximately RMB77.9 million.

The above investments are part of the Group's initiative to diversify its asset structure which aims to enhance the resilience of its portfolio and mitigate risks associated with the current economic climate.

For further details of the Group's investment in unallocated silver bullion, please refer to the paragraph headed "Investment in Unallocated Silver Bullion" of this report.

Further exploration for new investment opportunities

Notwithstanding the solid performance delivered by the Group in the first half of 2024, management remains prudent in its approach to fiscal oversight and operational planning. Going forward, the Group will continue to closely monitor its expenditures, ensuring disciplined cost management amid the prevailing market uncertainties. Simultaneously, management is actively exploring new investment opportunities that can help the Group navigate the existing market environment more effectively.

FINANCIAL REVIEW

Revenue

	For the six months ended 30 June		Variance		Percentage of total revenue	
	2024 RMB'000	2023 RMB'000 (after adjustment)	RMB'000	%	2024 %	2023 %
Property management services	40,888	40,419	469	1.2	22.4	17.8
Retail services	63,819	64,419	(600)	(0.9)	35.0	32.1
Off-campus training services	20,682	15,291	5,391	35.3	11.3	9.1
Information technology services	11,741	9,665	2,076	21.5	6.4	19.2
Ancillary Living Services	45,138	43,305	1,833	4.2	24.8	20.3
Total	182,268	173,099	9,169	5.3	100.0	98.5

Revenue increased from RMB173.1 million for the six months ended 30 June 2023 to RMB182.3 million for the six months ended 30 June 2024, representing an increase of RMB9.2 million or 5.3%. The increase in revenue was primarily driven by the increases in revenue from property management services, off-campus training services, information technology services and Ancillary Living Services, and was partially offset by the decrease in revenue from retail services.

Property Management Services

	For the six months ended 30 June		Variance	
	2024 RMB'000	2023 RMB'000 (after adjustment)	RMB'000	%
General property management services	23,072	22,841	231	1.0
Resident support services	17,816	17,578	238	1.4
Total	40,888	40,419	469	1.2

Revenue from property management services increased by 1.2% to RMB40.9 million for the six months ended 30 June 2024 from RMB40.4 million for the six months ended 30 June 2023. Revenue from general property management services increased from RMB22.8 million for the six months ended 30 June 2023 to RMB23.1 million for the six months ended 30 June 2024. Revenue from resident support services increased by RMB0.2 million or 1.4% from RMB17.6 million for the six months ended 30 June 2023 to RMB17.8 million for the six months ended 30 June 2024, which was driven by the higher demand for household helper services.

Retail Services

	For the six months ended 30 June		Variance	
	2024	2023	RMB'000	%
	RMB'000	RMB'000		
Revenue by type of retail outlet				
Supermarket	34,393	38,083	(3,690)	-9.7
Wet market	6,818	6,616	202	3.1
Convenience store	22,608	19,720	2,888	14.6
Total	63,819	64,419	(600)	-0.9

Revenue from retail services decreased slightly by 0.9% to RMB63.8 million for the six months ended 30 June 2024 from RMB64.4 million for the six months ended 30 June 2023. The slight decline was primarily attributable to the intensely competitive environment in the retail market.

Off-campus Training Services

	For the six months ended 30 June		Variance	
	2024	2023	RMB'000	%
	RMB'000	RMB'000		
Off-campus training services revenue				
Total	20,682	15,291	5,391	35.3

Revenue from off-campus training services increased by 35.3% to RMB20.7 million for the six months ended 30 June 2024 from RMB15.3 million for the six months ended 30 June 2023. The increase in revenue was primarily attributable to (1) the continued recovery and resumption of customer demand as compared to the corresponding period in 2023 when the COVID-19 pandemic still had a dampening effect on such demand, and (2) the successful launch of new interest-based training classes, which attracted additional enrollments.

Information Technology Services

	For the six months ended 30 June		Variance	
	2024 RMB'000	2023 RMB'000	RMB'000	%
Information technology services revenue by category				
Engineering	9,720	7,741	1,979	25.6
Telecommunication	2,021	1,924	97	5.0
Total	11,741	9,665	2,076	21.5

Revenue from information technology services increased by 21.5% from RMB9.7 million for the six months ended 30 June 2023 to RMB11.7 million for the six months ended 30 June 2024. The revenue from information technology services decreased for the six months ended 30 June 2023 (as compared with the corresponding period of 2022) due to the Group's implementation of enhanced credit control measures for trade and other receivables in response to the delay in settlement of trade and other receivables from certain customers for information technology services starting from 2023. Due to the lapse of time, the effect of the enhanced credit control measures started to wear off, and as a result, the revenue from information technology services for the six months ended 30 June 2024 slowly recovered.

Ancillary Living Services

	For the six months ended 30 June		Variance	
	2024	2023	RMB'000	%
	RMB'000	RMB'000		
Ancillary Living Services revenue by category				
Catering services	33,494	32,965	529	1.6
Property agency services	2,788	2,929	(141)	-4.8
Employment placement services	7,608	6,372	1,236	19.4
Laundry services	1,248	1,039	209	20.1
Total	45,138	43,305	1,833	4.2

Revenue from Ancillary Living Services remained relatively stable at RMB45.1 million for the six months ended 30 June 2024, compared to RMB43.3 million for the corresponding period in 2023, representing a modest increase of 4.2%.

Gross Profit and Gross Profit Margin

Gross profit increased from RMB84.1 million for the six months ended 30 June 2023 to RMB84.6 million for the six months ended 30 June 2024, representing an increase of RMB0.5 million or 0.6%. Meanwhile, the Group's gross profit margin decreased from approximately 48.6% for the six months ended 30 June 2023 to approximately 46.4% for the six months ended 30 June 2024. The increase in gross profit was in line with the increase in revenue.

Selling and Marketing Expenses

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

Selling and marketing expenses increased from RMB17.0 million for the six months ended 30 June 2023 to RMB17.7 million for the six months ended 30 June 2024, representing an increase of 4.4%, which was mainly due to the increased staff costs in retail services.

Administrative Expenses

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

Administrative expenses remained relatively stable at RMB10.5 million and RMB10.7 million for the six months ended 30 June 2024 and 2023, respectively.

Other Gains/(Losses) and Other Income, Net

Other gains and other income, net amounted to RMB12.7 million and RMB14.3 million for the six months ended 30 June 2024 and 2023 respectively. Such decrease was primarily due to (i) fair value gains on investment in unallocated silver bullion of RMB11.9 million for the six months ended 30 June 2024 (for the six months ended 30 June 2023: fair value loss of RMB1.4 million), and (ii) the losses on foreign exchanges, net of RMB9.1 million recorded during the six months ended 30 June 2024 (for the six months ended 30 June 2023: gains on foreign exchanges of RMB7.3 million). The Company incurred foreign exchange losses mainly from the conversion of Renminbi ("RMB") to Hong Kong dollars ("HKD") in order to facilitate the payment of the special dividend.

Finance Costs

Finance costs amounted to RMB1.0 million for the six months ended 30 June 2024 (for the six months ended 30 June 2023: RMB1.2 million), which represented the interest expense on lease liabilities.

Income Tax Expense

The effective tax rate was 21.5% for the six months ended 30 June 2024 (for the six months ended 30 June 2023: 20.8%).

Net Profit for the Period

For the six months ended 30 June 2024, as a result of the foregoing, the Group's net profit was RMB53.1 million (for the six months ended 30 June 2023: RMB59.4 million) and its net profit margin was 29.1% (for the six months ended 30 June 2023: 34.3%).

Property, Plant and Equipment

Property, plant and equipment mainly consist of machinery, vehicles, office equipment and leasehold improvements. As at 31 December 2023 and 30 June 2024, the net book values of the property, plant and equipment of the Group were RMB8.0 million and RMB6.6 million respectively.

Investment Properties

Investment properties amounted to RMB13.2 million and RMB12.2 million as at 31 December 2023 and 30 June 2024 respectively, representing principally right-of-use assets, which are held for long-term rental yields, not occupied by the Group and recognised due to operating leases. More details are set out in Note 12 to the condensed consolidated financial statements.

