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**Ever Sunshine Services Group Limited**  
**永升服务集团有限公司**

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

**(Stock Code: 1995)**

**INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**SUMMARY**

1. Revenue for the six months ended 30 June 2024 was approximately RMB3,371.0 million, representing an increase of approximately 5.9% from approximately RMB3,183.7 million for the corresponding period in 2023.
2. The gross profit of the Group for the six months ended 30 June 2024 was approximately RMB716.8 million, representing an increase of approximately 11.4% from approximately RMB643.3 million for the corresponding period in 2023.
3. Profit for the first half of 2024 was approximately RMB325.4 million, representing an increase of approximately 11.0%, as compared with that of approximately RMB293.2 million for the corresponding period in 2023. Meanwhile, profit attributable to owners of the Company for the first half of 2024 was approximately RMB265.1 million, representing an increase of approximately 10.3% as compared with that of approximately RMB240.4 million for the corresponding period in 2023.
4. The Board has resolved to pay an interim dividend of HK\$0.0839 per Share for the six months ended 30 June 2024, representing an increase of 86.4% from HK\$0.045 per Share for the six months ended 30 June 2023. In addition, the Board has further resolved to pay a special dividend of HK\$0.0336 per Share to reward the Shareholders for their continuous support.

The board (the “**Board**”) of directors (the “**Directors**”) of Ever Sunshine Services Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together the “**Group**”, “**we**”, “**our**” or “**us**”) for the six months ended 30 June 2024 (the “**Period**”), together with comparative figures for the corresponding period in 2023. These unaudited consolidated results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2024*

		<b>For the six months ended</b>	
		<b>30 June</b>	
	Notes	<b>2024</b>	2023
		<b><i>RMB’000</i></b>	<i>RMB’000</i>
		<b><i>(Unaudited)</i></b>	<i>(Unaudited)</i>
<b>Revenue</b>	3	<b>3,371,025</b>	3,183,694
Cost of services		<b>(2,654,268)</b>	(2,540,441)
<b>Gross profit</b>		<b>716,757</b>	643,253
Other income and other gains and losses		<b>14,637</b>	50,582
Administrative expenses		<b>(193,791)</b>	(197,510)
Selling expenses		<b>(47,477)</b>	(46,332)
Expected credit loss on financial assets, net		<b>(64,610)</b>	(63,327)
Finance costs		<b>(1,612)</b>	(3,440)
Other expenses		<b>(6,017)</b>	(4,482)
<b>Profit before taxation</b>	4	<b>417,887</b>	378,744
Income tax expense	5	<b>(92,528)</b>	(85,514)
<b>Profit and total comprehensive income</b>			
<b>for the period</b>		<b><u>325,359</u></b>	<u>293,230</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (Continued)**

*For the six months ended 30 June 2024*

		<b>For the six months ended</b>	
		<b>30 June</b>	
	Note	<b>2024</b>	2023
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b><i>(Unaudited)</i></b>	<b><i>(Unaudited)</i></b>
<b>Profit and total comprehensive income for</b>			
<b>the period attributable to:</b>			
Owners of the Company		<b>265,053</b>	240,435
Non-controlling interests		<b>60,306</b>	52,795
		<b><u>325,359</u></b>	<u>293,230</u>
<b>Earnings per share (RMB)</b>			
Basic and diluted earnings per share	7	<b><u>0.15</u></b>	<u>0.14</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2024*

		30 June 2024	31 December 2023
	Note	<b>RMB'000</b>	<b>RMB'000</b>
		<i>(Unaudited)</i>	<i>(Audited)</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		108,632	123,417
Investment in an associate		980	—
Investment properties		562,780	558,480
Intangible assets		308,658	318,494
Goodwill		1,488,171	1,488,171
Deferred tax assets		101,625	83,323
Prepayments and other receivables		360,589	399,230
Financial assets at fair value through profit or loss (“FVTPL”)		314,018	362,663
Deferred contract costs		39,224	38,009
		<b>3,284,677</b>	<b>3,371,787</b>
<b>Current assets</b>			
Inventories		3,271	3,191
Deferred contract costs		6,597	3,661
Trade and bills receivables	8	2,353,122	2,181,546
Prepayments and other receivables		883,640	885,119
Financial assets at FVTPL		4,665	4,264
Restricted cash		36,535	38,165
Cash and cash equivalents		2,256,561	2,341,510
		<b>5,544,391</b>	<b>5,457,456</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

As at 30 June 2024

	Note	30 June 2024 <i>RMB'000</i> <i>(Unaudited)</i>	31 December 2023 <i>RMB'000</i> <i>(Audited)</i>
<b>Current liabilities</b>			
Trade and bills payables	9	1,275,825	1,150,291
Accruals and other payables		1,201,143	1,335,495
Borrowings		37,275	40,769
Contract liabilities		763,303	870,338
Lease liabilities		10,174	10,848
Provision for taxation		111,533	103,965
		<b>3,399,253</b>	3,511,706
<b>Net current assets</b>		<b>2,145,138</b>	1,945,750
<b>Total assets less current liabilities</b>		<b>5,429,815</b>	5,317,537
<b>Non-current liabilities</b>			
Borrowings		984	4,182
Lease liabilities		3,754	7,948
Other long-term payables		—	9,322
Deferred tax liabilities		78,629	82,451
		<b>83,367</b>	103,903
<b>Net assets</b>		<b>5,346,448</b>	5,213,634
<b>EQUITY</b>			
Share capital		15,480	15,480
Reserves		4,958,838	4,857,586
<b>Equity attributable to owners of the Company</b>		<b>4,974,318</b>	4,873,066
<b>Non-controlling interests</b>		<b>372,130</b>	340,568
<b>Total equity</b>		<b>5,346,448</b>	5,213,634

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

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

The condensed consolidated financial statements should be read in conjunction with the 2023 annual financial statements. The accounting policies and methods of computation used in the preparation of those condensed consolidated financial statements are consistent with those used in the Group’s annual financial statements for the year ended 31 December 2023.

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

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

The application of these amendments to HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents income from property management services, community value-added services, value-added services to non-property owners and city services. Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (the “CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions.

The principal operating entities of the Group are domiciled in the People’s Republic of China (“PRC”). Accordingly, the Group’s revenue was derived in the PRC for the six months ended 30 June 2024 and 2023.

An analysis of the Group’s revenue by category was as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from contracts with customers:		
– Property management services	<b>2,462,483</b>	2,190,093
– Community value-added services	<b>399,398</b>	410,021
– Valued added services to non-property owners	<b>356,613</b>	371,694
– City services	<b>149,021</b>	208,543
	<b>3,367,515</b>	3,180,351
Others	<b>3,510</b>	3,343
Total	<b>3,371,025</b>	3,183,694

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b><i>(Unaudited)</i></b>	<b><i>(Unaudited)</i></b>
Timing of revenue recognition		
A point in time	<b>156,326</b>	110,541
Over time	<b>3,211,189</b>	3,069,810
	<hr/>	<hr/>
Total	<b><u>3,367,515</u></b>	<b><u>3,180,351</u></b>

#### **4. PROFIT BEFORE TAXATION**

Profit before taxation is arrived at after charging the following:

	<b>Six month ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b><i>(Unaudited)</i></b>	<b><i>(Unaudited)</i></b>
Depreciation of property, plant and equipment	<b>26,061</b>	15,092
Amortisation of intangible assets	<b>23,084</b>	26,519
Expense relating to short-term leases		
Rented premises	<b>3,495</b>	6,332
Expense relating to leases of low-value assets		
Plant and machinery	<b>703</b>	526
Staff costs (including directors' emoluments):		
Salaries, wages and other benefits	<b>1,065,460</b>	958,024
Bonus	<b>78,301</b>	84,389
Retirement scheme contribution	<b>158,210</b>	160,010
	<hr/> <b><u>158,210</u></b>	<hr/> <b><u>160,010</u></b>



## 5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
PRC Enterprise Income Tax:		
Current tax	114,070	106,752
Under - provision in respect of prior period	582	435
	<u>114,652</u>	<u>107,187</u>
Deferred tax:		
Credited to profit or loss for the period	(22,124)	(21,673)
	<u>92,528</u>	<u>85,514</u>

## 6. DIVIDENDS

During the current interim period, a final dividend of HK\$0.0914 per share in respect of the year ended 31 December 2023 (six months ended 30 June 2023: Nil) was declared and paid to owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to approximately HK\$158,361,000 (six months ended 30 June 2023: Nil).

