

新希望服务
NEWHOPE SERVICE

新希望服務控股有限公司 NEW HOPE SERVICE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 3658

2024 INTERIM
REPORT





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BOARD OF DIRECTORS

Executive Directors

Mr. Liu Xu
(redesignated from the non-executive director on 6 March 2024)
 Ms. Chen Jing

Non-executive Directors

Mr. Jiang Mengjun *(Chairman)*
 Ms. Wu Min *(Co-chairman)*
(redesignated from the executive director on 6 March 2024)
 Ms. Li Wei *(appointed on 6 March 2024)*
 Ms. Zhang Wei
 Mr. Dong Li *(resigned on 6 March 2024)*

Independent Non-executive Directors

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

AUDIT COMMITTEE

Mr. Kong Chi Mo *(Chairman)*
 Mr. Li Zhengguo
 Ms. Zhang Wei *(appointed on 6 March 2024)*
 Mr. Liu Xu *(resigned on 6 March 2024)*

REMUNERATION COMMITTEE

Mr. Cao Qilin *(Chairman)*
 Mr. Li Zhengguo
 Ms. Wu Min

NOMINATION COMMITTEE

Mr. Jiang Mengjun *(Chairman)*
 Mr. Li Zhengguo
 Mr. Cao Qilin

JOINT COMPANY SECRETARIES

Mr. Li Hongjia
 Mr. Lau Kwok Yin

HONG KONG LEGAL ADVISOR

Sidley Austin
 Level 39
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 Hong Kong

AUTHORIZED REPRESENTATIVES

Ms. Chen Jing
 Mr. Lau Kwok Yin

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COMPANY'S WEBSITE

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Management Discussion and Analysis

BUSINESS REVIEW

Overview

New Hope Property Service Group Co., Ltd.* (新希望物業服務集團有限公司), a principal subsidiary of New Hope Service Holdings Limited (the “**Company**” or “**New Hope Service**”, together with its subsidiaries, “**we**”, “**our**” or the “**Group**”) is a local Sichuan integrated property management enterprise engaging in the provision of lifestyle service solutions with a leading position in the Western China region and strategic cultivation in Chengdu. Backed by New Hope Group Co., Ltd.* (新希望集團有限公司) and its subsidiaries (the “**New Hope Group**”), a member of Fortune Global 500, the Group placed emphasis on adhering to “asset value appreciation and maintenance” and “care-free and wonderful life”, and provided building block services such as property management services, lifestyle services and commercial operational services for middle-to-high-end residences, corporate headquarters, medical institutions, commercial office buildings, government public facilities, financial institutions and various types of properties. As at 30 June 2024, the Group was honored to be “2024 TOP 10 Companies in terms of Commercial Property Service Capacity in China (2024中國商業物業服務力TOP 10)” by CRIC (克而瑞物管), the “2024 TOP 16 Listed Property Enterprise in China (2024中國上市物業企業TOP 16)” by EH Consulting (億翰智庫), and the “TOP 19 of TOP 100 Property Management Companies in China (2024中國物業服務百強企業TOP 19)” by China Index Academy (中指院), with the ranking up by 3 from the same period last year.

During the six months ended 30 June 2024 (the “**Reporting Period**”), the Group recorded revenue of approximately RMB709.0 million, representing a year-on-year increase of 18.2%, and realized net profit attributable to shareholders of RMB118.1 million, representing a year-on-year increase of 7.9%. The Group continued to optimize its operational management capabilities and further reduced its management fee rate and trade receivable turnover days during the Reporting Period, with the management fee rate decreasing by 3.8 percentage points to 9.8% and the trade receivable turnover days decreasing by 6 days as compared to the same period last year. As at 30 June 2024, the Group had projects in 33 cities in 14 provinces, autonomous regions and municipalities across China, with the area under management of 35,429,000 square meters (“**sq.m.**”), representing an increase of 21.9% as compared to the same period last year, and the contracted area of 40,521,000 sq.m., representing an increase of 6.8% as compared to the same period last year. As a property management enterprise rooted in Chengdu and with solid presence in the Southwestern and Eastern China regions, New Hope Service continued to follow the strategic goal of deep regional penetration. During the Reporting Period, the overall revenue of the Group in Chengdu, Kunming and Wenzhou accounted for 62.7% of the total revenue, and the gross floor area (“**GFA**”) under management accounted for 57.1% of the total area, further verifying the Group’s strategic goals of deep regional penetration and regional focus.

In terms of development, with the unremitting efforts of all staff across the Group, the Group completed the annual target for contract amount in the first half of 2024, with the contracted amount of various projects reaching RMB353 million (the annual target being RMB300 million at the beginning of the year), representing a year-on-year increase of 227%, and covering businesses such as property management, commercial operation and group meal, providing a strong support for future development. The main contracts include the Group’s first 4A-level scenic spot project — Chengdu Tianfu Furong Garden (成都天府芙蓉園), and the first 10-year group meal project — Yibin Maternal and Child Health Hospital (宜賓婦幼保健院). The Group formed strategic cooperation and established joint ventures with Chengdu Economic Development Park Investment Co., Ltd.* (成都經開園區投資有限公司) and a state-owned enterprise of Wuhou District at the second anniversary of its listing, and achieved the contract amount of RMB66.93 million in 2024. During the Reporting Period, the Group continued to forge ahead in strategic cooperation and successfully formed strategic cooperation and established a joint venture with Sichuan Jianxingli Technology Co., Ltd.* (四川見興里科技有限公司) to join the efforts on light asset operation.

Business Model

During the Reporting Period, the Group generated revenue primarily from four business segments: (i) property management services; (ii) lifestyle services; (iii) commercial operational services; and (iv) value-added services to non-property owners.

Property Management Services

We provide property management services to projects under our management, including property and equipment maintenance services, safety and security services, cleaning services, gardening services, public area maintenance and other property management related services. The following table sets forth the number of our property projects and GFA under management, as well as the number of property projects we were contracted to manage and corresponding contracted GFA as at the dates indicated.

	As at 30 June 2024	As at 30 June 2023	Growth rate
Number of properties we were contracted to manage ⁽¹⁾	264	245	7.8%
Number of properties under management ⁽²⁾	244	205	19.0%
GFA under management (0'000 sq.m.)	3,542.9	2,907.6	21.8%
Contracted GFA (0'000 sq.m.)	4,052.1	3,793.0	6.8%

Notes:

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

Deep regional penetration

Deep regional cultivation and exploration of local needs, penetration into key areas by virtue of quality services, and improvement of competitiveness in regional markets have become the common choices of most peers in the industry. In view of this, New Hope Service continued to step up its efforts in high-tier cities in the Southwestern and Eastern China regions, with Chengdu-Chongqing metropolitan area and the Yangtze River Delta as the core.