Investment in Unallocated Silver Bullion

The Group, utilising its internal resources, purchased a total of 800,000 ounces of unallocated silver bullion through a licensed bank, during the year ended 31 December 2020 with the aggregate cost of investment amounted to approximately RMB102.5 million. On 22 February 2022, 3 March 2022 and 7 March 2022, the Group disposed of 200,000 ounces, 100,000 ounces and 200,000 ounces of unallocated silver bullion with gross proceeds (excluding transaction costs) of approximately RMB30,371,000, RMB15,838,000 and RMB32,842,000 respectively. As at 30 June 2024, the remaining amount of unallocated silver bullion held by the Group was 300,000 ounces with an estimated fair value of approximately RMB62.8 million with reference to the market prices of unallocated silver bullion quoted by Standard Chartered Bank (Hong Kong) Limited on 30 June 2024, representing 14.1% of the total assets of the Group. The Group recorded a gain in fair value of approximately RMB11.9 million during the Reporting Period. Taking into account the uncertainty of the current global economy, the management believes that the investment can better diversify the Group's asset structure. For further details, please refer to the announcements of the Company dated 26 February 2020, 28 February 2020, 22 February 2022, 7 March 2022 and 9 March 2022 respectively.

Subsequent to the Reporting Period, on 25 July 2024, 29 July 2024 and 6 August 2024, the Group, utilising its internal resources, purchased 264,000, 96,000 and 20,000 ounces of unallocated silver bullion through a licensed bank in Hong Kong respectively, with an aggregate consideration of approximately RMB77.9 million. For further details, please refer to the announcements of the Company dated 25 July 2024 and 29 July 2024 respectively.

Inventories

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

Inventories decreased from approximately RMB10.3 million as at 31 December 2023 to approximately RMB8.1 million as at 30 June 2024. It was primarily due to the decrease in inventories for retail services as well as a reduction in raw materials held for information technology services.

During the six months ended 30 June 2024, the Group did not recognise any provision or write-down for the inventories.

Trade and Other Receivables

Trade and other receivables mainly consist of trade receivables, the amounts placed in bank accounts opened on behalf of the residents, other receivables and prepayments.

Trade receivables

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

Trade receivables decreased by 17.9% from RMB21.7 million as at 31 December 2023 to RMB17.8 million as at 30 June 2024.

Other receivables

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

Other receivables increased by 7.6% from RMB19.3 million as at 31 December 2023 to RMB20.7 million as at 30 June 2024.

Trade and Other Payables

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

Trade payables

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

Trade payables increased by 14.5% from RMB31.5 million as at 31 December 2023 to RMB36.1 million as at 30 June 2024.

Other payables

Other payables primarily consist of amounts due to third parties amounted to RMB30.8 million and RMB31.3 million as at 31 December 2023 and 30 June 2024 respectively, which mainly included the deposits received from the stall tenants in the retail business.

Interim Dividend

The board ("**Board**") of directors ("**Directors**") of the Company resolved not to declare any interim dividend in respect of the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

Risks of Foreign Exchange Rate Fluctuation

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

Liquidity and Capital Resources

As at 30 June 2024, the Group's material sources of liquidity were cash and cash equivalents of RMB344.5 million (31 December 2023: RMB591.1 million).

During the six months ended 30 June 2024, the Group had not obtained any loans or borrowings.

Gearing Ratio

Gearing ratio is calculated based on the Group's total debts (being cash advances due to the related parties) divided by the Group's total equity as of the end of each period. The Group's gearing ratio was nil as at 30 June 2024 and 31 December 2023.

Pledge of Assets

The Group had no pledged assets as at 30 June 2024 (31 December 2023: Nil).

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2024.

Employees and Remuneration Policies

As at 30 June 2024, excluding the labour costs borne by the properties that were managed on commission basis, the Group had 596 employees (31 December 2023: 580 employees). Remuneration is determined with reference to the performance, skills, qualifications and experience of the staff concerned and the prevailing industry practice.

Apart from salaries, other staff benefits include contributions to the mandatory provident fund (for Hong Kong employees) and state-managed pension schemes (for employees in the PRC Mainland) and discretionary bonuses.

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

Significant Investment Held, Material Acquisitions and Disposals of Subsidiaries, Associates or Joint Ventures

Save as disclosed in the paragraph headed “Investment in Unallocated Silver Bullion” in this report, the Group had no significant investment held, material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2024.

Future Plans for Material Investments or Capital Assets

As at the date of this report, the Group does not have any concrete future plan for material investments or capital assets.

Significant Events after the Reporting Period

Save as disclosed in the paragraph headed “Investment in Unallocated Silver Bullion” in this report, there was no material subsequent event affecting the Group after 30 June 2024 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board is committed to achieving high corporate governance standards.

The Board believes that the high corporate governance standards are essential for providing a framework for the Company to safeguard the interests of shareholders of the Company (the “**Shareholders**”), enhancing its corporate value, formulating its business strategies and policies, and enhancing its transparency and accountability.

Corporate Governance Code

The Company has applied the principles as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Board is of the view that during the six months ended 30 June 2024, save for the following deviation, the Company had complied with all the code provisions as set out in Part 2 of the CG Code.

Both the positions of the chairman and chief executive officer of the Company are held by Ms. MAN Lai Hung.

Under code provision C.2.1 as set out in Part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

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

Dividend Policy

The Board aims at providing sustainable returns to the Shareholders whilst retaining adequate reserves for the Group's future development. As disclosed in the announcement of the Company dated 27 March 2024, the Board has adopted a revised dividend policy (the "**Revised Dividend Policy**") with effect from 27 March 2024. According to the Revised Dividend Policy, the declaration, payment and amount of dividends will be subject to the Board's discretion and (if required) the approval of the Shareholders. Subject to the factors set out below, the Group targets to distribute no less than 50% of the Company's audited consolidated profit attributable to the owners of the Company in any financial year as final dividends to the Shareholders.

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

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

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

For details of the previous dividend policy adopted by the Company, please refer to the Company's announcement dated 22 March 2019.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Group’s code of conduct regarding the Directors’ securities transactions.

A specific enquiry has been made by the Company of all Directors and the Directors confirmed that they had complied with the required standard set out in the Model Code, which is also the code of conduct regarding directors’ securities transactions of the Company during the six months ended 30 June 2024.

Board Composition

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

Audit Committee

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. As at the date of this report, the Audit Committee consists of three independent non-executive Directors, namely Ms. LAW Elizabeth (Chairman), Mr. HO Cham and Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung) (with Ms. LAW Elizabeth possessing the appropriate professional qualifications and accounting and related financial management expertise). The main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group’s operations and internal controls. The unaudited interim financial information for the six months ended 30 June 2024 has been reviewed with no disagreement by the Audit Committee.

In addition, the independent auditor of the Company, Moore CPA Limited, has reviewed the unaudited consolidated results for the six months ended 30 June 2024 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

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

Remuneration Committee

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

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

During the six months ended 30 June 2024, a meeting of the Remuneration Committee was held on 27 March 2024 to review and make recommendations to the Board on (i) the remuneration policy and structure of the Company; (ii) the remuneration packages of the executive, non-executive and independent non- executive Directors and the senior management; and (iii) other related matters.

Nomination Committee

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

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

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

During the six months ended 30 June 2024, a meeting of the Nomination Committee was held on 27 March 2024 to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for re-election at the annual general meeting of the Company. The Board diversity policy was also reviewed at the meeting.

Environmental, Social and Governance Committee

The ESG Committee consists of two executive Directors, namely Ms. MAN Lai Hung (Chairman) and Ms. HO Suk Mee, two independent non-executive Directors, namely Ms. LAW Elizabeth and Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung), and one of the Group's senior staff, Mr. LAU Kwok Chin.

The principal duties of the ESG Committee include, among other things, (i) formulating and reviewing the Group's environmental, social and governance ("ESG") responsibilities, vision, strategies, framework, principles and policies; (ii) monitoring the channels and means of communication with the Group's stakeholders; (iii) reviewing key ESG trends and related risks and opportunities and assessing the adequacy and effectiveness of the Group's ESG framework and business model; (iv) overseeing the Group's sustainability performance; (v) overseeing the funding of the initiatives on corporate social responsibilities; and (vi) reviewing the annual sustainability report of the Company and recommending to the Board for approval.