Subsequent to the end of the current interim period, the board of the Company have determined that an interim dividend of HK\$0.0839 per share in respect of the six months ended 30 June 2024 and special dividend of HK\$0.0336 per share (six months ended 30 June 2023: interim dividend of HK\$0.045 per share).

## 7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on:

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<u>Earnings</u>		
Profit attributable to the equity owners of the Company	<u>265,053</u>	<u>240,435</u>

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>'000</b>	'000
	<b>(Unaudited)</b>	(Unaudited)
<u>Number of shares</u>		
Weighted average number of ordinary shares	<b><u>1,737,452</u></b>	<u>1,749,220</u>

## 8. TRADE AND BILLS RECEIVABLES

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Trade receivables		
– Related parties	<b>893,283</b>	913,198
– Third parties	<b><u>1,793,437</u></b>	<u>1,535,600</u>
	<b>2,686,720</b>	2,448,798
Bills receivables	<b><u>3,658</u></b>	<u>2,027</u>
	<b>2,690,378</b>	2,450,825
Less: allowance for credit losses	<b><u>(337,256)</u></b>	<u>(269,279)</u>
	<b><u>2,353,122</u></b>	<u>2,181,546</u>

The ageing analysis of the trade and bills receivables net of loss allowance and presented based on invoice date is as follows:

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Within 1 year	<b>1,630,808</b>	1,740,692
1 to 2 years	<b>450,063</b>	299,836
2 to 3 years	<b>178,762</b>	85,519
3 to 4 years	<b>70,942</b>	41,429
4 to 5 years	<b>22,547</b>	14,070
	<u><b>2,353,122</b></u>	<u>2,181,546</u>

#### 9. TRADE AND BILLS PAYABLES

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade payables		
– Related parties	<b>44,110</b>	49,254
– Third parties	<b>1,208,912</b>	1,084,455
	<u><b>1,253,022</b></u>	<u>1,133,709</u>
Bills payables	<b>22,803</b>	16,582
	<u><b>1,275,825</b></u>	<u>1,150,291</u>

The ageing analysis of trade and bills payables base on invoice date, is as follows:

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b><i>(Unaudited)</i></b>	<i>(Audited)</i>
Within 1 year	<b>985,013</b>	868,873
1 to 2 years	<b>182,929</b>	209,118
2 to 3 years	<b>80,386</b>	50,141
3 to 4 years	<b>24,398</b>	21,519
4 to 5 years	<b>3,099</b>	640
	<hr/>	<hr/>
	<b><u>1,275,825</u></b>	<u>1,150,291</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Overview

We are a reputable and fast-growing comprehensive property management service provider in the People’s Republic of China (“**China**” or the “**PRC**”). As of 30 June 2024, we provided property management services, value-added services and city services in 103 cities in Mainland China, with a total contracted gross floor area (“**GFA**”) of approximately 329.5 million square metres (“**sq.m.**”), among which, the total GFA under management is approximately 236.3 million sq.m., serving more than 1,060,000 households.

Our business covers a broad spectrum of properties, including residential properties and non-residential properties, covering office buildings, shopping malls, school campus, hospitals, scenic spots, government-owned buildings, expressway stations, rail transit, and ferry terminals, etc.. In addition, we also provide city services and other high-quality tailored services.

Adhering to the concept of “Building Better Lives”, our core value is to let customer “be Trouble-Free, Worry-Free, and Discontent-Free (省心、放心、開心)”. We promote diversified development through technological innovation and adhere to the development strategy of “Platform + Ecosystem”. Our mission is to provide comprehensive, caring and professional property management services to our customers and to grow into a customer-preferred smart city service brand.

## **Our Business Model**

We operate four major business lines, namely (i) property management services; (ii) community value-added services; (iii) value-added services to non-property owners; and (iv) city services, which form a comprehensive service portfolio offering to our customers and cover the entire value chain of the property management industry.

1. **Property management services:** We provide a variety of property management services to property developers, property owners and residents, which primarily include cleaning, security, gardening and repair and maintenance services. We manage a portfolio of residential and non-residential properties. Our non-residential properties include office buildings, shopping malls, schools, hospitals, scenic spots, government-owned buildings, expressway service stations, rail transit and ferry terminals.
2. **Community value-added services:** We provide community value-added services to both property owners and residents with the aim of improving their living experiences, maintaining and enhancing their asset values. These services mainly cover (i) home-living services; (ii) parking unit management and leasing services; (iii) property agency services; and (iv) common area value-added services.
3. **Value-added services to non-property owners:** We provide a comprehensive range of value-added services to non-property owners, who primarily include property developers and, to a lesser extent, non-property developers who require certain additional tailored services in respect of their non-residential properties and property management services providers who outsource certain value-added services to us. Our value-added services to non-property owners mainly include (i) sales assistance services; (ii) additional tailored services; (iii) housing repair services; (iv) pre-delivery inspection services; and (v) preliminary planning and design consultancy services, which cover on-site inspection services for each unit to provide sufficient recommendations from the end-user's perspective.

- 4 City services: We can provide a wide range of city services. Such services mainly include (i) city environmental sanitation; (ii) waste sorting and treatment; (iii) installation of block facilities; (iv) landscaping project; (v) old communities renovation; and (vi) smart block construction.

## **Property Management Services**

### ***Continuous High Quality Development***

We uphold our strategy of deepening city and insist on quality expansion as one of our strategic goals. During the Period, we achieved high quality development in contracted GFA and GFA under management through multi-wheel drivers.

As at 30 June 2024, our contracted GFA amounted to approximately 329.5 million sq.m. and the number of contracted projects was 1,731, representing an increase of approximately 8.3% and 10.4%, respectively as compared with those as at 30 June 2023. As at 30 June 2024, our GFA under management amounted to approximately 236.3 million sq.m. and the number of projects under management was 1,426, representing an increase of 14.9% and 20.4%, respectively as compared with those as at 30 June 2023.

The table below sets out the changes in our contracted GFA and GFA under management for the six months ended 30 June 2024 and 2023, respectively:

	<b>For the six months ended 30 June</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Contracted GFA</b>	<b>under management</b>	Contracted GFA	under management
	<i>(sq.m. '000)</i>	<i>(sq.m. '000)</i>	<i>(sq.m. '000)</i>	<i>(sq.m. '000)</i>
As at the beginning of the period	<b>308,265</b>	<b>221,408</b>	303,435	209,954
Additions <sup>(1)</sup>	<b>37,588</b>	<b>24,464</b>	22,114	16,940
Terminations <sup>(2)</sup>	<b>(16,323)</b>	<b>(9,526)</b>	(21,297)	(21,277)
<b>As at the end of the period</b>	<b><u>329,530</u></b>	<b><u>236,346</u></b>	<b><u>304,252</u></b>	<b><u>205,617</u></b>

Notes:

- (1) With respect to our residential and non-residential projects under management, additions primarily included preliminary management contracts for new properties developed by real estate developers, property management service contracts pursuant to which we replaced the previous property management service providers, and property management contracts acquired through acquisitions of subsidiaries.
- (2) These terminations included our voluntary non-renewals of certain property management services contracts as we reallocated our resources to more profitable engagements in order to optimize our property management portfolio.