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

Regional distribution	As at/for the six months ended 30 June 2024				As at/for the six months ended 30 June 2023				Growth of GFA (%)	Growth of revenue (%)
	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)		
Southwestern China region	18,968.8	46.8	1,801.9	50.9	15,053.1	47.4	1,598.7	55.0	12.7	26.0
Eastern China region	14,898.6	36.7	1,202.7	33.9	12,433.5	39.1	927.8	31.9	29.6	19.8
Southern China region	3,234.7	8.0	266.8	7.5	2,129.6	6.7	206.6	7.1	29.1	51.9
Northern China region	2,908.5	7.2	237.7	6.7	2,054.8	6.5	123.9	4.3	91.8	41.5
Central China region	552.8	1.3	33.8	1.0	103.6	0.3	50.6	1.7	-33.2	433.6
Total	40,563.4	100.0	3,542.9	100.0	31,774.6	100.0	2,907.6	100.0	21.9	27.7

Continuous cultivation in high-tier cities

As at 30 June 2024, 95.5% of the Group's property management projects were in first-tier, new first-tier and second-tier cities in China, while 95.9% of revenue from property management were from projects under management in first-tier, new first-tier and second-tier cities in China, which further verified the Group's strategy of cultivation in high-tier cities.

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

Tier of city	As at/for the six months ended 30 June 2024				As at/for the six months ended 30 June 2023				Growth of GFA (%)	Growth of revenue (%)
	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)		
First-tier ⁽¹⁾	474.6	1.2	12.4	0.4	664.8	2.1	18.1	0.6	-31.1	-28.6
New first-tier ⁽²⁾	20,366.8	50.2	1,830.1	51.7	14,296.9	45.0	1,335.5	46.0	37.0	42.5
Second-tier ⁽³⁾	18,074.4	44.5	1,539.3	43.4	15,512.9	48.8	1,305.7	44.9	17.9	16.5
Others ⁽⁴⁾	1,647.6	4.1	161.1	4.5	1,300.0	4.1	248.3	8.5	-35.1	26.7
Total	40,563.4	100.0	3,542.9	100.0	31,774.6	100.0	2,907.6	100.0	21.9	27.7

Notes:

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

Vigorous development with continuous growth in external revenue and scale

In the past year, the Group carried out team remodeling, mechanism update and system construction for market expansion to improve organizational development capabilities, thereby developing the core capabilities for market expansion. During the Reporting Period, the Group exerted solid efforts on the cultivation of Chengdu, and successfully won the projects of Chengdu Tianfu Furong Garden (成都天府芙蓉園) (the first 4A-level scenic spot project), Zhong Cheng Boyue Mansion (中誠鉅悅府) (the first commercial office expansion project), and Chengdu Xichuan Huijindu School (成都西川匯錦都學校) (continued development in school-related projects). In Kunming, Yunnan Province, the Group continued to exert its core competitiveness in the financial industry, and successively won the bids for the Tongcheng Sub-branch of Kunming Branch of Minsheng Bank (民生銀行昆明分行同城支行) and the Haigengying Project of Yunnan Branch of Postal Savings Bank (郵儲銀行雲南分行海埂營項目). Besides, the Group also built a three-kilometer market expansion circle around benchmark projects, and by virtue of the service quality of and the high satisfaction of owners for the benchmark projects, the Group managed to win the bids for Suzhou Zhongjiao Jingting (中交璟庭) Project (0.4 kilometers away from the benchmark project) and Kunming Silan Yayuan (思蘭雅苑) (2.6 kilometers away from the benchmark project).

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

Type of property developer	As at/for the six months ended 30 June 2024				As at/for the six months ended 30 June 2023				Growth of GFA (%)	Growth of revenue (%)
	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)		
New Hope Wuxin Industrial ⁽¹⁾	15,006.4	37.0	1,274.6	36.0	16,165.2	50.9	1,097.4	37.7	16.1	-7.2
Associates or joint ventures of New Hope Wuxin Industrial ⁽²⁾	8,803.0	21.7	832.9	23.5	1,870.7	5.9	496.6	17.1	67.7	370.6
Ultimate controlling shareholders and their associates ⁽³⁾	1,311.4	3.2	32.6	0.9	3,760.5	11.8	32.3	1.1	0.9	-65.1
Independent third parties	15,442.6	38.1	1,402.8	39.6	9,978.2	31.4	1,281.3	44.1	9.5	54.8
Total	40,563.4	100.0	3,542.9	100.0	31,774.6	100.0	2,907.6	100.0	21.9	27.7

Notes:

- (1) Refer to properties solely developed by New Hope Wuxin Industrial Group Co., Ltd.* ("New Hope Wuxin Industrial") (新希望五新實業集團有限公司) (together with its subsidiaries, "New Hope Wuxin Industrial Group"), as well as properties jointly developed by New Hope Wuxin Industrial Group and other property developers in which New Hope Wuxin Industrial Group held a controlling interest.
- (2) Refer to properties developed by joint ventures or associates of New Hope Wuxin Industrial Group (New Hope Wuxin Industrial Group does not hold a controlling interest in these properties).
- (3) Refer to properties developed by other associates of our ultimate controlling shareholders, namely Mr. Liu Yonghao (劉永好) and Ms. Liu Chang (劉暢).

Lifestyle Services

The Group's lifestyle services comprise (i) community living services; (ii) community asset management services, including carpark related services and property agency services; and (iii) online and offline retail services and catering services.

During the Reporting Period, backed by the Fortune Global 500 New Hope Group and by relying on its advantages in supply chain system, brand reputation and product categories, the Group built a corporate service system by integrating the various segments of the Group including corporate retail, corporate group meal, corporate centralized procurement and innovative business. Under the support of such service system, the Group vigorously expanded the B-end customers for corporate retail. During the Reporting Period, the Group successfully won the bid for the supermarket supply chain business of Huaxi Tianfu (華西天府) and formed strategic cooperation with Rongpinji (戎品集). With such efforts, it completed the sales of 41,000 gift boxes, representing an increase of 300% over the same period last year. In terms of corporate group meal, in addition to the first 10-year group meal project — Yibin Maternal and Child Health Hospital, the Group also successfully won the bids for the Pangang Fresh Supply Chain (攀鋼生鮮供應鏈) project and the Sichuan Taikang Hospital (四川泰康醫院) project, which brought the total number of projects to 25, representing an increase of 9 over the same period last year, of which the total number of property + group meal projects was 14.