The ESG Committee may seek necessary information from employees within its terms of reference. It is authorised by the Board to obtain external legal or other independent professional advice and to invite outsiders with relevant experience and expertise to attend its meetings if required.

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

There are no material changes in the Directors' biographical details since the date of publication of the Company's annual report for the financial year ended 31 December 2023, which are required to be disclosed pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules.

Share Option Schemes

The Company adopted the Pre-IPO Share Option Scheme and the Share Option Scheme in October 2016, for the purpose of recognising and rewarding the contribution of certain eligible participants to the growth and development of the Group and its listing, to strengthen the corporate governance mechanism, to improve the employee incentive system, to align the interests of the Company, the Shareholders and its management, and to encourage continuing development of the eligible employees with a view to promoting the long-term stability and interest of the Group.

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

Under the amended Chapter 17 of the Listing Rules, which has come into effect on 1 January 2023, the Company will rely on the transitional arrangements provided for the existing share schemes and will only grant share options in compliance with the amended Chapter 17 of the Listing Rules (to the extent applicable). The following is a summary of the principal terms of the Schemes.

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

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

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

The offer of a grant of share options may be accepted upon the payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and may commence from the date of the offer of grant of the share options and end on a date which is not later than 10 years from the date of grant of the offer of the share options or the date on which such options lapse, if earlier. The exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors. The vesting period of the share options granted is also determinable by the Directors.

(A) Pre-IPO Share Option Scheme

Pursuant to the Pre-IPO Share Option Scheme, the Company granted 21,175,000 options to the eligible Directors, senior management and employees of the Group at the time to subscribe for the ordinary shares of the Company subject to the terms stipulated under the Pre-IPO Share Option Scheme. The exercise price is 90% of the final offer price of the Company's shares issued in connection with the listing (HK\$0.414). All of the share options granted under the Pre-IPO Share Option Scheme expired on 9 May 2022. Under the Pre-IPO Share Option Scheme, no further options can be granted thereunder, and as such, there were no outstanding share options under the Pre-IPO Share Option Scheme as at 1 January 2024 and 30 June 2024.

(B) Share Option Scheme

Pursuant to the Share Option Scheme, the Directors may invite participants to take up options at a price determined by the Board but in any event not less than the highest of (i) the nominal value of a Company's share; (ii) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; and (iii) the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date. The options may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which may be determined and notified by the Board to the grantee at the time of making an offer. As at the date of this interim report, no options have been granted or agreed to be granted pursuant to the Share Option Scheme. The number of options available for grant under the scheme mandate limit of the Share Option Scheme shall not exceed 100,000,000 as at 1 January 2024 and 30 June 2024.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities (including any sale of treasury shares (as defined under the Listing Rules)) during the six months ended 30 June 2024. As at 30 June 2024, the Company did not hold any treasury shares.

Disclosure of Interests

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

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) of the Company, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules were as follows:

Name of Director	Nature of interest/Capacity	Number of shares ⁽²⁾	Approximate percentage of shareholding in the Company
Ms. MAN Lai Hung ⁽¹⁾	Interest in a controlled corporation ⁽¹⁾	735,840,000	72.44%
Ms. MAN Lai Hung	Beneficial owner	5,330,000	0.52%

Notes:

(1) Elland Holdings Limited, which owns 735,840,000 shares of the Company, is wholly owned by Ms. MAN Lai Hung. By virtue of the SFO, Ms. MAN Lai Hung is deemed or taken to be interested in all the shares which are beneficially owned by Elland Holdings Limited.

(2) All the shares are held in long position.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

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

As at 30 June 2024, so far as the Directors were aware, the following substantial Shareholders (other than the Directors and the chief executive of the Company) or institutions had interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name	Capacity/Nature of interest	Number of shares ⁽²⁾	Approximate percentage of shareholding in the Company
Elland Holdings Limited	Beneficial owner	735,840,000	72.44%
Mr. PANG Lun Kee Clifford ⁽¹⁾	Interest of spouse	741,170,000	72.96%

Notes:

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

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which would be required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Interim Dividend

The Board resolved not to declare any interim dividend in respect of the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



Moore CPA Limited

801-806 Silvercord, Tower 1,
30 Canton Road, Tsimshatsui,
Kowloon, Hong Kong

T +852 2375 3180
F +852 2375 3828

www.moore.hk

大
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To the Board of Directors of Clifford Modern Living Holdings Limited *(Incorporated in the Cayman Islands with limited liability)*

Introduction

We have reviewed the condensed consolidated financial statements of Clifford Modern Living Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 35 to 99, which comprise the condensed consolidated statement of financial position as of 30 June 2024, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows 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 a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of the condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 HKICPA. A review of the condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Moore CPA Limited

Certified Public Accountants

Leung Yu Ngong

Practising Certificate Number: P06734

Hong Kong, 26 August 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended 30 June	
	Notes	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	6	182,268	173,099
Cost of sales		(97,705)	(89,011)
Gross profit		84,563	84,088
Other gains/(losses) and other income, net	7	12,652	14,301
Selling and marketing expenses		(17,714)	(16,968)
Administrative expenses		(10,519)	(10,728)
(Provision for)/reversal of expected credit losses on trade and other receivables, net	9	(434)	5,482
Finance costs	8	(959)	(1,246)
Profit before income tax	9	67,589	74,929
Income tax expense	10	(14,506)	(15,572)
Profit and total comprehensive income for the period		53,083	59,357
Profit and total comprehensive income for the period attributable to the owners of the Company		53,083	59,357
Earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share):			
– Basic and diluted	11	0.052	0.058

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at	
		30 June	31 December
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	6,605	7,987
Investment properties	12	12,205	13,242
Right-of-use assets	13(a)	20,270	28,118
Intangible assets	12	847	886
Investment in unallocated silver bullion	14	62,795	50,504
Other receivables	15	6,404	5,123
Deferred tax assets	21(a)	1,456	1,602
		110,582	107,462
Current assets			
Inventories	16	8,087	10,339
Trade and other receivables	15	34,124	37,459
Contract assets	17	5,708	5,726
Term deposits	18(a)	100,000	120,000
Restricted cash	18(b)	647	646
Cash and cash equivalents	18(c)	344,528	591,144
		493,094	765,314

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at	
		30 June	31 December
		2024	2023
	Notes	RMB'000	RMB'000
		(Unaudited)	(Audited)
Current liabilities			
Trade and other payables	19	118,147	75,914
Contract liabilities	20	19,549	24,289
Lease liabilities	13(b)	10,932	10,900
Tax payables		9,608	10,103
		158,236	121,206
Net current assets		334,858	644,108
Total assets less current liabilities		445,440	751,570
Non-current liabilities			
Lease liabilities	13(b)	30,726	38,902
Deferred tax liabilities	21(b)	6,060	11,434
		36,786	50,336
Net assets		408,654	701,234

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at	
		30 June	31 December
		2024	2023
Notes		RMB'000	RMB'000
		(Unaudited)	(Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	22	8,876	8,876
Share premium	22	179,333	179,333
Other reserves	23	(100,098)	(99,151)
Retained earnings		320,543	612,176
Total equity		408,654	701,234

The condensed consolidated financial statements on pages 35 to 99 were approved by the Board on 26 August 2024 and are signed on its behalf by:

Ms. MAN Lai Hung

*Chairman & Chief Executive Officer &
Executive Director*

Ms. HO Suk Mee

Executive Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Notes	Attributable to the owners of the Company				
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2023 (audited)	8,876	179,333	(99,151)	549,539	638,597
Profit and total comprehensive income for the period	-	-	-	59,357	59,357
Transactions with owners of the Company					
Final dividends declared by the Company	24	-	-	(23,201)	(23,201)
Balance at 30 June 2023 (unaudited)	8,876	179,333	(99,151)	585,695	674,753
Balance at 1 January 2024 (audited)	8,876	179,333	(99,151)	612,176	701,234
Profit and total comprehensive income for the period	-	-	-	53,083	53,083
Transactions with owners of the Company					
Special dividends declared by the Company	24	-	-	(305,816)	(305,816)
Final dividends declared by the Company	24	-	-	(39,847)	(39,847)
De-registration of subsidiaries		-	(353)	353	-
Disposal of a subsidiary		-	(594)	594	-
		-	(947)	(344,716)	(345,663)
Balance at 30 June 2024 (unaudited)	8,876	179,333	(100,098)	320,543	408,654