## ***Our Geographic Footprint***

Since the Group's inception up to 30 June 2024, our geographic footprint has covered 103 cities in China, aiming at deep regional penetration in pursuit of effective scale expansion.

The table below sets forth a breakdown, by geographic location, of our total GFA under management as at the dates indicated and the revenue generated from property management services for the six months ended 30 June 2024 and 2023, respectively:

	As at 30 June or for the six months ended 30 June					
	2024			2023		
	GFA	Revenue		GFA	Revenue	
<i>sq.m. '000</i>	<i>RMB'000</i>	<i>%</i>	<i>sq.m. '000</i>	<i>RMB'000</i>	<i>%</i>	
Eastern region <sup>(1)</sup>	<b>127,334</b>	<b>1,530,833</b>	<b>62.2</b>	116,795	1,251,053	57.1
Northern region <sup>(2)</sup>	<b>27,073</b>	<b>232,409</b>	<b>9.4</b>	21,327	263,217	12.0
Central Southern region <sup>(3)</sup>	<b>37,556</b>	<b>284,104</b>	<b>11.5</b>	37,504	302,010	13.8
Western region <sup>(4)</sup>	<b>36,401</b>	<b>325,098</b>	<b>13.2</b>	24,746	277,892	12.7
Northeastern region <sup>(5)</sup>	<b>7,982</b>	<b>90,039</b>	<b>3.7</b>	5,245	95,921	4.4
<b>Total</b>	<b><u>236,346</u></b>	<b><u>2,462,483</u></b>	<b><u>100.0</u></b>	<u>205,617</u>	<u>2,190,093</u>	<u>100.0</u>

Notes:

- (1) Cities in the eastern region in which we have property management projects include Shanghai, Suzhou, Jiaxing, Hangzhou, Nanjing, Wuxi, Xiamen, Zhoushan, Zhangzhou, Rizhao, Liaocheng, Yangzhou, Lianyungang, Xuancheng, Jinhua, Chuzhou, Huzhou, Quanzhou, Zhenjiang, Zibo, Zunyi, Huaian, Wuhu, Huainan, Yantai, Shaoxing, Weihai, Suqian, Taizhou, Fuzhou, Yancheng, Weifang, Heze, Jining, Wenzhou, Taizhou, Fuyang, Dezhou, Xuzhou, Linyi, Nantong, Changzhou, Jinan, Dongying, Anqing, Ningbo, Binzhou, Qingdao and Hefei.

- (2) Cities in the northern region in which we have property management projects include Beijing, Tianjin, Shijiazhuang, Taiyuan, Cangzhou, Tangshan, Langfang and Handan.
- (3) Cities in the central southern region in which we have property management projects include Shenzhen, Foshan, Wuhan, Zhengzhou, Changsha, Nanyang, Jiangmen, Putian, Dali Bai Autonomous Prefecture, Guangzhou, Nanchang, Huanggang, Zhoukou, Huizhou, Guilin, Nanning, Yichang, Shaoyang, Zhuzhou, Xiangtan, Zhongshan, Shangqiu, Xuchang, Dongguan, Xiangxi Tujia-Miao Autonomous Prefecture, Nujiang Lisu Autonomous Prefecture, Yueyang, Changde, Hengyang, Liuzhou and Luoyang.
- (4) Cities in the western region in which we have property management projects include Xi'an, Chengdu, Chongqing, Baoji, Weinan, Luliang, Tianshui, Urumqi, Xiangyang, Xining, Zaozhuang, Yinchuan, Baiyin, Guiyang, Liupanshui and Kunming.
- (5) Cities in the northeastern region in which we have property management projects include Changchun, Harbin, Shenyang and Dalian.

***Achieve progressive growth in scale, subject to the principle of high-quality development***

***Handling of Business Transactions with CIFI Group in accordance with market-oriented principle***

As a long-term service partner of CIFI Holdings (Group) Co. Ltd. (“**CIFI Holdings**”) (Stock Code: 00884) and its subsidiaries (excluding the Group) (the “**CIFI Group**”), we have been maintaining a stable market-oriented collaborative partnership with CIFI Group. Looking back at the first half of 2024, the market environment of the real estate industry in the PRC remained challenging and recovery has been weak. These challenges have also had a continued negative impact on the property management services industry. We still adhered to the principle of “conducting business with the CIFI Group in accordance with market-based principles”, which enabled us to mitigate the relevant negative impact relatively effectively and keep the the relevant negative impact on our property management services business within a manageable range. We have continued to improve and adjust our strategies to ensure that our cooperation with CIFI Group continues to develop steadily. In this challenging environment, we will cooperate closely together to meet the opportunities and challenges that the future brings.

### **Continued enhancement of the Company's Independent Third-party Market Development Capabilities**

As one of the key drivers of the Company's expansion, we have always endeavoured to diversify into third-party markets. By expanding our resources to various independent markets, we continue to increase our market share. At the same time, we continue to improve our ability to build teams to achieve better empowerment results. This proactive strategy has enabled us to remain competitive in an ever-changing environment and has brought about sustained scale growth for the Company. The main targets of our market expansion include regional property developers, property owners' committees, local governments, and commercial and corporate clients. To acquire management rights for property developers' first-hand projects, we participated in the tender bidding of their new development projects. During the Period, we acquired high-quality first-hand projects such as Suzhou Xizian Yaju (蘇州溪前雅居), Tianjin Yangxi Huayuan (天津央璽花苑) and Jinhuyuan (錦花苑).

To acquire management rights for second-hand projects, we joined in the tender bidding offered by the property owners' committees to replace the previous property management service provider. During the Period, we acquired premium second-hand projects, such as Shanghai Mingtian Huacheng (上海明天華城), Shanghai Senlin Gongguan (上海森林公館), Hangzhou Haipai Fengjing Huayuan (杭州海派風景花苑), Hefei Mengxi Xiaocheng (合肥夢溪小城), and Urumqi Hexing Dijing (烏魯木齊和興帝景) through public bidding.

We also participated in government procurement, including tenders for public construction projects such as hospitals and schools, rail transit, cultural venues and office buildings. During the Period, we acquired premium public construction projects such as 12 kindergartens of the Education Bureau of Xigang District in Dalian (大連西崗區教育局), the Tushan Railway Comprehensive Base in Chongqing (重慶塗山軌道綜合基地), the Freshwater Fish Aquarium in Shaoxing (紹興市淡水魚水族館) and the People's Court of Huangzhong District in Xining (西寧湟中區人民法院).

In addition, we established a “Commercial Division” within the Company with the aim of developing a more professional and refined approach to commercial and corporate services in the long term. During the Period, we acquired projects such as Shanghai Qinhegu (Xuanqiao) Elderly Community (上海親和谷 (宣橋) 養老社區), Suzhou Gonghu Science and Innovation Park (蘇州貢湖科創園), Guiyang Branch of Guizhou Mobile (貴州移動貴陽分公司), Datang Hubei New Energy (大唐湖北新能源), and projects for corporate headquarters and office parks such as projects for Geely Automobile Holdings Limited in Ningbo, Quzhou and Xiangtan, and projects for JD.com, Inc. in Wuhan, Wenzhou and Jinan.