As at 30 June 2024, the Group achieved revenue of RMB170.4 million from the lifestyle services segment, representing an increase of 26.1% over the same period last year. The following table sets forth a breakdown of our revenue from lifestyle services:

	For the six months ended 30 June 2024		For the six months ended 30 June 2023		Growth rate (%)
	Revenue (RMB0'000)	Percentage (%)	Revenue (RMB0'000)	Percentage (%)	
Community living services	7,905.8	46.4	6,775.3	50.1	16.7
Community asset management services	1,739.1	10.2	1,647.5	12.2	5.6
Online and offline retail services and catering services	7,399.8	43.4	5,093.9	37.7	45.3
Total	17,044.7	100.0	13,516.7	100.0	26.1

Commercial Operational Services

The Group's commercial operational services comprise two categories: (i) market research and positioning and opening preparation services; and (ii) commercial operational services. As at 30 June 2024, the growth rate of newly opened commercial properties in China slowed down, the overall vacancy rate of commercial projects was high, and the investment atmosphere was severe. During the Reporting Period, the Group's revenue from commercial operation decreased by 10.1% as compared with the same period last year, and the occupancy rate was 85.3%, representing a decrease of 3.9 percentage points from last year.

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

	For the six months ended 30 June 2024		For the six months ended 30 June 2023		Growth rate Percentage (%)
	Revenue (RMB0'000)	Percentage (%)	Revenue (RMB0'000)	Percentage (%)	
Market research and positioning and opening preparation services	403.0	6.2	533.7	7.4	-24.5
Commercial operational services	6,119.9	93.8	6,718.9	92.6	-8.9
Total	6,522.9	100.0	7,252.6	100.0	-10.1

However, the Group explored the value of existing stock and created benchmark projects of property + commerce to dig deep into customer needs and improve customer stickiness. Taking the Zhongding International project as an example, the compound growth rate of the property income alone from 2021 to 2023 was 5.16%, and the compound growth rate of the income from property + commerce + group meal was 17.5%. Besides, the Group also deepened and strengthened its commercial operation capabilities and property + commercial operation capabilities developed from benchmark projects in stock. The occupancy rate of Nanning Xinchangxing (新暢行) increased by 20 percentage points as compared with the same period last year, and Chengdu New Hope International (新希望國際) and Kunming Dashanghui (大商匯) also maintained an occupancy rate of over 90%. With its excellent property + commercial operation capabilities, the Group successfully won two property + commerce external expansion projects during the Reporting Period: the Group's first property + commerce external expansion project — "Chengdu Lantingji (蘭庭集) Project" and the first commercial external expansion project "Zhongcheng Boyue Mansion (中誠鉅悅府)".

Value-added Services to Non-property Owners

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

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

	For the six months ended 30 June 2024		For the six months ended 30 June 2023		Growth rate Percentage (%)
	Revenue (RMB0'000)	Percentage (%)	Revenue (RMB0'000)	Percentage (%)	
Preliminary planning, design consultancy and pre-delivery services	4,033.6	59.6	3,563.4	47.9	13.2
Revenue from on-site service fee	2,292.5	33.9	3,365.5	45.3	-31.9
Special entrusted services	444.6	6.5	505.7	6.8	-12.1
Total	6,770.7	100.0	7,434.6	100.0	-8.9

PROSPECTS

Backed by New Hope Group, continue to give play to the Group's advantages

In recent years, with the continuous introduction of property-related policies, on one hand, property's lifestyle attribute was emphasized from the policy side, and on the other hand, property management companies were offered more standardized development guidelines. For property management companies, their property management work shall start from and end at giving residents a happy experience. As a member of New Hope Group with strong lifestyle attribute, the Company further deepened its connection with New Hope Group during the Reporting Period, with the revenue from non-property connected transactions amounting to RMB34,214,000, representing an increase of 76% over last year, of which, the revenue from the centralized procurement supply chain with New Hope Group amounting to RMB19,886,000, representing an increase of 275.7% as compared with the same period last year. In the future, while guaranteeing service quality and refining and furthering property management services, we will facilitate our connection with New Hope Group, drill down into New Hope's brand strengths in lifestyle, and explore product supply and cooperation opportunities with companies including New Hope Liuhe Co., Ltd.* (新希望六和股份有限公司), New Hope Dairy Co., Ltd.* (新希望乳業股份有限公司) and Grass Green Group* (草根知本集團) in order to offer our clients diversified comprehensive solutions for lifestyle services such as "property + group meal, property + retail, property + centralized purchase" and effectively provide "property services + living services".

Driven by high goals, and continued quality growth

In the first half of 2024, driven by the annual target of RMB300 million for contract amount, the Group completed the total contract amount of RMB353 million, with businesses covering property management, commercial operation and group meal retail, etc., of which the unit property management fee of external expansion property management projects was RMB2.05/sq.m./month, representing an increase of 20% over last year. Meanwhile, as the only group company in Chengdu with the service capabilities of "property + commerce + life services and group meal", the Group firmly stuck to regional penetration and focus. During the Reporting Period, the contract amount from Chengdu accounted for 56%, indicating the gradual emergence of regional development capability. At present, market expansion has been gradually changing from decentralized and homogeneous competition to centralized and exclusive development, and from opportunity-based expansion to the pursuit of advantageous regional density, advantageous business format density and advantageous product density. Therefore, the Group will continue to be driven by high goals (the annual target for contract amount being RMB600 million in 2024), and continue to add momentum to expand the scale of business through market expansion, strategic joint venture, cooperation and mergers and acquisitions.

Focus on property + to achieve sustained profitability

As at 30 June 2024, the number of households in the projects under the Group's management exceeded 156,000, and the number of quasi property owners exceeded 236,000. During the Reporting Period, for C-end customers, the Group further identified the pain points and needs of property owners, and provided them with 1+3 home services (such as home retail, housekeeping services and residential renovation services, etc.) on the basis of traditional property management services, to further leverage the advantages in community scenarios to meet the exclusive needs of property owners, thereby achieving sustained profitability for single project through property +. For B-end customers, as at 30 June 2024, the non-residential projects acquired by the Group through market expansion accounted for nearly 50%. Meanwhile, the number of B-end customers in the retail segment was also on the rise. Given such, the Group has developed a 1+6 panoramic enterprise service model through internal resource integration, whereby, it provides services including corporate retail, innovative services (such as renovation service), corporate group meal, corporate centralized procurement, corporate investment promotion/leasing and sales, and asset operations (such as commercial operations) on the basis of property management services. By virtue of the Group's supply chain advantages, property + personnel reuse and efficiency improvement through digital operation, it will achieve sustained profitability with reduced costs and increased income for single project.

Customer first, adhere to quality service

As the environment in which property companies are located evolves, the industry has gradually shifted from pursuing scale growth to high-quality growth. The high-quality development of enterprises is inseparable from quality services, which means high collection rate, high renewal rate and high satisfaction. During the Reporting Period, the Group empowered high-quality services through digital construction, developed full-cycle online project operation, and achieved the directive-based execution of quality tasks as well as AI analysis and quality inspection pre-warning to ensure the improvement of the service quality during the full-cycle operation of projects, allowing it to earn 86 points for overall satisfaction during the Reporting Period. Besides, through the digital empowerment of operation management, management became more "precise", personnel became more "light", and businesses became more "clear". At the operation management level, the completion ratio of operation services increased by 98%, the approval efficiency across whole process increased by 59.6%, the non-compliance ratio on post decreased by 55%, and the overdue complaint ratio decreased by 24%, thereby further reducing the management expense ratio of the Company and further optimizing the structure of the projects under management. Going forward, we will continue to strengthen digital construction to empower high-quality services and the improvement of management efficiency, and enhance the project-based evaluation of performance indicators through digital empowerment, thereby achieving high-quality services for all projects of the Group.