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
		Notes	
Cash flows from operating activities			
Cash generated from operations		60,227	109,464
Income tax paid		(20,060)	(13,649)
Net cash generated from operating activities		40,167	95,815
Cash flows from investing activities			
Purchases of property, plant and equipment	12	(144)	(1,120)
Purchases of intangible assets	12	(157)	(70)
Proceeds from disposal of property, plant and equipment		32	273
Decrease/(increase) in time deposits		20,000	(75,000)
Net cash inflows from disposal of a subsidiary	25	71	—
Interest received		6,568	5,750
Net cash generated from/(used in) in investing activities		26,370	(70,167)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
		Notes	
Cash flows from financing activities			
Repayment of lease liabilities – principal		(6,378)	(7,413)
Repayment of lease liabilities – interest	13(c)	(959)	(1,246)
Dividends paid		(305,816)	(23,201)
Net cash used in financing activities		(313,153)	(31,860)
Net decrease in cash and cash equivalents		(246,616)	(6,212)
Cash and cash equivalents at beginning of period		591,144	567,235
Cash and cash equivalents at end of period	18(c)	344,528	561,023

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. General information

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

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

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

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

These condensed consolidated financial statements have not been audited.

2. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (the “**HKAS**”) 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange.

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

These condensed consolidated financial statements do not include all the notes of the type normally included in an annual consolidated financial statements. Accordingly, this information is to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”), and any public announcement made by the Company during the current interim reporting period.

3. Principal accounting policies

Except for the adoption of amended HKFRSs as set out below, the accounting policies and methods of computation adopted in the preparation of these condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

Amendments to HKFRSs adopted by the Group

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this financial report for the current accounting period:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendment to HKAS 1	Non-current Liabilities with Covenants
Amendment to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

The Group has not applied any new standard, interpretation or amendment that is not yet effective for the current accounting period.

4. Critical accounting estimates and judgements

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

4. Critical accounting estimates and judgements (continued)

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2023.

5. Segment information

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

The CODM considers business from a product and service perspective and has identified the following seven operating segments:

- Retail services, which includes sales of goods, concessionaire services and sub-leasing services;
- Information technology services, which includes engineering work, engineering maintenance and telecommunication services;
- Property management services, which include property management services, resident support services, household cleaning services and sub-leasing services;
- Off-campus services, which include training programmes of interest classes and language classes and sub-leasing services;

5. Segment information (continued)

- Property agency services, which include real estate agency services, rental agency services and after-rental services;
- Catering services, which include catering services to schools and catering consultancy services; and
- Others, which include laundry services, employment placement services and other services.

The CODM assess the performance of the operating segments based on a measure of segment revenue and results and segment assets and liabilities. Segment results excluded other gains/(losses) and other income, net, finance costs, central administration costs, income tax expense, and segment assets excluded investment in unallocated silver bullion, time deposits, restricted cash, cash and cash equivalents and deferred tax assets and segment liabilities excluded dividend payable and deferred tax liabilities as these activities are centrally driven by the Group.

With the continuous downsize of renovation and fitting-out services, the CODM considered the integration of business into property management services. With the change of information reported internally to the CODM for the allocation of resources and performance of business, the reportable segments have been changed. The Group has combined “Property Management Services” and “Renovation and Fitting-out Services” together as a single reportable segment as “Property Management Services”.

With the changes in the structure and composition of the reportable segments, certain presentation of comparative figures in the segment information for the six months ended 30 June 2023 has been reclassified and revised to present segment revenue and results on a consistent basis.

5. Segment information (continued)

Segment revenue and results

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

For the six months ended 30 June 2024 (unaudited)

	Retail services RMB'000	Information technology services RMB'000	Property management services RMB'000	Off- campus training services RMB'000	Property agency services RMB'000	Catering services RMB'000	Others RMB'000	Total RMB'000
Gross segment revenue	63,945	12,541	42,255	21,111	2,788	33,989	8,856	185,485
Inter-segment revenue	(126)	(800)	(1,367)	(429)	-	(495)	-	(3,217)
Revenue	63,819	11,741	40,888	20,682	2,788	33,494	8,856	182,268
Timing of revenue recognition								
At a point in time	49,681	170	-	-	2,706	32,928	2,921	88,406
Over time	14,138	11,571	40,888	20,682	82	566	5,935	93,862
	63,819	11,741	40,888	20,682	2,788	33,494	8,856	182,268
Segment results	7,864	1,867	30,910	12,353	652	3,886	2,380	59,912
Other gains/(losses) and other income, net								12,652
Finance costs								(959)
Unallocated administration expenses								(4,016)
Income tax expense								(14,506)
Profit for the period								53,083
Segment results include:								
Depreciation and amortisation	(4,326)	(224)	(1,267)	(903)	(226)	(587)	(67)	(7,600)
Loss on disposal of property, plant and equipment	-	-	-	(2)	-	-	(59)	(61)
Loss on disposal of intangible assets	-	-	-	-	-	-	(30)	(30)
(Provision for)/reversal of expected credit losses on trade and other receivables	(379)	18	(2)	-	-	20	(91)	(434)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

5. Segment information (continued)

Segment revenue and results (continued)

For the six months ended 30 June 2023 (unaudited and re-presented)

	Retail services RMB'000	Information technology services RMB'000	Property management services RMB'000	Off- campus training services RMB'000	Property agency services RMB'000	Catering services RMB'000	Others RMB'000	Total RMB'000
Gross segment revenue	64,554	10,047	42,351	15,620	2,929	33,223	7,411	176,135
Inter-segment revenue	(135)	(382)	(1,932)	(329)	–	(258)	–	(3,036)
Revenue	64,419	9,665	40,419	15,291	2,929	32,965	7,411	173,099
Timing of revenue recognition								
At a point in time	50,814	732	–	–	2,840	32,399	2,502	89,287
Over time	13,605	8,933	40,419	15,291	89	566	4,909	83,812
	64,419	9,665	40,419	15,291	2,929	32,965	7,411	173,099
Segment results	8,513	7,082	30,604	7,320	895	7,849	3,636	65,899
Other gains/(losses) and other income, net								14,301
Finance costs								(1,246)
Unallocated administration expenses								(4,025)
Income tax expense								(15,572)
Profit for the period								59,357
Segment results include:								
Depreciation and amortisation	(4,872)	(354)	(1,436)	(1,382)	(174)	(568)	(156)	(8,942)
Loss on disposal of property, plant and equipment	(1)	(4)	–	–	–	–	(178)	(183)
Reversal of expected credit losses on trade and other receivables	718	3,418	4	–	–	233	1,109	5,482

5. Segment information (continued)

The segment assets and liabilities and the reconciliation with total assets and liabilities of the Group as at 30 June 2024 and 31 December 2023 are as follows:

Segment assets

	As at	
	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited and re-presented)
Retail services	41,568	50,273
Information technology services	17,485	22,969
Property management services	333	558
Off-campus training services	15,923	14,127
Property agency services	3,829	5,781
Catering services	13,243	12,694
Others	1,869	2,478
Total segment assets	94,250	108,880
Investment in unallocated silver bullion	62,795	50,504
Time deposits	100,000	120,000
Restricted cash	647	646
Cash and cash equivalents	344,528	591,144
Deferred tax assets	1,456	1,602
Total assets	603,676	872,776

5. Segment information (continued)

Segment liabilities

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited and re-presented)
Retail services	49,701	60,555
Information technology services	14,546	14,743
Off-campus training services	27,027	27,689
Property management services	23,678	25,736
Property agency services	750	872
Catering services	28,489	25,345
Others	4,924	5,168
Total segment liabilities	149,115	160,108
Dividend payable	39,847	–
Deferred tax liabilities	6,060	11,434
Total liabilities	195,022	171,542

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

5. Segment information (continued)

As at 30 June 2024, more than 90% (31 December 2023: more than 90%) of the Group's non-current assets other than investment in unallocated silver bullion and deferred tax assets, are situated in the PRC Mainland.