Since the implementation of market-oriented expansion, through years of accumulation, the Group has successfully built a solid bidding outreach capabilities. The saturation revenue from the Company’s outbound contracts for the Period increased significantly year-on-year and reached the best performance in years. We believe that with the Company’s constantly improving comprehensive strength and better reputation brand support, through our continuous enhancement of the industry standards and improving the bidding outreach technical means, we will certainly achieve a more robust business growth.

### **Strategic Mergers and Acquisitions**

Strategic mergers and acquisitions have been a crucial part of our historical development process. In terms of mergers and acquisitions, the Group adheres to the principle of “Selects the target carefully before investment; conducts effective management after investment (投前精選標的,投後完善管理)”. Through strategic mergers and acquisitions, we increased our market share in existing markets, expanded our regional business scales, and made up the weaknesses among sectors quickly to enhance our multi-sector services capabilities.

Since the listing (the “**Listing**”) of the Company’s ordinary shares (the “**Share(s)**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), we adhered to the prudent principle for mergers and acquisitions and have acquired companies for different type of properties such as Zhengzhou Jinyi Property Service Co., Ltd.\* (鄭州錦藝物業服務有限公司) for residential sector, Qingdao Yayuan Property Management Co., Ltd.\* (青島雅園物業管理有限公司) and Shanghai Macalline Property Management Services Co., Ltd.\* (上海美凱龍物業管理服務有限公司) for commercial and office space sector, Jiangsu Xiangjiang Property Development Co., Ltd.\* (江蘇香江物業發展有限公司) for public facilities sector, Shandong XinJian Property Development Co., Ltd.\* (山東鑫建物業發展有限公司) for logistics park sector, Hunan Meizhong Biophysical Environment Technology Co., Ltd.\* (湖南美中環境生態科技有限公司) (“**Meizhong Environment**”) for city sanitation and Huaxi Xin’an (Beijing) Property Management Co., Ltd.\* (華熙鑫安(北京)物業管理有限公司) for mixed-use complex sector, and all have achieved positive post-investment integration results. In 2023, we completed the acquisition of Beijing Hangteng Property Management Co., Ltd.\* (北京航騰物業管理有限責任公司). Overall, however, since 2022, we significantly reduced the number of mergers and acquisitions due to the continued disturbance in the external environment and the Company’s prudent internal risk management requirements.

It is particularly worth mentioning that, due to our adherence to the disciplined principles of strategic mergers and acquisitions, all of the projects that we have historically merged and acquired have achieved good integration with us, and have all reached the performance requirement targets, and it is expected that the existing acquired and integrated companies will be able to achieve better business operation and realize better performance contribution in the future.

The table below sets forth the breakdown, by types of property developers, of our total GFA under management as at the dates indicated:

	<b>As at 30 June</b>			
	<b>2024</b>		<b>2023</b>	
	<b>GFA</b>		<b>GFA</b>	
	<i>sq.m. '000</i>	<i>%</i>	<i>sq.m. '000</i>	<i>%</i>
CIFI Group <sup>(1)</sup>	<b>60,477</b>	<b>25.6</b>	47,063	22.9
Third-party property developers <sup>(2)</sup>	<b>175,869</b>	<b>74.4</b>	158,554	77.1
<b>Total</b>	<b>236,346</b>	<b>100</b>	205,617	100

Notes:

- (1) Included properties solely developed by CIFI Group and properties jointly developed by CIFI Group and other property developers (CIFI Group held a controlling interest in such properties).
- (2) Referred to properties solely developed by third-party property developers independent from CIFI Group, as well as properties jointly developed by CIFI Group and other property developers (CIFI Group did not hold a controlling interest in such properties).

### ***Strengthening Position as a Comprehensive Property Management Service Provider***

We manage a wide range of properties, including residential and non-residential properties. We have accumulated tremendous experience in managing non-residential properties, including office buildings, shopping malls, industrial parks, hospitals and schools etc.. Meanwhile, with the further opening up of the non-residential market, we were offered with more opportunities to participate in the tender bidding in such market and expand market share. We seized the emerging market opportunities and entered the sub-sectors in the non-residential market, including headquarters buildings for large enterprises, expressway services stations, subway rail transit, tourist scenic spots and industrial exhibition centers. We treat the acquired projects as a stepping stone to set up benchmarks and continue to achieve penetrative development in local markets, thereby achieving the increase in the concentration in local market. Despite the fact that revenue generated from residential property projects has contributed and will continue to contribute the largest proportion of our property management revenue, we strive to diversify our service portfolio to get more development of refinement and specialization in the non-residential properties. As at 30 June 2024, non-residential properties accounted for approximately 35.8 % in our GFA under management.

The table below sets forth a breakdown, by different types of properties as they were developed, of our total GFA under management as at the dates indicated and revenue from property management services generated therefrom for the six months ended 30 June 2024 and 2023, respectively:

	<b>As at 30 June or for the six months ended 30 June</b>					
	<b>2024</b>			<b>2023</b>		
	<b>GFA</b>	<b>Revenue</b>		<b>GFA</b>	<b>Revenue</b>	
<i>sq.m. '000</i>	<i>RMB'000</i>	<i>%</i>	<i>sq.m. '000</i>	<i>RMB'000</i>	<i>%</i>	
Residential properties	<b>151,779</b>	<b>1,457,526</b>	<b>59.2</b>	138,984	1,250,898	57.1
Non-residential properties	<b>84,567</b>	<b>1,004,957</b>	<b>40.8</b>	66,633	939,195	42.9
<b>Total</b>	<b><u>236,346</u></b>	<b><u>2,462,483</u></b>	<b><u>100.0</u></b>	<b><u>205,617</u></b>	<b><u>2,190,093</u></b>	<b><u>100.0</u></b>

### ***Lump Sum Basis and Commission Basis***

We generally price our services by taking into account, among others, factors such as the characteristics and locations of the residential communities, our budget, targeted profit margins, property owner and resident profiles and the scope and quality of our services. We charge property management fees primarily on a lump sum basis, with a small portion of which charged on a commission basis.

The following table sets forth a breakdown, by revenue model, of our total GFA under management as at the dates indicated and revenue from property management services for the six months ended 30 June 2024 and 2023, respectively:

	<b>As at 30 June or for the six months ended 30 June</b>					
	<b>2024</b>			<b>2023</b>		
	<b>GFA</b>	<b>Revenue</b>		<b>GFA</b>	<b>Revenue</b>	
	<i>sq.m. '000</i>	<i>RMB'000</i>	<i>%</i>	<i>sq.m. '000</i>	<i>RMB'000</i>	<i>%</i>
Lump sum basis	<b>234,476</b>	<b>2,460,204</b>	<b>99.9</b>	203,107	2,187,885	99.9
Commission basis	<b>1,870</b>	<b>2,279</b>	<b>0.1</b>	2,510	2,208	0.1
<b>Total</b>	<b><u>236,346</u></b>	<b><u>2,462,483</u></b>	<b><u>100.0</u></b>	<b><u>205,617</u></b>	<b><u>2,190,093</u></b>	<b><u>100.0</u></b>



## **Community Value-Added Services**

During the Period, a variety of community value-added services struggled to advance amidst the challenges of a slower-than-expected macroeconomic recovery and a weak property market in the PRC, while we focused more on community value-added services development and gave up some of the businesses with low gross profit margins and poor sustainability. During the Period, revenue from community value-added services was approximately RMB399.4 million, representing a decrease of approximately 2.6% as compared with approximately RMB410.0 million for the six months ended 30 June 2023.