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from four business lines: (i) property management services; (ii) lifestyle services; (iii) commercial operational services; and (iv) value-added services to non-property owners. The Group's revenue increased by RMB109.2 million or approximately 18.2% to RMB709.0 million for the six months ended 30 June 2024 from RMB599.8 million for the six months ended 30 June 2023, which was primarily attributable to (i) the increase in revenue from property management services arising from the increases in the GFA and unit prices of the projects under management of the Group; and (ii) the increase in revenue from lifestyle services.

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

	For the six months ended 30 June			
	2024		2023	
	(RMB'000)	%	(RMB'000)	%
Property management services	405,634.2	57.2	317,746.0	53.0
Lifestyle services	170,447.1	24.1	135,167.5	22.5
Commercial operational services	65,229.8	9.2	72,525.6	12.1
Value-added services to non-property owners	67,706.4	9.5	74,345.8	12.4
Total	709,017.5	100	599,784.9	100

The property management services are our largest source of revenue. For the six months ended 30 June 2024, the revenue from property management services was RMB405.6 million, accounting for 57.2% of the Group's total revenue. The increase in revenue was primarily due to the increased revenue from property management services driven by the increase in GFA under management of the Group from 29,076,000 sq.m. as at 30 June 2023 to 35,429,000 sq.m. as at 30 June 2024. The increase in number of properties and GFA under management was mainly due to (i) the continuous delivery of properties developed by New Hope Property Group to us for management during the Reporting Period; and (ii) the Group's expansion in the independent third-party markets.

The revenue from lifestyle services increased by 26.1% from approximately RMB135.2 million, representing 22.5% of total revenue of the Group for the six months ended 30 June 2023 to approximately RMB170.4 million, representing 24.1% of total revenue of the Group for the six months ended 30 June 2024. Among which:

- (1) The revenue from community living services increased by 16.7% from RMB67.8 million for the six months ended 30 June 2023 to RMB79.1 million for the six months ended 30 June 2024, which was mainly due to the surge in GFA under management and active expansion of community living services.
- (2) The revenue from community asset management services increased by 5.6% from RMB16.5 million for the six months ended 30 June 2023 to RMB17.4 million for the six months ended 30 June 2024, which was mainly due to the increase in revenue from carpark given the increase in GFA under management of the Group during the Reporting Period.
- (3) The revenue from online and offline retail services and catering services increased by 45.3% from RMB50.9 million for the six months ended 30 June 2023 to RMB74.0 million for the six months ended 30 June 2024, which was mainly due to the Group's active expansion of its lifestyle services business during the Reporting Period, the further expansion of centralized procurement and retail businesses and the increase in group meal business, which resulted in the increase in revenue from online and offline retail services and catering services.

The revenue from value-added services to non-property owners decreased by 8.9% from approximately RMB74.3 million for the six months ended 30 June 2023 to approximately RMB67.7 million for the six months ended 30 June 2024, which was mainly due to the decrease in on-site service and special entrusted services because of contracted property industry during the Reporting Period.

The revenue from commercial operational services decreased by 10.1% from RMB72.5 million for the six months ended 30 June 2023 to RMB65.2 million for the six months ended 30 June 2024, which was mainly due to the decrease in revenue from market research and positioning services during the Reporting Period.

Cost of Sales

Our cost of sales represents costs directly attributable to the provision of our services and consist primarily of (i) staff costs; (ii) outsourced labor costs; (iii) maintenance costs; (iv) material and cost of goods sold; (v) energy and resources expenses; (vi) cleaning expenses; (vii) depreciation and amortization charges; and (viii) all other costs of sales, mainly including business consultation expenses, transport expenses, and costs of low value consumption goods such as office supplies and stationery. For the six months 30 June 2024, the total cost of sales of the Group was approximately RMB476.7 million, which increased by approximately RMB103.1 million or approximately 27.6% from approximately RMB373.6 million for the corresponding period of 2023. The growth rate of our cost of sales was higher than that of our revenue, primarily due to the increase in the proportion of revenue contribution from the property management services over the total revenue of the Group, which have a relatively lower gross profit margin compared to other business lines.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by RMB6.1 million or 2.7% to RMB232.3 million for the six months ended 30 June 2024 from RMB226.2 million for the six months ended 30 June 2023.

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

Type	For the six months ended 30 June			
	2024		2023	
	(RMB'000)	%	(RMB'000)	%
Property management services	103,808.7	25.6	91,586.5	28.8
Lifestyle services	63,900.0	37.5	55,923.5	41.4
Commercial operational services	41,687.2	63.9	49,191.9	67.8
Value-added services to non-property owners	22,935.9	33.9	29,515.4	39.7
Total	232,331.8	32.8	226,217.3	37.7

For the six months ended 30 June 2024, the gross profit margin of the Group decreased by 4.9 percentage points as compared with the corresponding period last year.

Our gross profit margin of property management services decreased by 3.2%, primarily due to the increase in the proportion of property management fee income from independent third parties with active external expansion which has a relatively lower gross profit margin during the Reporting Period.

Our gross profit margin of value-added services to non-property owners decreased by 5.8%, which was mainly because that the property industry in Mainland China was in a downward circle.

Our gross profit margin of commercial operational services decreased by 3.9%, which was because that the occupancy rate of certain projects declined due to the economic downturn, and one-off businesses with high gross profit such as investment promotion service fees decreased during the Reporting Period.

Our gross profit margin of lifestyle services decreased by 3.9%, primarily due to the rapid growth in centralized procurement business with relatively low gross profit margin, and the decrease in brokerage business with high gross profit margin due to the economic downturn.

Other Net Expense

Other net expense of the Group increased by RMB6.4 million or 468.9% to RMB7.7 million for the six months ended 30 June 2024 from RMB1.3 million for the six months ended 30 June 2023, which was mainly due to the decreases in government subsidy and tax benefit during the Reporting Period.

Administrative Expenses

Our administrative expenses include (i) staff costs; (ii) professional fees, (iii) office and business entertainment expenses; (iv) depreciation and amortization; (v) tax expenses; and (vi) all other administrative expenses, which primarily consist of office expenses, tax expenses, hiring and training expenses, and cleaning expenses. Total administrative expenses of the Group decreased by approximately RMB12.2 million or approximately 14.9% from approximately RMB81.5 million for the six months ended 30 June 2023 to approximately RMB69.3 million for the six months ended 30 June 2024, which was mainly due to the continued lean operation and improved management efficiency during the Reporting Period.