During the six months ended 30 June 2024, more than 90% (six months ended 30 June 2023: more than 90%) of the Group's revenue were derived from activities carried out and from customers located in the PRC Mainland and no geographical segment analysis is prepared.

Clifford Estates (Panyu) Limited* (廣州市番禺祈福新邨房地產有限公司), a company under significant influence of the spouse of Ms. Man, contributes 4% (six months ended 30 June 2023: 5%) of the Group's revenue on the segments of retail services, information technology services, property management services, property agency services, off-campus training services, catering services and others (the six months ended 30 June 2023: retail services, information technology services, property management services, property agency services and off-campus training services, catering services and others) for the six months ended 30 June 2024.

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6. Revenue

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
		(unaudited
		and
	(unaudited)	re-presented)
<i>Revenue from contracts with customers within the scope of HKFRS 15, analysed by types of goods or services:</i>		
Sales of goods	49,596	51,002
Engineering work income	8,096	6,045
Property management service income	29,576	29,430
Off-campus training service income	18,860	14,157
Property agency service income	2,706	2,840
Resident support services income	6,667	5,784
Catering service income	33,494	32,965
Household cleaning income	3,344	3,400
Laundry service income	1,248	1,039
Concessionaire services income	8,148	7,493
Employment placement income	5,930	5,496
Engineering maintenance income	3,529	3,902
Telecommunication service income	1,408	1,164
After-rental service income	82	89
Others	855	685
<i>Revenue from other sources</i>		
Sub-leasing income	8,729	7,608
	182,268	173,099

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

	Notes	Six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Interest income on cash and cash equivalents		4,873	4,531
Interest income on time deposits and wealth management products		1,497	1,054
Interest income on long term receivables		198	165
Gain on derecognition of right-of-use assets and investment properties upon entering into finance lease as lessor		1,349	2,189
Loss on derecognition of investment properties due to termination of lease		(156)	—
Gain on modification of lease		59	—
Loss on disposal of property, plant and equipment		(61)	(183)
Loss on disposal of intangible assets		(30)	—
(Loss)/gains on foreign exchanges		(9,107)	7,337
Fair value gain/(loss) on investment in unallocated silver bullion	14	11,879	(1,424)
Gain on disposal of subsidiaries	25	158	—
Government grants (Note)		37	164
Compensation from tenants		541	306
Gain on early termination of leases		1,079	82
Others		336	80
		12,652	14,301

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

8. Finance costs

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest expenses on lease liabilities (Note 13(c))	959	1,246

9. Profit before income tax

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

		Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Auditor's remuneration			
– Non-audit services (Note a)		607	636
Depreciation and amortisation on			
– property, plant and equipment	12	1,331	1,577
– investment properties	12	2,624	3,232
– intangible assets	12	166	188
– right-of-use assets	13	3,479	3,945
Employee benefits expenses			
(including directors' remunerations) (Note b)			
– Salaries, allowance and benefits in kind		32,516	28,446
– Retirement benefit scheme contributions (Note c)		5,441	5,290
Direct operating expenses arising from investment properties that generated rental income		547	838
Cost of raw materials in relation to catering services		18,823	17,446
Cost of raw materials and consumables		1,077	900
Cost of inventories recognised as expenses		36,208	38,632
Minimum lease payments under short-term operating term operating lease		814	371
Provision for/(reversal of) expected credit loss on trade and other receivables, net		434	(5,482)

9. Profit before income tax (continued)

Notes:

- (a) The non-audit services are related to the interim review of the Company's condensed consolidated financial statements for the six months ended 30 June 2024 (2023: for the six months ended 30 June 2023).
- (b) Total employee benefits expenses of approximately RMB23,028,000 (six months ended 30 June 2023: RMB19,891,000), RMB9,608,000 (six months ended 30 June 2023: RMB8,864,000) and RMB5,321,000 (six months ended 30 June 2023: RMB4,981,000) have been charged to cost of sales, selling and marketing expenses and administrative expenses, respectively for the six months ended 30 June 2024.
- (c) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated based on certain percentages of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

10. Income tax expense

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax:		
– PRC Mainland corporate income tax	13,273	13,735
– PRC Mainland withholding income tax	6,461	680
Total current tax	19,734	14,415
Deferred tax:		
– PRC Mainland corporate income tax	372	157
– PRC Mainland withholding income tax (credit)/expense	(5,600)	1,000
Total deferred tax (credit)/expense	(5,228)	1,157
Income tax expense	14,506	15,572

10. Income tax expense (continued)

PRC Mainland Corporate Income Tax

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

The general corporate income tax rate applicable to the Group entities located in the PRC Mainland ("**PRC Mainland entities**") is 25% according to the Corporate Income Tax Law of the PRC Mainland effective on 1 January 2008. A subsidiary of the Company obtained the Certificate of "High and New Technology Enterprise" (the "**Certificate**") with valid period up to 2026. According to the Corporate Income Tax Law of the PRC Mainland, corporations which obtain the Certificate are entitled to enjoy a preferential corporate income rate of 15%.

Certain subsidiaries of the Group are qualified as the qualifying small enterprises according to the relevant tax law and regulation in the PRC Mainland effective from 1 January 2018. When their assessable profit falls under RMB1,000,000, they will be qualified for a reduced 5% effective tax rate, whereas those assessable profit falls under RMB3,000,000 but above RMB1,000,000, they will be qualified for a reduced 5% effective tax rate from 1 January 2023 to 31 December 2024.

10. Income tax expense (continued)

PRC Mainland Withholding Income Tax

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

During the six months ended 30 June 2024, a provision of deferred tax for the distribution of earnings of the certain profitable PRC Mainland subsidiaries to other overseas group entities has been made at withholding income tax rate of 5% (the six months ended 30 June 2023: 5%).

Hong Kong Profits Tax

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

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% (the six months ended 30 June 2023: 16.5%) of the estimated assessable profit for the period.

No provision for Hong Kong Profits Tax has been provided as the Group had no assessable profits for the six months ended 30 June 2024 and 30 June 2023.

10. Income tax expense (continued)

Overseas Corporate Income Tax

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

11. Earnings per share

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

The Company has no dilutive potential ordinary shares for the six months ended 30 June 2024 (six months ended 30 June 2023: nil), and hence the diluted earnings per share is the same as basic earnings per share.

11. Earnings per share (continued)

	Six months ended 30 June 2024 (unaudited)	2023 (unaudited)
Profit attributable to the owners of the Company (RMB)	53,083,000	59,357,000
Weighted average number of ordinary shares in issue	1,015,750,000	1,015,750,000
Weighted average number of ordinary shares for diluted earnings per share	1,015,750,000	1,015,750,000
Basic and diluted earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share)	0.052	0.058

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

	Property, plant and equipment RMB'000	Investment properties RMB'000 (Note)	Intangible assets RMB'000
As at 1 January 2024			
Cost	36,461	29,879	3,257
Accumulated depreciation and amortisation	(28,474)	(16,637)	(2,371)
Net book amount (audited)	7,987	13,242	886
Six months ended 30 June 2024			
Opening net book amount	7,987	13,242	886
Additions	144	1,732	157
Disposal	(93)	(156)	(30)
Disposal of subsidiary (Note 25)	(102)	-	-
Depreciation and amortisation charge (Note 9)	(1,331)	(2,624)	(166)
Exchange adjustment	-	11	-
Closing net book amount (unaudited)	6,605	12,205	847
As at 30 June 2024			
Cost	31,792	24,224	3,344
Accumulated depreciation and amortisation	(25,187)	(12,019)	(2,497)
Net book amount (unaudited)	6,605	12,205	847

Note: As at 30 June 2024 and 31 December 2023, the Group leases certain office premises under operating leases with certain related parties (Note 26(b)) and independent third parties. Certain of the Group's right-of-use assets which are used in the sub-leasing business, meet the definition of investment properties.