Promoting rapid development of community value-added services and establishing a value-added service development system is one of the Group's key strategic development directions. We adhered to the concept of "something must be done and some must not be done (有所為、有所不為)" and developed value-added service products suitable for property owners, based on the needs of community property owner so as to boost the revenue generated from community value-added services.

With the expansion of our service scope, we have more mature experience in community value-added services and continue to optimize and upgrade our talent team. We have continued to deepen our research on community scenarios and service target groups, and have been advancing in a number of dimensions, including demand identification, product and service design, channel and supplier selection, and marketing plan development. Although the development of community value-added services has encountered multiple pressures from the macro-economy and faced various challenges, the community value-added services have continued to strive for advancement. In the future, the Group will continue to follow the strategy of driving up the revenue from community value-added services, and will continue to improve the quality of our services to achieve more sustainable development.

We believe that there are a number of reasons which caused the current bottleneck for the development of community value-added services. However, by continuously grasping the service needs of high-quality customers, through stronger service loyalty, innovative product servitisation and sustained efforts, we will still reap the benefits of the spring blossom of community enrichment services.

Currently, our community value-added services cover four major areas, namely home-living services, parking unit management and leasing services, property agency services, and common area value-added services. The following table sets forth the breakdown of revenue from our community value-added services for the six months ended 30 June 2024 and 2023, respectively:

	<b>For the six months ended 30 June</b>			
	<b>2024</b>		<b>2023</b>	
	<i><b>RMB'000</b></i>	<i><b>%</b></i>	<i><b>RMB'000</b></i>	<i><b>%</b></i>
Home-living services <sup>(1)</sup>	<b>221,493</b>	<b>55.4</b>	217,190	53.0
Parking unit management and leasing services <sup>(2)</sup>	<b>76,153</b>	<b>19.1</b>	70,182	17.0
Property agency services <sup>(3)</sup>	<b>62,270</b>	<b>15.6</b>	69,526	17.0
Common area value-added services <sup>(4)</sup>	<b>39,482</b>	<b>9.9</b>	53,123	13.0
<b>Total</b>	<b>399,398</b>	<b>100.0</b>	410,021	100.0

Notes:

- (1) This primarily included house delivery-stage renovation services such as house decoration, partial house renovation, turnkey furnishing etc.; mature community services such as on-site maintenance, housekeeping and cleaning, home management, secondary renovation, community group purchasing etc.; and special services such as facilities and equipment repair, maintenance and renovation for communities.
- (2) This primarily included fees received from leasing and management of parking units.
- (3) This primarily included agency sales and agency leasing of apartments and parking unit.
- (4) This primarily included service income received from leasing and management of common areas.

### **Value-Added Services to Non-Property Owners**

We provide value-added services to non-property owners, which comprise sales assistance services that primarily include display units management services (the scope of services mainly covers security, cleaning, greening, reception etiquette, and other services for display units), additional tailored services, preliminary planning and design consultancy services, housing repair services, and pre-delivery inspection services. We extend the professional services of property management to the front end of real estate development. Most of these non-property owners are property developers.

During the Period, revenue from value-added services to non-property owners decreased by approximately 4.1% to approximately RMB356.6 million as compared with RMB371.7 million for the six months ended 30 June 2023, mainly due to the weakened real estate market in China. We are more cautious about the provision of value-added services to non-property owners and have withdrawn from some of the service projects with relatively low expected gains.

The table below sets forth a breakdown of our revenue generated from our value-added services provided to non-property owners for the six months ended 30 June 2024 and 2023, respectively:

	For the six months ended 30 June			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Sales assistance services	<b>109,069</b>	<b>30.6</b>	120,158	32.3
Additional tailored services	<b>151,115</b>	<b>42.4</b>	134,831	36.3
Preliminary planning and design				
consultancy services	<b>18,615</b>	<b>5.2</b>	31,520	8.5
Housing repair services	<b>58,636</b>	<b>16.4</b>	62,033	16.7
Pre-delivery inspection services	<b>19,178</b>	<b>5.4</b>	23,152	6.2
<b>Total</b>	<b><u>356,613</u></b>	<b><u>100.0</u></b>	<b><u>371,694</u></b>	<b><u>100.0</u></b>

### City Services

With the continuous development of social governance and the socialisation of logistic services for the authorities, the Company has gradually expanded from the traditional residential property sector to the non-residential sector and extended to the city services operation level in accordance with the market demand and the development direction of the “big property services (大物業)” strategy. Since 2020, we have gained experiences in urbanization services through strategic cooperation with regional urban investment platforms such as Shanghai Lingang New City Investment & Construction Co., Ltd.\* (上海臨港新城投資建設有限公司) and Wuxi Huishan State-owned Investment Holding Group Co., Ltd.\* (無錫市惠山國有投資控股集團有限公司). Meanwhile, we have further built up our professional capabilities in city services through the acquisition and integration of Meizhong Environment in 2021.

At the initial stage of our Listing, we launched the Company's mission "Building Better Lives". Subsequently, in 2020, we first announced the Company's vision to "Grow into A Customer-preferred Smart City Service Brand". After continuous exploration and research, we have positioned the Company's city services in three directions:

- (i) city municipal services butler: focusing on environmental sanitation and greening, as well as old community renovation services;
- (ii) city asset management assistant: dedicated to the effective management of city idle space and area resource; and
- (iii) city future development partner: participating in the construction of smart cities and becoming an important player in city development.

We have become a property management company covering the business of city services, and will constantly strive to realize the Company's mission and vision to provide premium smart city services to our customers.

## **FUTURE OUTLOOK**

Since the industry entered a downward cycle in 2021, we made positive progress in coping with difficulties as we endeavoured to overcome challenges in the face of a complex and volatile economic environment. As a property management company, we have always put employee safety first and actively cooperated with the local government in neighbourhood management work to provide property owners with a safe and convenient living environment. Despite the less-than-expected economic recovery, we closely monitored market trends, flexibly adjusted our strategies and continued to improve our service quality. In the future, the management will continue to lead the team to fast-track the company's goals and provide excellent property services to our customers, adhering to the philosophy of "Building Better Lives".

### ***High Quality First, Steady Increase in our Business Size and Market Share***

We plan to increase the number of properties under management and GFA, and further optimize our professional marketing team to strategically assess and participate in biddings to acquire more property management business and enhance our service quality. We will increase our business footprint and project density in strategic regions with higher population density and consumption capacity, focusing on 100 cities.

Leveraging on the Group's strong brand, we have also established strategic alliances with property developers and urban construction investment companies to provide property management services for their projects, further penetrate into strategic regions. Moreover, we will focus on managing more non-residential properties, such as hospitals, exhibition centres and industrial parks, to seize the opportunity of service socialization and diversify our portfolio of properties under management.

With the continuous improvement of the Group's capabilities and opportunities arising in the industry, we will also gradually expand the scope of our business and actively layout opportunities in areas such as city services.

### ***Strengthen the Capacity to Provide Diversified and High-Quality Services***

We plan to further diversify our value-added services to non-property owners by enhancing our capabilities in preliminary planning and design consultancy services, project quality monitoring services, pre-delivery inspection services, and housing repair services.

While providing value-added services to property developers, we will enhance full industry chain coverage for property development, sales and management so as to achieve vertical industry extension, and acquire more opportunities to gain property management projects.

Meanwhile, we also plan to provide consultancy services to local property management companies to expand our business scope and enhance our brand awareness.

We will continue to diversify our service offerings to meet the ever-changing needs of our customers and expand our business scope to provide more comprehensive and premium property management solutions.