Selling Expenses

The selling expenses of the Group were RMB0.4 million for the six months ended 30 June 2023 and RMB0.6 million for the six months ended 30 June 2024, which remained basically the same as the corresponding period last year.

Finance Income, Net

The net finance income of the Group increased by RMB2.7 million or 40.3% to RMB9.4 million for the six months ended 30 June 2024 from RMB6.7 million for the six months ended 30 June 2023, which was mainly due to the continued improvement of fund efficiency during the Reporting Period.

Income Tax Expense

For the six months ended 30 June 2024, the income tax of the Group was approximately RMB25.6 million (for the six months ended 30 June 2023: RMB24.2 million), which was in line with the increase in profit of the Company during the Reporting Period.

Profit for the Reporting Period

The net profit of the Group increased by approximately RMB9.4 million or approximately 8.0% to approximately RMB127.4 million for the six months ended 30 June 2024 from approximately RMB118.0 million for the six months ended 30 June 2023.

Profit Attributable to Owners of the Parent

The profit attributable to equity shareholders of the Company increased by approximately 7.9% to approximately RMB118.1 million for the six months ended 30 June 2024 from approximately RMB109.5 million for the six months ended 30 June 2023.

Property, Plant and Equipment

Property, plant and equipment of the Group mainly consists of machinery, vehicles, electronic equipment, office and other equipment, furniture and fixtures. As at 30 June 2024, the Group's property, plant and equipment was approximately RMB15.2 million, an increase of approximately RMB0.1 million from approximately RMB15.1 million as at 31 December 2023.

Trade Receivables

Trade receivables primarily arise from the provision of property management services, value-added services to non-property owners, commercial operational services and lifestyle services. The Group's trade receivables as at 30 June 2024 amounted to approximately RMB496.4 million, representing an increase of approximately RMB178.8 million or 56.3% as compared to approximately RMB317.6 million as at 31 December 2023, which was primarily due to (i) the growth in business; and (ii) the increase in third-party GFA under management.

Prepayments, Deposits and Other Receivables

The balance of prepayments, deposits and other receivables increased by approximately 20.3% from RMB88.0 million as at 31 December 2023 to RMB105.9 million as at 30 June 2024, which was due to the growth in business.

Trade Payables

The Group's trade payables as at 30 June 2024 amounted to approximately RMB231.2 million, representing an increase of approximately RMB36.5 million or 18.7% as compared to approximately RMB194.7 million as at 31 December 2023, mainly due to the growth in business.

Other Payables and Accruals

Other payables and accruals decreased by RMB17.3 million or 7.4% from RMB233.6 million as at 31 December 2023 to RMB216.3 million as at 30 June 2024, primarily due to the payment of year-end bonus for last year.

Financial Position and Capital Structure

For the six months ended 30 June 2024, the Group maintained a sound financial position.

As at 30 June 2024, the Group's current ratio (current assets/current liabilities) was 2.4 times (31 December 2023: 2.4 times). As at 30 June 2024, the net gearing ratio is nil which is calculated by interest-bearing borrowings minus cash and cash equivalents, and then divided by net assets. As at 30 June 2024 and 30 June 2023, the Group did not have any outstanding interest-bearing borrowings.

Pledge of Assets

As at 30 June 2024, none of the assets of the Group were pledged (30 June 2023: Nil).

Contingent Liabilities

As at 30 June 2024, the Group did not have any material contingent liabilities (30 June 2023: Nil).

Interest Rate Risk

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

Foreign Exchange Risk

The Group mainly operates its business in the PRC, and substantially all of its revenue and expenses are denominated in RMB. As at 30 June 2024, among the Group's cash and bank balances, RMB1.4 million was denominated in Hong Kong dollars, which was subject to the exchange rate fluctuation. Due to the distribution of annual dividends to shareholders, the Group locked the exchange rate with banks in advance to reduce foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save for the payment of the final dividend declared for the year ended 31 December 2023 by the Company and the declaration of the proposed interim dividend below, as at the date of this report, the Group did not have any other significant event subsequent to 30 June 2024.

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

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

Save for the above, the Group did not have any other plan for material investments or capital assets as at 30 June 2024.

USE OF NET PROCEEDS FROM THE LISTING

The Shares were listed (the “**Listing**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 25 May 2021 (the “**Listing Date**”) and the over-allotment option (the “**Over-allotment Option**”) was partially exercised on 11 June 2021. For details, please refer to the Prospectus and the Company’s announcement dated 15 June 2021. Net proceeds from the Listing (including the partial exercise of the Over-allotment Option), after deducting the underwriting commission and other estimated expenses in connection with the Listing, amounted to approximately HK\$790.0 million (equivalent to approximately RMB648.7 million). The Group continues to expand its business in the metropolitan areas and urban agglomerations in China, especially the first-tier, new first-tier and second-tier cities in the Chengdu-Chongqing urban agglomeration and the Eastern China region, and continue to consolidate our market position in these areas through market expansion, persisting in seeking investment opportunities and developing its lifestyle services. Given the above considerations and the following reasons, in order to enhance the use efficiency of the funds raised, capture market opportunities for business development in a timely manner, and strike a more reasonable balance in the use of funds, the board (the “**Board**”) of directors (the “**Directors**”) of the Company resolved to change the proposed use of such proceeds on 25 May 2022. As at 30 June 2024, an analysis of the utilization of net proceeds from the Listing is as follows:

Major categories	Sub-categories	Amount (HK\$ in millions)	% of total proceeds	Unutilized amount as at 1 January 2024 (HK\$ in millions)	Actual utilized amount for the Reporting Period (HK\$ in millions)	Unutilized amount as at 30 June 2024 (HK\$ in millions)	Estimated utilization plan
Strategic acquisition and investment		434.5	55.0%	429.0	0.0	429.0	On or before 31 December 2024
Upgrade information system and equipment	Middle ground system	23.7	3.0%	9.8	0.5	9.3	On or before 31 December 2024
	Property management support system	2.4	0.3%	0.0	0.0	0.0	—
	Lifestyle service support system	15.0	1.9%	0.0	0.0	0.0	—
	Corporate infrastructural operation system	11.1	1.4%	0.0	0.0	0.0	—
	Intelligent community pilot projects	42.6	5.4%	29.6	0.0	29.6	On or before 31 December 2024
	Human resources to support information technology upgrades	23.7	3.0%	0.0	0.0	0.0	—
Talent recruitment and team building		39.5	5.0%	0.0	0.0	0.0	—
Development of lifestyle services		79.0	10.0%	0.7	0.0	0.7	On or before 31 December 2024
Working capital		118.5	15.0%	9.7	2.8	6.9	On or before 31 December 2024
Total		790.0	100%	478.8	3.3	475.5	

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had 4,036 employees (30 June 2023: 3,976 employees). During the Reporting Period, the total staff costs were approximately RMB164.1 million (for the six months ended 30 June 2023: approximately RMB163.0 million).