13. Right-of-use asset and lease liabilities

(a) Right-of-use assets

	Premises RMB'000
As at 1 January 2024	
Cost	51,963
Accumulated depreciation	(23,845)
Net book amount (audited)	28,118
Six months ended 30 June 2024	
Opening net book amount	28,118
Addition	7,848
Lease modifications	(88)
Transferred to investment properties (Note 12)	(1,732)
Derecognised due to entering into finance lease as lessor	(10,395)
Depreciation charge (Note 9)	(3,479)
Exchange adjustment	(2)
Closing net book amount (unaudited)	20,270
As at 30 June 2024	
Cost	36,148
Accumulated depreciation	(15,878)
Net book amount (unaudited)	20,270

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

(b) Lease liabilities

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Analysed into:		
Current portion	10,932	10,900
Non-current portion	30,726	38,902
	41,658	49,802

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

		Six months ended 30 June	
		2024	2023
	Notes	RMB'000	RMB'000
		(unaudited)	(unaudited)
Interest expenses on lease liabilities	8	959	1,246
Depreciation charged on right-of-use assets	9	3,479	3,945
Expense relating to short-term lease	9	814	371

The total cash outflow for leases for the six months ended 30 June 2024 was approximately RMB8,151,000 (the six months ended 30 June 2023: RMB9,030,000).

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

- (d) The Group entered certain leases in respect of properties from related parties to the Group. The amount of lease payments by the Group under the leases are approximately RMB1,063,000 (31 December 2023: RMB1,213,000) per month with the lease terms ranging from 2 to 10 years (31 December 2023: 2 to 10 years).

As at 30 June 2024, included in the Group's current and non-current lease liabilities, approximately RMB10,221,000 and RMB19,966,000 (31 December 2023: RMB8,461,000 and RMB33,049,000) respectively were the amounts due to related parties. The short-term lease expenses, interest expenses on lease liabilities and payment of lease liabilities during the six months ended 30 June 2024 and 2023 are disclosed in Note 26(b).

- (e) The Group leases various properties which the lease agreements are typically made for fixed periods ranging from 1 to 16 years (31 December 2023: 1 to 16 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

14. Investment in unallocated silver bullion

In prior years, the Group invested in unallocated silver bullion through a licensed bank. Such investment is held for long-term capital appreciation, and the management of the Company has decided to use the fair value model, with the changes in fair value to be recognised in the profit or loss in the period of changes.

As at 30 June 2024, the quantity of unallocated silver bullion held by the Group was 300,000 ounces (31 December 2023: 300,000 ounces).

During the six months ended 30 June 2024, the fair value gain in respect of the re-measurement at 30 June 2024 on unallocated silver bullion of approximately RMB11,879,000 (six months ended 30 June 2023: fair value loss of approximately RMB1,424,000) is recognised in other gains/(losses) and other income, net (Note 7).

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

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

Subsequent to the period end, on 25 July 2024, 29 July 2024 and 6 August 2024, the Group, utilising its internal resources, purchased an additional 380,000 ounces of unallocated silver bullion, in aggregate, for a total consideration of approximately RMB77.9 million.

15. Trade and other receivables

	As at 30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables (Note (a)):		
– Related parties (Notes 26 (d))	6,289	10,518
– Third parties	21,195	20,640
Total trade receivables	27,484	31,158
Less: allowance for impairment of trade receivables	(9,670)	(9,451)
	17,814	21,707
Other receivables:		
– Related parties (Note 26(d))	3,855	3,405
– Third parties (Note (b))	17,636	16,398
	21,491	19,803
Less: allowance for impairment of other receivables	(746)	(531)
	20,745	19,272

15. Trade and other receivables (continued)

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Prepayments		
– Third parties	1,969	1,603
Total trade and other receivables	40,528	42,582
Analysed into:		
– Non-current	6,404	5,123
– Current	34,124	37,459
	40,528	42,582

15. Trade and other receivables (continued)

Notes:

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

During the six months ended 30 June 2024, the credit period granted to trade customers of information technology services from one month to one year (the six months ended 30 June 2023: one month to one year); the trading of retail services, catering services, off-campus training services, property agency services, employment placement services and laundry services are mainly carried out on a cash basis (the six months ended 30 June 2023: cash basis).

As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade receivables, net of expected credit losses based on invoice date, were as follows:

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Less than 1 year	13,782	17,711
1 to 2 year(s)	925	2,961
Over 2 years	3,107	1,035
	17,814	21,707

15. Trade and other receivables (continued)

- (b) Included in the other receivables balance are the finance lease receivables with aggregate carrying amount of approximately RMB8,524,000 (31 December 2023: RMB6,226,000). Certain leased properties under subleases were classified as finance leases as the terms of the sub-lease transfer substantially all the risks and rewards incidental to ownership of head lease to the lessee. Amounts due from lessees under finance leases are recognised as finance lease receivables which included in the non-current and current other receivables amounting to approximately RMB6,404,000 and RMB2,120,000 (31 December 2023: RMB5,123,000 and RMB1,103,000), respectively and have remaining lease terms ranging from 2 to 10 years (31 December 2023: 2 to 10 years) as at 30 June 2024.

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

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2024, a provision of approximately RMB10,416,000 (31 December 2023: RMB9,982,000) was made against the gross amounts of trade and other receivables.

16. Inventories

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Merchandise goods	7,360	9,001
Raw materials and consumables	727	1,338
	8,087	10,339

17. Contract assets

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Amounts due from customers for contract works		
– Related parties (Note 26(d))	4,325	4,821
– Third parties	1,383	905
	5,708	5,726

18. Cash and bank balances

(a) Time deposits

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Matured over 3 months, from the date of acquisition	100,000	120,000

As at 30 June 2024, the time deposits in banks carried interest at prevailing deposit rates which range from 1.90% to 3.10% (31 December 2023: 1.90% to 3.10%) per annum. The fair value of the Group's time deposits approximates their carrying amounts. All time deposits are denominated in RMB.

18. Cash and bank balances (continued)

(b) Restricted cash

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

(c) Cash and cash equivalents

	As at	
	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Cash at banks and on hand	182,387	288,640
Short-term bank deposits	162,141	302,504
	344,528	591,144

As at 30 June 2024, there is no short-term bank deposit made for varying periods of more than three months (31 December 2023: nil).

18. Cash and bank balances (continued)**(c) Cash and cash equivalents (continued)**

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash and cash equivalents		
denominated in:		
– RMB	270,159	525,441
– Hong Kong Dollar ("HK\$")	74,357	65,691
– United States Dollar	12	12
	344,528	591,144

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

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19. Trade and other payables

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade payables (Note):		
– Related parties (Note 26(d))	544	1,644
– Third parties	35,573	29,904
	36,117	31,548
Other payables:		
– Related parties (Note 26(d))	1,346	4,934
– Third parties	31,277	30,845
	32,623	35,779
Accrued payroll	8,485	8,200
Dividend payable (Note 24)	39,847	–
Other tax payables	1,075	387
	118,147	75,914

Note: As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date were as follows:

19. Trade and other payables (continued)

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Less than 1 year	31,361	26,650
1 to 2 years	1,637	4,478
2 to 3 years	2,900	217
Over 3 years	219	203
	36,117	31,548

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20. Contract liabilities

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Receipt in advance in off-campus training services	12,154	13,728
Receipt in advance in relation to construction contracts	788	721
Cash vouchers in relation to retail services	44	135
Receipt in advance in relation to property management services	1,227	2,375
Receipt in advance in relation to catering services	5,237	7,182
Others	99	148
	19,549	24,289
Contract liabilities		
– Related parties (Note 26(d))	1,348	1,367
– Third parties	18,201	22,922
	19,549	24,289

21. Deferred tax

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

(a) Deferred tax assets

	lease liabilities RMB'000	Temporary difference relating to right-of-use assets and rental RMB'000	Total RMB'000
As at 1 January 2024 (Audited)	12,412	(10,810)	1,602
Credited to the profit or loss	(2,148)	-	(2,148)
Charged to the profit or loss	-	2,002	2,002
As at 30 June 2024 (Unaudited)	10,264	(8,808)	1,456
As at 1 January 2023 (Audited)	16,589	(15,072)	1,517
Credited to the profit or loss	(2,090)	-	(2,090)
Charged to the profit or loss	-	2,162	2,162
As at 30 June 2023 (Unaudited)	14,499	(12,910)	1,589

21. Deferred tax (continued)

(b) Deferred tax liabilities

	Finance lease receivables RMB'000	Withholding taxes RMB'000	Total RMB'000
As at 1 January 2024 (Audited)	1,334	10,100	11,434
Credited to the profit or loss	(20)	(6,850)	(6,870)
Charged to the profit or loss	246	1,250	1,496
As at 30 June 2024 (Unaudited)	1,560	4,500	6,060
As at 1 January 2023 (Audited)	1,262	7,300	8,562
Credited to the profit or loss	(325)	(600)	(925)
Charged to the profit or loss	554	1,600	2,154
As at 30 June 2023 (Unaudited)	1,491	8,300	9,791

21. Deferred tax (continued)

(b) Deferred tax liabilities (continued)

As at 30 June 2024, the Group has tax losses arising in Hong Kong of approximately RMB107,000 (31 December 2023: RMB747,000) that are available for offsetting against future taxable profits. Such unused tax losses are subjected to approval of the Hong Kong Inland Revenue Department. No deferred tax assets have been recognised due to unpredictability of further profit streams. Tax losses may be carried forward indefinitely.