Community value-added services have always been our strategic focus “to make the platform bigger and stronger, and to make the ecosystem better and more thorough (做大做強平台、做優做透生態)”. We will continue to implement the business unit (“BU”) system and operate the specialized business after validation of business logic in an independent manner with more focus, professionalism and talent. We hope to increase our market penetration rate and reach out to the common needs of property owners in a better and broader way.

### ***Continuing to Bring in Talents and Upgrade Organization***

We continue to bring in quality young talents to the Group through our “Endless Dynamic (永動力)” campus recruitment programme. With the expansion of our management scale and the upgrading of our service offerings, we are committed to nurturing a team of passionate and talented people who are closely linked to the development of the Company. For senior management, we uphold the strategy of “vacating cage to change bird (騰籠換鳥)”, aiming to build an excellent senior management team with vision and consensus. At the same time, we provide middle-level management with sufficient room for growth and professional training in various businesses. We create a multi-talented and multi-capable organization through layers of screening to stimulate the team’s vitality and creativity.

We will continue to strengthen our talent introduction and organizational upgrading efforts to continuously inject new vitality and momentum into the Company’s development. We believe that by continuously optimizing our talent pool, we will be better able to cope with challenges, seize opportunities and achieve long-term prosperity for the Company.

### ***Further Investment in Technologies and Intelligent Operations***

We will further invest in technology and smart operations to enhance our quality and operational efficiency. Back in 2019, we established Linjiu Intelligent Technology Co., Ltd.\* (霖久智慧科技有限公司), which is committed to digital construction, in order to improve service quality management and enable technology drive the property revolution.

In our future plans, we will invest further in the upgrade of our internal management system. We will optimize our enterprise resource planning (ERP) information system, office automation system, financial system, human resources system and contract management system, etc. We will also build a big data information sharing platform, comprising management tools such as customer relationship management (CRM) cloud, property management cloud, bill management cloud and parking cloud, to achieve the interconnection of information among property owners, our employees, and business partners. At the same time, we plan to establish a centralized command center to achieve remote control of our operation, conduct data analysis, reduce intermediate logistics and improve management accuracy and efficiency.

We will continue to press forward with the progress towards standardization, centralization, digitalization and automation to ensure the consistent delivery of quality services with minimal human errors and to exercise effective control on operational costs. Through the innovation and application of technology, we will bring smarter and more efficient property management services to our customers and achieve overall progress in the property industry.



## FINANCIAL REVIEW

### Revenue

During the Period, the Group's revenue amounted to approximately RMB3,371.0 million, representing an increase of approximately 5.9% from approximately RMB3,183.7 million for the corresponding period in 2023.

Revenue of the Group by business line for the periods indicated was as follows:

	For the six months ended 30 June			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management services	<b>2,462,483</b>	<b>73.1</b>	2,190,093	68.8
Community value-added services	<b>399,398</b>	<b>11.8</b>	410,021	12.9
Value-added services to non-property owners	<b>356,613</b>	<b>10.6</b>	371,694	11.7
City services	<b>149,021</b>	<b>4.4</b>	208,543	6.5
Others	<b>3,510</b>	<b>0.1</b>	3,343	0.1
<b>Total revenue</b>	<b><u>3,371,025</u></b>	<b><u>100.0</u></b>	<b><u>3,183,694</u></b>	<b><u>100.0</u></b>

The property management services business is our largest source of income. During the Period, the revenue from property management services was approximately RMB2,462.5 million, accounting for approximately 73.1% of the Group's total revenue. This increase in revenue from property management services was primarily driven by our steady cooperation with CIFI Group and our continuous efforts to expand third-party customer base.

The following table sets out the Group's revenue derived from property management services by type of property developer during the periods indicated:

	<b>For the six months ended 30 June</b>			
	<b>2024</b>		<b>2023</b>	
	<i><b>RMB'000</b></i>	<i><b>%</b></i>	<i><b>RMB'000</b></i>	<i><b>%</b></i>
CIFI Group <sup>(1)</sup>	<b>717,025</b>	<b>29.1</b>	589,695	26.9
Third-party property developers <sup>(2)</sup>	<b>1,745,458</b>	<b>70.9</b>	1,600,398	73.1
<b>Total revenue</b>	<b><u>2,462,483</u></b>	<b><u>100.0</u></b>	<b><u>2,190,093</u></b>	<b><u>100.0</u></b>

(1) Includes properties solely developed by CIFI Group and properties that CIFI Group jointly developed with other property developers in which CIFI Group held a controlling interest.

(2) Refers to properties solely developed by third-party property developers independent from CIFI Group, as well as properties jointly developed by CIFI Group and other property developers in which CIFI Group did not hold a controlling interest.

The revenue from community value-added services decreased from approximately RMB410.0 million for the six months ended 30 June 2023 to approximately RMB399.4 million for the Period, representing a slight decrease of approximately 2.6%, which was mainly due to the decrease of revenue from common area value-added services. During the Period, we optimized the common area value-added services business and give up some low-margin business, which led to the decrease of revenue.

The revenue from value-added services to non-property owners decreased by approximately 4.1% from approximately RMB371.7 million for the six months ended 30 June 2023 to approximately RMB356.6 million for the Period. Such decrease was mainly due to the downturn of the real estate industry in the PRC.

During the Period, the revenue generated from city services was approximately RMB149.0 million, representing a decrease of approximately 28.5% from approximately RMB208.5 million for the six months ended 30 June 2023, which was mainly caused by our strategy of reallocating the resources and withdrawing from some less profitable engagements during the Period to improve the efficiency.

### **Cost of services**

Cost of services increased by approximately 4.5% from approximately RMB2,540.4 million for the six months ended 30 June 2023 to approximately RMB2,654.3 million for the Period, primarily due to the increase of various kinds of costs during the Period as a result of the scale-up of our business. We will continuously invest in intelligent operation and conduct effective cost control measures to improve our operation efficiency.

### **Gross profit**

As a result of the above principal factors, the Group's gross profit increased by approximately 11.4% from approximately RMB643.3 million for the six months ended 30 June 2023 to approximately RMB716.8 million for the Period.

Gross profit margin of the Group by business line for the periods indicated was as follows:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2024</b>	<b>2023</b>
Property management services	<b>20.5%</b>	18.7%
Community value-added services	<b>37.1%</b>	43.4%
Value-added services to non-property owners	<b>12.4%</b>	10.3%
City services	<b>11.7%</b>	7.8%
<b>Overall</b>	<b><u>21.3%</u></b>	<b><u>20.2%</u></b>

During the Period, the gross profit margin of the Group was 21.3%, representing an increase of 1.1 percentage point as compared with that of 20.2% for the corresponding period in 2023, which was primarily due to the increase in gross profit margin of our property management services.

During the Period, the gross profit margin of property management services was 20.5%, representing an increase as compared with that of 18.7% for the corresponding period in 2023, which was primarily due to our continuous project portfolio optimization and efficiency improvement.

During the Period, the gross profit margin of community value-added services was 37.1%, representing a decrease as compared to that of 43.4% for the corresponding period in 2023, which was mainly due to the decrease in the proportion of revenue from property agency services and common area value-added services which have a relatively higher gross profit margin.

During the Period, the gross profit margin of value-added services to non-property owners was 12.4%, representing an increase as compared to that of 10.3% for the corresponding period in 2023, which was mainly due to our better business operation and cost control during the Period.

During the Period, the gross profit margin of city services was 11.7%, representing an increase as compared to that of 7.8% for the corresponding period in 2023, which was mainly due to the decrease of low-margin projects during the Period.