In order to attract and retain high quality staffs to enable smooth operation within the Group, the remuneration policy of the Group's employees is reviewed periodically to ensure that the salary and benefit levels of the employees of the Group are competitive. The salaries and allowances of employees were determined based on their performance, experience and the then prevailing market rates. Discretionary performance bonus and share option scheme after assessments is in place for employees to reward their contributions. The Group is subject to social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees, monthly social insurance funds covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, and the housing provident fund, or to contribute regularly to mandatory provident fund schemes on behalf of its employees.

The Group continues to provide adequate job training to employees to equip them with practical knowledge and skills. The employee training programs primarily cover key areas in the Group's business operations, which provide continuous training to its existing employees at different levels to specialize and strengthen their skill sets.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of our shareholders and to enhance corporate value and accountability. The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as the basis of the Company’s corporate governance practices, and the CG Code has been applicable to the Company with effect from the Listing Date.

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code for the six months ended 30 June 2024. The Company will continue to review and monitor its corporate governance practice to ensure the compliance of the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions conducted by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own Code of Conduct for securities transactions conducted by relevant Directors. After making specific enquiries to all the Directors, each of them has confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 June 2024.

CHANGES IN DIRECTORS’ AND CHIEF EXECUTIVE’S INFORMATION

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

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme through written resolutions on 30 April 2021 (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to recognize and acknowledge the contributions that the eligible participants had or may have made to the Group. The Directors believe the Share Option Scheme will enable the Group to reward the Group’s employees, Directors and other selected participants for their contributions to the Group. For details of the Share Option Scheme, please refer to the section headed “Appendix V — Statutory and General Information — D. OTHER INFORMATION — 1. Share Option Scheme” in the Prospectus.

Since the date of the adoption of the Share Option Scheme and up to the end of the Reporting Period, no options have been granted, exercised, cancelled or lapsed under the Share Option Scheme, and there were no outstanding options under the Share Option Scheme. As at 1 January 2024 and 30 June 2024, the number of options available for grant under the Share Option Scheme is 80,000,000 Shares.

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

As at 30 June 2024, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code under the Listing Rules, are set out below:

(i) Interest in our Company

Name of Director	Nature of Interest	Number of Shares ⁽¹⁾	Percentage of shareholding interest
Ms. Wu Min ⁽²⁾	Beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%
Ms. Chen Jing ⁽²⁾	Beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%
Mr. Jiang Mengjun ⁽²⁾	Beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%
Ms. Li Wei ⁽³⁾	Interest of spouse	544,800,000 (L)	66.92%

Notes:

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

So far as is known to the Company, as at 30 June 2024, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the shares or underlying Shares:

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

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

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

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

INTERIM DIVIDEND

The Board recommends the payment of an interim dividend of HK\$0.090 per Share for the six months ended 30 June 2024 (interim period of 2023: HK\$0.073 per share) to the shareholders whose names appear on the register of members of the Company on Monday, 16 September 2024. The interim dividend will be distributed to the shareholders on or before Thursday, 31 October 2024.

For determining the entitlement of the Shareholders to the proposed interim dividend, the register of members of the Company will be closed from Wednesday, 11 September 2024 to Monday, 16 September 2024, both days inclusive, during which period no transfer of Shares will be effected. All properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Center, No. 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 10 September 2024. The interim dividend will be paid on Thursday, 31 October 2024.

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

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company for the six months ended 30 June 2024, including the sale of treasury shares (as defined in the Listing Rules). As at 30 June 2024, the Company did not hold any treasury shares.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

SUFFICIENCY OF PUBLIC FLOAT

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

SUBSEQUENT EVENTS

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

AUDIT COMMITTEE

The audit committee of the Company, together with the management of the Company, has reviewed the unaudited condensed consolidated interim results and the interim report for the six months ended 30 June 2024.



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

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 24 to 42 which comprises the consolidated statement of financial position of New Hope Service Holdings Limited (the “Company”) as of 30 June 2024 and the related consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and IAS 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with IAS 34.

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34, *Interim financial reporting*.

KPMG

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

26 August 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2024 — unaudited
(Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	4	709,018	599,785
Cost of sales		<u>(476,685)</u>	<u>(373,568)</u>
Gross profit		232,333	226,217
Other net expense	5	(7,651)	(1,345)
Selling expenses		(565)	(389)
Administrative expenses		(69,346)	(81,501)
Expected credit loss on financial assets		<u>(11,263)</u>	<u>(7,755)</u>
Profit from operations		143,508	135,227
Finance expenses		(1,503)	(2,022)
Finance income		<u>10,901</u>	<u>8,721</u>
Finance income, net	6(a)	<u>9,398</u>	<u>6,699</u>
Share of profits less losses of associates		<u>32</u>	<u>283</u>
Profit before taxation	6	152,938	142,209
Income tax	7	<u>(25,560)</u>	<u>(24,194)</u>
Profit and total comprehensive income for the period		127,378	118,015
Attributable to:			
Equity shareholders of the Company		118,135	109,499
Non-controlling interests		<u>9,243</u>	<u>8,516</u>
Profit and total comprehensive income for the period		127,378	118,015
Earnings per share			
Basic and diluted (RMB)	8	<u>0.145</u>	<u>0.134</u>

The notes on pages 30 to 42 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 19(a).

Consolidated Statement of Financial Position

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at 30 June 2024 — unaudited
(Expressed in RMB)

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Non-current assets			
Investment properties	9	87,608	97,129
Goodwill		133,415	133,415
Property and equipment	10	15,189	15,140
Intangible assets	11	143,284	137,818
Interests in associates		4,727	4,545
Investments in equity securities	12	10,000	10,030
Deferred tax assets		15,005	11,406
		<u>409,228</u>	<u>409,483</u>
Current assets			
Inventories		336	366
Prepayments, deposits and other receivables	13	105,936	87,992
Trade receivables	14	496,446	317,595
Cash and cash equivalents	15	1,005,670	1,145,270
		<u>1,608,388</u>	<u>1,551,223</u>
Current liabilities			
Trade payables	16	231,247	194,676
Other payables and accruals	17	216,324	233,617
Contract liabilities	18	187,435	194,455
Amounts due to related companies		4,135	4,135
Current taxation		6,396	6,126
Lease liabilities		29,745	11,956
		<u>675,282</u>	<u>644,965</u>
Net current assets		<u>933,106</u>	<u>906,258</u>
Total assets less current liabilities		<u>1,342,334</u>	<u>1,315,741</u>

The notes on pages 30 to 42 form part of this interim financial report.