As at 30 June 2024 and 31 December 2023, the Group has no unrecognised withholding income tax in relation to the undistributed profits of certain PRC Mainland group entities.

22. Share capital and share premium

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

	Number of ordinary shares	Share capital Translated to HK\$	RMB'000	Share premium RMB'000	Total RMB'000
Authorised:					
As at 31 December 2023					
and 30 June 2024	10,000,000,000	100,000,000	87,440		
Issued and fully paid:					
As at 31 December 2023					
and 30 June 2024	1,015,750,000	10,157,500	8,876	179,333	188,209

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23. Other reserves

	Statutory reserve	Capital reserve	Reserves for transactions with non- controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Note (a))	(Note (b))		
As at 1 January 2024 (audited)	36,279	(121,099)	(14,331)	(99,151)
De-registration of subsidiaries	(353)	–	–	(353)
Disposal of a subsidiary	(594)	–	–	(594)
As at 30 June 2024 (unaudited)	35,332	(121,099)	(14,331)	(100,098)
As at 1 January 2023 (audited) and 31 December 2023 (audited)	36,279	(121,099)	(14,331)	(99,151)

23. Other reserves (continued)

(a) Statutory reserve

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

(b) Capital reserve

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

24. Dividend

Pursuant to the approval at the annual general meeting of shareholders of the Company on 21 June 2024, a final dividend of HK4.30 cents per ordinary share for the year ended 31 December 2023 (31 December 2022: HK2.50 cents) was approved and to be distributed out of the Company's retained earnings. The final dividend amounting to approximately HK\$43,677,000 (equivalent to approximately RMB39,847,000) (30 June 2023: HK\$25,394,000 (equivalent to approximately RMB23,201,000)) based on the total number of issued shares of the Company of 1,015,750,000 ordinary shares as at 30 June 2024 (31 December 2023: 1,015,750,000 ordinary shares) was recognised as a liability in the condensed consolidated statement of financial position as at 30 June 2024 (Note 19). Subsequent to the period end, on 13 August 2024, the final dividend was paid by the Company.

Pursuant to the approval at the meeting of the board of directors of the Company on 18 March 2024, a special dividend of HK33.20 cents (equivalent to RMB0.301) per ordinary share was approved and to be distributed out of the Company's retained earnings. The special dividend amounting to approximately HK\$337,229,000 (equivalent to approximately RMB305,816,000) (30 June 2023: Nil) based on the total number of issued shares of the Company of 1,015,750,000 ordinary shares as at 31 December 2023 was paid on 31 May 2024 to the shareholders of the Company whose names appeared on the register of members of the Company on 18 April 2024.

No interim dividend for the six months ended 30 June 2024 (the six months ended 30 June 2023: Nil) has been proposed by the Board of the Company.

25. Disposal of a subsidiary

On 23 May 2024, the Group (the “**Seller**”) entered into a share transfer agreement with an individual, who is an independent third party, to dispose of its 100% equity interests in an indirectly wholly-owned subsidiary, namely Guangzhou Goodwash Laundry Limited* (廣州市雪白洗衣有限公司), at a cash consideration amounting to RMB300,000. The business registration of ownership change was completed on 30 May 2024 and the disposal of the subsidiary was completed then.

Net assets disposed and reconciliation of disposal gains and cash inflows on disposal are as follow:

	30 May 2024 RMB'000
Property, plant and equipment (Note 12)	102
Cash and cash equivalents	229
Contract liabilities	(20)
Tax payable	(169)
Net assets attributable to the equity holders of the Company	142
Total consideration received	300
Net assets disposed of	(142)
Net gain on disposal of subsidiary (Note 7)	158
Consideration received	300
Less: cash and cash equivalents in the entities disposed of	(229)
Net cash inflow from the disposal	71

* The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

26. Related party transactions

(a) Name and relationship with related parties:

Name	Relationship
Ms. Man Lai Hung	Ultimate shareholder of the Company
Mr. Pang Lun Kee	The spouse of Ms. Man
Maliton Services Limited	Company under control of the spouse of Ms. Man
Tango Trading Limited	Company under control of the spouse of Ms. Man
Clifford Aged Home Company Limited* 廣州市祈福護老公寓有限公司	Under control of Ms. Man
Clifford Estates (Panyu) Limited* 廣州市番禺祈福新邨房地產有限公司	Under significant influence of the spouse of Ms. Man
Foshan Nanhai Clifford Household Industrial Company Limited* 佛山市南海祈福家居實業有限公司	Under control of the spouse of Ms. Man
Foshan Nanhai Clifford Property Development Company Limited* 佛山市南海祈福房地產有限公司	Under control of the spouse of Ms. Man
Foshan Nanhai Clifford Property Development Limited* 佛山市南海祈福置業有限公司	Under control of the spouse of Ms. Man
Foshan Nanhai District Danzao Prayer Experimental Kindergarten* 佛山市南海區祈福英語實驗幼兒園	Under control of the spouse of Ms. Man
Foshan Qifu Nanwan Peninsula Club Co., Ltd.* 佛山市祈福南灣半島俱樂部有限公司	Under control of the spouse of Ms. Man

26. Related party transactions (continued)

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

Name	Relationship
Guangdong Clifford Hospital Company Limited* 廣東祈福醫院有限公司	Under control of Ms. Man
Guangdong Qifu Group Co., Ltd.* 廣東祈福集團有限公司	Under control of the spouse of Ms. Man
Guangzhou Anhua Property Co., Ltd.* 廣州市安華物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Boxue Management Consulting Co., Ltd.* 廣州博學管理諮詢有限公司	Under control of relatives of senior executive
Guangzhou Clifford Business Centre Management Company Limited* 廣州市祈福商務中心經營管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Estates School* 廣州市番禺區祈福新邨學校	Under significant influence of the spouse of Ms. Man
Guangzhou Clifford Medical Equipment Limited* 廣州市祈福醫療器械有限公司	Under control of Ms. Man
Guangzhou Clifford Postnatal Care Company Limited* 廣州市祈福母嬰護理服務有限公司	Under control of Ms. Man
Guangzhou Clifford Property Limited* 廣州市祈福物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Property Management Company Limited* 廣州市祈福地產經營管理有限公司	Under control of the spouse of Ms. Man

26. Related party transactions (continued)

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

Name	Relationship
Guangzhou Clifford Property Management Limited* 廣州祈福物業管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland Commercial Property Management Company Limited* 廣州市祈福繽紛世界商業地產經營管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland Company Limited* 廣州市祈福繽紛樂園有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland Service Apartment Company Limited* 廣州市祈福繽紛世界國際公寓有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland World Property Co., Ltd.* 廣州市祈福繽紛世界物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Crown Property Company Limited* 廣州市冠都物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Fortune Software Limited* 廣州市科進計算機技術有限公司	Under control of Ms. Man
Guangzhou Fuchang Termite Control Co., Ltd.* 廣州市福昌白蟻防治有限公司	Under control of the spouse of Ms. Man
Guangzhou Guangli Property Company Limited* 廣州市廣利物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Guanhuan Properties Company Limited* 廣州市冠環物業有限公司	Under control of the spouse of Ms. Man