#### **Other income and other gains and losses**

During the Period, the Group's other income and other gains and losses amounted to approximately RMB14.6 million, representing a decrease of approximately 71.1% from approximately RMB50.6 million for the corresponding period in 2023, primarily due to decrease of government grants and gain from fair value changes of investment properties during the Period.

### **Administrative and selling expenses**

During the Period, the Group's total administrative and selling expenses amounted to approximately RMB241.3 million, representing a slight decrease of approximately 1.0% from approximately RMB243.8 million for the corresponding period in 2023.

### **Other expenses**

During the Period, the Group recorded other expenses of approximately RMB6.0 million, representing an increase from approximately RMB4.5 million for the corresponding period in 2023.

### **Profit before income tax expense**

During the Period, the profit before income tax expense was approximately RMB417.9 million, representing an increase of approximately 10.3%, as compared with that of approximately RMB378.7 million for the six months ended 30 June 2023.

### **Income tax expense**

During the Period, the Group's income tax expense was approximately RMB92.5 million, representing 22.1% of the profit before income tax expense, compared with that of approximately RMB85.5 million, representing 22.6% of the profit before income tax expense for the six months ended 30 June 2023.

### **Profit attributable to owners of the Company**

The profit attributable to owners of the Company for the six months ended 30 June 2024 was approximately RMB265.1 million, representing an increase of approximately 10.3%, as compared with that of approximately RMB240.4 million for the corresponding period in 2023.

## **Property, plant and equipment**

Property, plant and equipment of the Group mainly consisted of buildings, leasehold improvements, computer equipment, transportation equipment, as well as other fixed assets. As at 30 June 2024, the Group's property, plant and equipment amounted to approximately RMB108.6 million, representing a decrease from that of approximately RMB123.4 million as at 31 December 2023.

## **Investment properties**

Our investment properties mainly comprised buildings, parking spaces and storage rooms at the properties we owned. As at 30 June 2024, the Group's investment properties amounted to approximately RMB562.8 million, representing an increase from approximately RMB558.5 million as at 31 December 2023, which was mainly caused by the changes in fair value.

## **Intangible assets**

The Group's intangible assets mainly comprised property management contracts and customer relationship attributable to acquired companies, and information technology systems. As at 30 June 2024, the Group's intangible assets amounted to approximately RMB308.7 million, representing a decrease from approximately RMB318.5 million as at 31 December 2023, which was mainly caused by the amortization of intangible assets during the Period.

## **Goodwill**

As at 30 June 2024, the Group's goodwill amounted to approximately RMB1,488.2 million, remain the same as compared with that as at 31 December 2023.

### **Trade and bill receivables**

As at 30 June 2024, trade and bills receivables of the Group amounted to approximately RMB2,353.1 million, representing an increase from approximately RMB2,181.5 million as at 31 December 2023. Such increase was mainly due to the slow down of recovery of receivables because of the downward market situation.

### **Prepayments and other receivables**

Our prepayments and other receivables mainly consisted of payments made on behalf of our residents such as payments for the utility bills and public facility maintenance fund, as well as security deposits with local authorities for providing property management services per local law requirements, bidding deposits in relation to the public biddings, deposits to secure the sales collection of car parks, storage units and retail shops, and prepayments to vendors. As at 30 June 2024, our prepayments and other receivables amounted to approximately RMB1,244.2 million, representing a decrease from approximately RMB1,284.3 million as at 31 December 2023, which was mainly due to the decrease of deposits for exclusive sales representative agreements.

### **Cash and cash equivalents**

As at 30 June 2024, the Group's cash and cash equivalents were approximately RMB2,256.6 million, representing a decrease from approximately RMB2,341.5 million as at 31 December 2023.

### **Trade and bills payables**

As at 30 June 2024, trade and bills payables of the Group amounted to approximately RMB1,275.8 million, representing an increase from approximately RMB1,150.3 million as at 31 December 2023, which was mainly a result of the expansion of our business during the Period.

## **Accruals and other payables**

As at 30 June 2024, our accruals and other payables were approximately RMB1,201.1 million, representing a decrease from approximately RMB1,335.5 million as at 31 December 2023.

## **Contract liabilities**

Contract liabilities of the Group were property management fees paid by customers in advance for the services which had not yet been provided and not been recognized as revenue. As at 30 June 2024, our contract liabilities amounted to approximately RMB763.3 million, representing a decrease from approximately RMB870.3 million as at 31 December 2023.

## **Cash flows**

During the Period, net cash inflow from operating activities of the Group amounted to approximately RMB101.6 million, representing an increase from that of approximately RMB100.1 million for the corresponding period in 2023.

During the six months ended 30 June 2024, net cash inflow from investing activities amounted to RMB22.4 million, representing a decrease from that of approximately RMB144.1 million for the corresponding period in 2023, which was mainly caused by the decrease in refund of prepayment for purchases of financial assets at FVTPL.

Net cash outflow from financing activities amounted to approximately RMB204.8 million for the six months ended 30 June 2024, representing an increase from that of approximately RMB28.6 million for the corresponding period in 2023. The higher cash outflow from financing activities was mainly due to the increase in dividends payment during the Period.



## **Gearing ratio and the basis of calculation**

As at 30 June 2024, the gearing ratio of the Group was 0.72% (31 December 2023: 0.86%). The gearing ratio is equal to the sum of long-term and short-term interest-bearing borrowings divided by total equity.

## **Capital structure**

As at 30 June 2024, the Group's cash and bank balances were held in Renminbi, Hong Kong dollar and US dollar, and the Group's borrowings were denominated in Renminbi with approximately RMB6.5 million at fixed interest rate and approximately RMB31.8 million at variable interest rates.

As at 30 June 2024, equity attributable to owners of the Company amounted to approximately RMB4,974.3 million, compared to approximately RMB4,873.1 million as at 31 December 2023.

Financial position of the Group remained stable. As at 30 June 2024, the Group's net current assets was approximately RMB2,145.1 million, compared to approximately RMB1,945.8 million as at 31 December 2023.

## **Liquidity and financial resources**

During the Period, the Group's principal use of cash was working capital, which was mainly funded from cash flow from operations and net proceeds from the 2021 Subscription (as defined below). In the foreseeable future, we expect cash flow from operations will continue to be our principal source of liquidity and we may use a portion of the proceeds from the initial public offering of the Company (the "IPO") and our other fundraising activities conducted to finance some of our capital expenditures.

As at 30 June 2024, the Group's borrowings amounted to RMB38.3 million (31 December 2023: RMB45.0 million). Except as disclosed herein and apart from intra-group liabilities, we did not have any outstanding loan capital, bank overdrafts and liabilities, or other similar indebtedness, debentures, mortgages, charges or loans as at 30 June 2024.

### **Pledging of assets**

As at 30 June 2024, the Group had pledged property, plant and equipment with carrying amounts of approximately RMB21.6 million (31 December 2023: approximately RMB25.5 million) to secure the balance of borrowings of approximately RMB6.5 million.

### **Contingent liabilities**

As at 30 June 2024, the Group had no material contingent liabilities which have not been properly accrued for. The Group is involved in certain legal claims that have arisen during our usual and ordinary cause of business. Having considered relevant legal advice and made best estimation in respect of the liability, the Group expects that the claims will not incur any material adverse effect on our business, financial condition or operating results.

### **Significant investments held**

As at 30 June 2024, the Group did not hold any significant investment.

### **Material acquisitions and disposal of subsidiaries, associates and joint ventures**

The Group did not have any material acquisition and disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2024.

### **Future plans for material investments and capital assets**

As at 30 June 2024, the Group did not have any immediate plans for material investments and capital assets.