Consolidated Statement of Financial Position

at 30 June 2024 — unaudited
(Expressed in RMB)

		30 June 2024 RMB'000	31 December 2023 RMB'000
	Note		
Non-current liabilities			
Lease liabilities		17,926	45,342
Deferred tax liabilities		13,581	13,703
		<u>31,507</u>	<u>59,045</u>
NET ASSETS		<u>1,310,827</u>	<u>1,256,696</u>
CAPITAL AND RESERVES			
Share capital	19(b)	6,741	6,741
Reserves		<u>1,197,836</u>	<u>1,153,928</u>
Total equity attributable to equity shareholders of the Company		<u>1,204,577</u>	<u>1,160,669</u>
Non-controlling interests		<u>106,250</u>	<u>96,027</u>
TOTAL EQUITY		<u>1,310,827</u>	<u>1,256,696</u>

The notes on pages 30 to 42 form part of this interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2024 — unaudited
(Expressed in RMB)

Note	Attributable to equity shareholders of the Company						Total	Non-controlling interests	Total equity
	Share Capital	Share premium	Capital reserve	Statutory surplus reserves	Exchange reserve	Retained profits			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023	6,741	750,036	(44,746)	55,979	(23)	330,160	1,098,147	75,686	1,173,833
Changes in equity for the six months ended 30 June 2023:									
Profit for the period	—	—	—	—	—	109,499	109,499	8,516	118,015
Total comprehensive income for the period	—	—	—	—	—	109,499	109,499	8,516	118,015
Dividends approved in respect of the previous period	19(a)	—	—	—	—	(97,695)	(97,695)	—	(97,695)
Dividend distribution to non-controlling interests		—	—	—	—	—	—	(11,326)	(11,326)
Balance at 30 June 2023	6,741	750,036	(44,746)	55,979	(23)	341,964	1,109,951	72,876	1,182,827
Changes in equity for the six months ended 31 December 2023:									
Profit for the period	—	—	—	—	—	105,468	105,468	17,151	122,619
Total comprehensive income for the period	—	—	—	—	—	105,468	105,468	17,151	122,619
Appropriation to statutory reserve	—	—	—	21,821	—	(21,821)	—	—	—
Contribution from non-controlling interests	—	—	—	—	—	—	—	6,000	6,000
Dividends approved in respect of the current period	—	—	—	—	—	(54,750)	(54,750)	—	(54,750)
Balance at 31 December 2023	6,741	750,036	(44,746)	77,800	(23)	370,861	1,160,669	96,027	1,256,696

The notes on pages 30 to 42 form part of this interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2024 — unaudited
(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company						Non-controlling interests	Total equity
		Share Capital	Share premium	Capital reserve	Statutory surplus reserves	Exchange reserve	Retained profits	Total	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024		6,741	750,036	(44,746)	77,800	(23)	370,861	1,160,669	1,256,696
Changes in equity for the six months ended 30 June 2024:									
Profit for the period		—	—	—	—	—	118,135	118,135	127,378
Total comprehensive income for the period		—	—	—	—	—	118,135	118,135	127,378
Contribution from non-controlling interests		—	—	—	—	—	—	980	980
Dividends approved in respect of the previous period	19(a)	—	—	—	—	—	(74,227)	—	(74,227)
Balance at 30 June 2024		6,741	750,036	(44,746)	77,800	(23)	414,769	1,204,577	1,310,827

The notes on pages 30 to 42 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

29

for the six months ended 30 June 2024 — unaudited
(Expressed in RMB)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Operating activities			
Cash generated from operations		5,556	86,711
Income taxes paid		(31,626)	(36,094)
Net cash (used in)/generated from operating activities		(26,070)	50,617
Investing activities			
Purchases of property and equipment		(2,044)	(4,317)
Purchases of intangible assets		(13,879)	(6,639)
Net cash outflow from acquisition of subsidiaries		—	(18,014)
Capital contributions to an associate		(150)	—
Payment for purchase of financial asset	12	—	(10,000)
Other cash flows arising from investing activities		43	6,305
Net cash used in investing activities		(16,030)	(32,665)
Financing activities			
Contribution from non-controlling interests		980	—
Dividends paid to non-controlling interests		(1,012)	(8,847)
Dividends paid to equity shareholders of the Company		(78,134)	—
Capital element of leases rentals paid		(17,949)	(3,291)
Interest element of leases rentals paid		(1,394)	(1,785)
Net cash used in financing activities		(97,509)	(13,923)
Net (decrease)/increase cash and cash equivalents		(139,609)	4,029
Cash and cash equivalents at 1 January	15	1,145,270	1,039,740
Effect of foreign exchange rate changes		9	10
Cash and cash equivalents at 30 June	15	1,005,670	1,043,779

The notes on pages 30 to 42 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

1 CORPORATION INFORMATION

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

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

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

2 BASIS OF PREPARATION

This interim financial report of the Company has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance IAS 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 26 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

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

3 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* ("2020 amendments")
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants* ("2022 amendments")
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

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

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

(i) Disaggregation of revenue

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Disaggregated by timing of revenue recognition		
Revenue from contracts with customers within the scope of IFRS 15		
— Over time	575,160	487,566
— A point in time	125,870	104,184
Revenue from other sources		
— Rental income from investment properties	7,988	8,035
Total	709,018	599,785
Type of services		
— Property management services	405,634	317,746
— Lifestyle services	170,448	135,167
— Commercial operational services	65,230	72,526
— Value-added services to non-property owners	67,706	74,346
Total	709,018	599,785

Save as those disclosed in note 20(a), the Group's customer base is diversified and none of other customers contributed 10% or more of the Group's revenue for the six months ended 30 June 2024 (2023: None).

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

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

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

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

(b) Segment reporting

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

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

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

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

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

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

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

	Property management services RMB'000	Lifestyle services RMB'000	Commercial operational services RMB'000	Value-added services to non-property owners RMB'000	Total RMB'000
For the six months ended 30 June 2024					
Segment revenue	<u>405,634</u>	<u>170,448</u>	<u>65,230</u>	<u>67,706</u>	<u>709,018</u>
Segment gross profits	<u>103,809</u>	<u>63,900</u>	<u>41,687</u>	<u>22,937</u>	<u>232,333</u>
Unallocated corporate expenses					<u>(79,395)</u>
Profit before taxation					<u>152,938</u>

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

5 OTHER NET EXPENSE

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Losses on fair value changes of investment properties	(9,521)	(9,225)
Government grants (Note)	866	5,189
Value-added tax additional deduction	—	943
Others	1,004	1,748
Total	(7,651)	(1,345)

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

6 PROFIT BEFORE TAXATION

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

(a) Finance income, net

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest income	(10,901)	(8,721)
Interest on lease liabilities	1,393	1,790
Others	110	232
Total	(9,398)	(6,699)

(b) Staff costs

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Salaries, wages and other benefits	149,990	149,535
Contributions to defined contribution retirement plan	14,061	13,437
Total	164,051	162,972

6 PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Amortisation of intangible assets	8,413	7,156
Depreciation charge of property and equipment	3,028	3,905
Expected credit losses on financial assets		
— Trade receivables (Note 14)	10,461	7,213
— Prepayments, deposits and other receivables (Note 13)	802	542
Rentals income from investment properties less direct outgoings of RMB3,326,000 (2023: RMB3,578,000)	4,662	4,456
Expenses relating to short-term leases	1,207	1,929

7 INCOME TAX

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current tax — PRC Corporate Income Tax		
Provision for the period	26,318	26,780
Deferred tax		
Origination and reversal of temporary differences	(3,721)	(5,323)
Withholding tax in connection with the retained profits to be distributed by a subsidiary of the Group	2,963	2,737
	<u>25,560</u>	<u>24,194</u>

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

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

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

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

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

8 EARNINGS PER SHARE

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Profits		
Profit attributable to equity shareholders of the Company	<u>118,135</u>	<u>109,499</u>
	Six months ended 30 June	
	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares	<u>814,126</u>	<u>814,126</u>

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares for the six months ended 30 June 2024 (2023: Nil).