26. Related party transactions (continued)

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

Name	Relationship
Guangzhou Hongyun Hospital Logistics Service Management Co., Ltd.* 廣州市鴻運醫院後勤服務管理有限公司	Under control of senior executive
Guangzhou Huadu Clifford Commercial Plaza Operation and Investment Company Limited* 廣州花都祈福商業廣場運營投資有限公司	Under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Estates Property Development Company Limited* 廣州市花都祈福花園房產有限公司	Under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Mountain Lake Hotel Limited* 廣州市花都祈福山中湖酒店有限公司	Under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Property Company Limited* 廣州市花都祈福置業有限公司	Under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Property Development Company Limited* 廣州市花都祈福房地產有限公司	Under control of the spouse of Ms. Man
Guangzhou Huadu Xin Hua Clifford Property Development Company Limited* 廣州市花都新華祈福房地產有限公司	Under control of the spouse of Ms. Man
Guangzhou Lakeside Property Company Limited* 廣州市倚湖物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Panyu Clifford Elite Kindergarten* 廣州市番禺區祈福精英幼兒園	Under significant influence of the spouse of Ms. Man

26. Related party transactions (continued)

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

Name	Relationship
Guangzhou Panyu Clifford English Experimental Kindergarten* 廣州市番禺區祈福英語實驗幼兒園	Under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford English Experimental Primary School* 廣州市番禺區祈福英語實驗小學	Under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford English Experimental School* 廣州市番禺區祈福英語實驗學校	Under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford Estates Kindergarten* 廣州市番禺區祈福新邨幼兒園	Under control of the spouse of Ms. Man
Guangzhou Panyu Clifford Estates Resort Club Company Limited* 廣州市番禺祈福新邨渡假俱樂部有限公司	Under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford Property Company Limited* 廣州市番禺祈福房產有限公司	Under control of the spouse of Ms. Man
Guangzhou Panyu CZ Clifford Lakeside Kindergarten* 廣州市番禺區鍾村街祈福倚湖灣幼兒園	Under control of Ms. Man
Guangzhou Panyu District Qifu Community Health Service Station* 廣州市番禺區祈福社區衛生服務站	Under control of Ms. Man
Guangzhou Qifu Biotechnology Co., Ltd.* 廣州市祈福生物科技有限公司	Under control of Ms. Man
Guangzhou Qifu Business Hotel Management Co., Ltd.* 廣州市祈福商務酒店管理有限公司	Under control of the spouse of Ms. Man

26. Related party transactions (continued)

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

Name	Relationship
Guangzhou Qifu Dental Clinic Co., Ltd.* 廣州市祈福口腔門診部有限公司	Under control of Ms. Man
Guangzhou Qifu Health Consulting Co., Ltd.* 廣州市祈福健康諮詢有限公司	Under control of Ms. Man
Guangzhou Qifu Investment Co., Ltd.* 廣州祈福投資有限公司	Under control of the spouse of Ms. Man
Guangzhou Qifu Medical Company Limited* 廣州市祈福醫藥有限公司	Under control of Ms. Man
Guangzhou Qifu Medical Management Co., Ltd.* 廣州市祈福醫療管理有限公司	Under control of Ms. Man
Guangzhou Qifu Pharmaceutical Co., Ltd.* 廣州市祈福藥業有限公司	Under control of Ms. Man
Guangzhou Qifuxin Pharmacy Company Limited* 廣州市祈福新大藥房有限公司	Under control of Ms. Man
Guangzhou Qile Real Estate Co., Ltd.* 廣州市祈樂置業有限公司	Under control of the spouse of Ms. Man
Guangzhou Qinghua Industry Co., Ltd.* 廣州市慶華實業有限公司	Under control of the spouse of Ms. Man
Guangzhou Zhan Sheng Commercial Property Management Company Limited* 廣州市展盛商業地產經營管理有限公司	Under control of the spouse of Ms. Man

26. Related party transactions (continued)

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

Name	Relationship
Lushan Dingye Development Co., Ltd.* 廬山鼎業發展有限公司	Under control of the spouse of Ms. Man
Lushan Zilu Hotel Co., Ltd.* 廬山市紫廬酒店有限公司	Under control of the spouse of Ms. Man
Zhaoqing Clifford Coast Property Development Company Limited* 肇慶祈福海岸房地產有限公司	Under control of the spouse of Ms. Man

* The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

26. Related party transactions (continued)**(b) The following transactions were carried out with related parties:**

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Sales of goods to:		
– Companies under control of the spouse of Ms. Man	–	15
– Companies under significant influence of the spouse of Ms. Man	–	1
– Companies under control of senior executive	–	439
	–	455
Provision of services to:		
– Companies under control of Ms. Man	6,829	5,156
– Companies under control of the spouse of Ms. Man	10,100	4,135
– Companies under significant influence of the spouse of Ms. Man	9,191	10,382
– Companies under control of relatives of senior executive	–	1,638
– Companies under control of senior executive	300	1,077
	26,420	22,388

26. Related party transactions (continued)**(b) The following transactions were carried out with related parties: (continued)**

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short-term lease expenses and management fee:		
– Companies under control of the spouse of Ms. Man	715	481
– Companies under significant influence of the spouse of Ms. Man	–	8
– Companies under control of relatives of senior executive	–	60
	715	549
Interest expenses for lease liabilities:		
– Companies under control of Ms. Man	11	9
– Companies under control of the spouse of Ms. Man	393	436
– Companies under significant influence of the spouse of Ms. Man	245	281
– Companies under control of relatives of senior executive	–	254
	649	980

26. Related party transactions (continued)**(b) The following transactions were carried out with related parties: (continued)**

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Payment of lease liabilities:		
– Companies under control of Ms. Man	93	29
– Companies under control of the spouse of Ms. Man	3,828	3,628
– Companies under significant influence of the spouse of Ms. Man	1,326	1,801
– Companies under control of relatives of senior executive	–	198
	5,247	5,656

(c) Key management compensation

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short-term employee benefits	2,385	1,888
Post-employment benefits	194	165
Salaries and other employee benefits	2,579	2,053

26. Related party transactions (continued)

(d) Balances with related parties

	As at	
	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Receivables from related parties:		
Trade receivables (Note 15) (Note (i))		
– Companies under control of the spouse of Ms. Man	2,289	1,854
– Companies under significant influence of the spouse of Ms. Man	1,585	6,288
– Companies under control of Ms. Man	2,118	1,624
– A Company under control of relatives of senior executive	–	241
– A Company under control of senior executive	297	511
	6,289	10,518

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

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Other receivables (Note 15) (Note (ii))		
– Companies under control of the spouse of Ms. Man	2,284	1,209
– Companies under significant influence of the spouse of Ms. Man	1,522	1,960
– A Company under control of Ms. Man	49	49
– Companies Under control of relatives of senior executive	–	187
	3,855	3,405
Contract assets (Note 17)		
– Companies under significant influence of the spouse of Ms. Man	3,927	4,385
– Companies under the control of Ms. Man	149	177
– Companies under control of the spouse of Ms. Man	249	259
	4,325	4,821
Total receivables from related parties	14,469	18,744

26. Related party transactions (continued)

(d) Balances with related parties (continued)

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Payables to related parties:		
Trade payables (Note 19) (Note (i))		
– Companies under significant influence of the spouse of Ms. Man	330	136
– Companies under control of the spouse of Ms. Man	37	45
– Companies under control of Ms. Man	175	265
– A Company under control of senior executive	2	1,198
	544	1,644

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

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Other payables (Note 19) (Note (ii))		
– Companies under significant influence of the spouse of Ms. Man	1,152	1,152
– Companies under control of the spouse of Ms. Man	129	3,626
– Companies under control of Ms. Man	48	48
– Companies under control of relatives of senior executive	17	–
– Companies under control of senior executive	–	108
	1,346	4,934

26. Related party transactions (continued)

(d) Balances with related parties (continued)

	As at	
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contract liabilities (Note 20)		
– Companies under control of the spouse of Ms. Man	85	50
– Companies under significant influence of the spouse of Ms. Man	1,248	1,215
– Companies under control of Ms. Man	3	34
– A company under control of relatives of senior executive	12	–
– Companies under control of senior executive	–	68
	1,348	1,367
Total payables to related parties	3,238	7,945

Notes:

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