9 INVESTMENT PROPERTIES

(a) Right-of-use assets

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

(b) Fair value of properties

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

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

9 INVESTMENT PROPERTIES (CONTINUED)

(b) Fair value of properties (continued)

		Fair value as at 30 June 2024 RMB'000	Fair value as at 31 December 2023 RMB'000
Investment properties located in the PRC	Level 3	<u>87,608</u>	<u>97,129</u>

During the period ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The following table gives information about how the fair values of these investment properties are determined.

	Valuation techniques	Unobservable input	Range
Investment properties			
— Car parks	Market approach	Market transaction price	Market price per sq.m., 30 June 2024: RMB1,185-RMB2,482 31 December 2023: RMB1,175-RMB2,507
— Commercial properties	Market approach/ Income approach	Market transaction price/Capitalisation rate	Market price per sq.m., 30 June 2024: RMB7,789 31 December 2023: RMB7,789 Capitalisation rate, 30 June 2024: 6% 31 December 2023: 6%

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

10 PROPERTY AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of equipment with a cost of RMB3,150,000 (2023: RMB2,808,000). Items of equipment with a net book value of RMB73,000 were disposed of during the six months ended 30 June 2024 (2023: RMB221,000).

11 INTANGIBLE ASSETS

During the six months ended 30 June 2024, additional intangible assets of the Group mainly represented intangible assets of software project procurement amounting to RMB13,879,000 (2023: RMB13,665,000).

12 INVESTMENTS IN EQUITY SECURITIES

		At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Equity securities measured at FVOCI	Note 1	—	30
Equity securities measured at FVPL	Note 2	10,000	10,000
		<u>10,000</u>	<u>10,030</u>

Note 1:

The Group disposed an investment with a net book value of RMB30,000 during the period ended 30 June 2024.

Note 2:

On 2 February 2023, the Group and other investors entered into a cooperation agreement ("the Cooperation Agreement") to form a limited partnership ("the Partnership") and the Group is one of the limited partners. Under the Cooperation Agreement, the registered capital of the Partnership is RMB175,000,000, of which RMB25,000,000 is to be contributed by the Group, representing 14.29% of the total registered capital of the Partnership. The Partnership is incorporated in Beijing and engaged in internet industrial investment. As at 30 June 2024, the accumulated capital injection of the Group was RMB10,000,000.

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

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Receivables from tenants and staff	6,176	4,556
Deposits	23,330	20,706
Other receivables	28,867	18,687
Less: Allowance for other receivables	(3,844)	(3,042)
Financial assets measured at amortised cost	54,529	40,907
Prepayments	40,747	39,523
Deductible value-added tax	10,660	7,562
	<u>105,936</u>	<u>87,992</u>

14 TRADE RECEIVABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade receivables from related companies	202,746	119,953
Trade receivables from external customers	327,874	221,355
Less: Allowance for trade receivables	(34,174)	(23,713)
	<u>496,446</u>	<u>317,595</u>

(a) Ageing analysis

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 1 year	441,375	292,687
1 to 2 years	49,785	22,888
2 to 3 years	5,108	1,978
3 to 4 years	178	42
	<u>496,446</u>	<u>317,595</u>

Trade receivables are due when the receivables are recognised.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

15 CASH AND CASH EQUIVALENTS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash at bank	1,005,401	1,145,162
Cash on hand	269	108
	<u>1,005,670</u>	<u>1,145,270</u>

16 TRADE PAYABLES

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 1 year	216,041	181,311
1 to 2 years	4,050	3,344
2 to 3 years	10,289	9,860
Over 3 years	867	161
	<u>231,247</u>	<u>194,676</u>

17 OTHER PAYABLES AND ACCRUALS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Other taxes and charges payable	25,436	24,921
Accrued payroll and other benefits	16,590	50,437
Deposits	84,842	87,821
Receipts on behalf of residents/tenants	80,951	60,935
Other payables and accruals	8,505	9,503
	<u>216,324</u>	<u>233,617</u>

18 CONTRACT LIABILITIES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Billings in advance of performance		
— Related companies	7,276	4,054
— External customers	180,159	190,401
	<u>187,435</u>	<u>194,455</u>

19 CAPITAL, RESERVES AND DIVIDENDS**(a) Dividends****(i) Dividends payable to equity shareholders attributable to the interim period**

	2024 RMB'000	2023 RMB'000
Interim dividend declared and paid after the interim period of HKD0.090 (equivalent to RMB0.083) per share (2023: HKD0.073 (equivalent to RMB0.067) per share)	67,572	54,750
	<u>67,572</u>	<u>54,750</u>

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

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

	Six months ended 30 June 2024 RMB'000	2023 RMB'000
Final dividend in respect of the previous financial year, approved during the following interim period, of RMB0.090 per share (six months ended 30 June 2023: RMB0.120 per share)	74,227	97,695

(b) Share capital**Authorised share capital**

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

Issued share capital**Ordinary shares, Issued and fully paid**

	No. of shares	RMB
At 31 December 2023 and 30 June 2024	<u>814,126,000</u>	<u>6,740,976</u>

20 MATERIAL RELATED PARTY TRANSACTIONS

(a) Significant related party transactions

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

Nature of related party	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Provision of property management services and other services		
— Companies controlled by the Ultimate Owners	107,093	108,968
— Associates and joint ventures of companies controlled by the Ultimate Owners	29,722	39,700

(b) Balances with related parties

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade receivables		
— Companies controlled by the Ultimate Owners	202,746	119,953
Trade payables		
— Companies controlled by the Ultimate Owners	4,225	3,551
Contract liabilities		
— Companies controlled by the Ultimate Owners	7,276	4,054
Amounts due to related companies		
— Companies controlled by the Ultimate Owners	4,135	4,135

21 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

On 26 August 2024, the Company declared an interim dividend. Further details are disclosed in note 19(a).