### **Interest rate risk**

As the Group has no significant interest-bearing assets and liabilities other than bank deposits and borrowings, the Group's exposure to the interest rate risk is limited to the market risk for changes in interest rates which relates primarily to bank balances that bear floating interest rates. Our management monitors the interest rate risk and take prudent measures to reduce the interest rate risk.

### **Foreign exchange risk**

The principal activities of the Group are conducted in China, and a majority of the Group's income and expenses are denominated in Renminbi. Certain bank balances are denominated in Hong Kong dollar and US dollar. Currently, the Group has not entered into contracts to hedge its exposure to foreign exchange risk, but the management will continue to monitor the foreign exchange exposure, and take prudent measures to reduce the foreign exchange risk.

### **Employment and remuneration policy**

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to staff is fixed by reference to the duties and the prevailing market rates in the region. Discretionary performance bonus after assessment is paid to the employees to reward their contribution. In compliance with the applicable statutory requirements in China and existing requirements of the local government, the Group has participated in different social welfare plans for the employees.

As at 30 June 2024, the Group had 25,240 employees (31 December 2023: 24,605 employees).

## Use of proceeds raised from IPO

On 17 December 2018, the Shares were successfully listed on the Stock Exchange. Our IPO was well received by investors in both the international offering and the Hong Kong public offering. The Company raised net proceeds of (i) approximately HK\$619.8 million from the IPO, and (ii) approximately HK\$63.2 million from partial exercise of an over-allotment option on 4 January 2019 (collectively, the “**Net Proceeds**”).

As stated in the prospectus of the Company dated 4 December 2018, we intended to use (i) approximately 55%, or approximately HK\$375.6 million for strategic acquisition and investment opportunities; (ii) approximately 26%, or approximately HK\$177.6 million for building up a smart community and using the most updated internet and information technologies which would improve service quality for our customers; (iii) approximately 9%, or approximately HK\$61.5 million for the development of a one-stop service community platform and our “Joy Life” online service platform; and (iv) approximately 10%, or approximately HK\$68.3 million for our general corporate purposes and working capital.

Further, as stated in the announcement of the Company dated 18 June 2019, the Board resolved to change the proposed use of the Net Proceeds. The unutilised Net Proceeds originally allocated for (i) acquiring property management services providers that provide community products and services complementary to our own, and (ii) for investing in property management industry funds jointly with business parties will be used for acquiring or investment in quality property management service providers that operate on a regional scale. For further details of the change in the proposed use of the Net Proceeds, please refer to the announcement of the Company dated 18 June 2019.

As at 30 June 2024, our planned use and actual use of the Net Proceeds was as follows:

	Net Proceeds						Expected timeline for the unutilised Net Proceeds
	Percentage of Net Proceeds	Allocation of Net Proceeds	Unutilised (as at 1 January 2024)	Utilised during the Period	Utilised (up to 30 June 2024)	Unutilised (as at 30 June 2024)	
	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	
To pursue strategic acquisition and investment opportunities	55%	375.6	—	—	375.6	—	N/A
To leverage the most updated internet and information technologies and build a smart community	26%	177.6	—	—	177.6	—	N/A
To develop a one-stop service community platform and our “Joy Life” (悦生活) online service platform	9%	61.5	51.3	0.1	10.3	51.2	By 31 December 2025
For general corporate purposes and working capital	10%	68.3	—	—	68.3	—	N/A
	<u>100%</u>	<u>683.0</u>	<u>51.3</u>	<u>0.1</u>	<u>631.8</u>	<u>51.2</u>	

The remaining Net Proceeds which had not been utilized were deposited with licensed financial institution in Hong Kong and mainland China. The Company will continue to evaluate and adopt a prudent and flexible approach for utilising the net proceeds effectively and efficiently for the long-term benefit and development of the Group. The expected timeline for the unutilised 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.

## **2020 Placing and 2020 Subscription**

On 4 June 2020, the Company, Elite Force Development Limited (a controlling shareholder of the Company) (“**Elite Force Development**”) and three placing agents entered into a placing and subscription agreement (the “**2020 Placing and Subscription Agreement**”), pursuant to which, (a) Elite Force Development has agreed to appoint these placing agents, and these placing agents have agreed to act as agents of Elite Force Development on a several basis to procure purchasers, on a best effort basis, to purchase a total of 134,000,000 existing Shares at the placing price of HK\$11.78 per Share (the “**2020 Placing Price**”) (the “**2020 Placing**”); and (b) Elite Force Development has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Elite Force Development, a total of 134,000,000 new Shares at the subscription price of HK\$11.78 per Share (being the same as the 2020 Placing Price) (the “**2020 Subscription**”).

The 2020 Placing Price was HK\$11.78 per Share and represented (i) a discount of approximately 6.95% to the closing price of HK\$12.66 per Share as quoted on the Stock Exchange on 3 June 2020, being the last trading day prior to the signing of the 2020 Placing and Subscription Agreement (the “**2020 Last Trading Date**”); (ii) a discount of approximately 3.63% to the average closing price of HK\$12.22 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the 2020 Last Trading Day; and (iii) a discount of approximately 0.61% to the average closing price of HK\$11.85 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the 2020 Last Trading Day.

Completion of the 2020 Placing and the 2020 Subscription took place on 8 June 2020 and 16 June 2020, respectively. A total of 134,000,000 existing Shares have been successfully placed at the 2020 Placing Price of HK\$11.78 per Share to no less than six (6) independent places, and a total of 134,000,000 new Shares (equal to the number of the existing Shares successfully placed under the 2020 Placing) were subscribed by Elite Force Development at the subscription price of HK\$11.78 per Share.

The Company received net proceeds from the 2020 Subscription (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) of approximately HK\$1,564,476,000 and intended to use the net proceeds from the 2020 Subscription for possible business development or investments in the future when opportunities arise and as working capital and general corporate purposes. Details of the planned use and actual use of net proceeds from the 2020 Subscription was as follows:

	Percentage of net proceeds	Allocation of net proceeds	Net proceeds from the 2020 Subscription				Expected timeline for the unutilised net proceeds
			Unutilised (as at 1 January 2024)	Utilised during the Period	Utilised (up to 30 June 2024)	Unutilised (as at 30 June 2024)	
			(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	
Strategic acquisition and investment opportunities	80%	1,251.6	—	—	1,251.6	—	N/A
Information technology related development	5%	78.2	60.8	20.9	38.3	39.9	By 31 December 2025
Working capital and general corporate purposes	15%	234.7	—	—	234.7	—	N/A
	<u>100%</u>	<u>1,564.5</u>	<u>60.8</u>	<u>20.9</u>	<u>1,524.6</u>	<u>39.9</u>	

## **2021 Placing and 2021 Subscription**

On 23 October 2021, the Company, Elite Force Development and two placing agents entered into a placing and subscription agreement (the “**2021 Placing and Subscription Agreement**”), pursuant to which, (a) Elite Force Development has agreed to appoint these placing agents, and these placing agents have agreed to act as agents of Elite Force Development on a several (but not joint nor joint and several) basis to procure purchasers, on a best effort basis, to purchase a total of 83,520,000 existing Shares at the placing price of HK\$15.76 per share (the “**2021 Placing Price**”) (the “**2021 Placing**”); and (b) Elite Force Development has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Elite Force Development, a total of 83,520,000 new Shares at the subscription price of HK\$15.76 per share (being the same as the 2021 Placing Price) (the “**2021 Subscription**”).

The 2021 Placing Price was HK\$15.76 per Share and represented (i) a discount of approximately 8.80% to the closing price of HK\$17.28 per Share as quoted on the Stock Exchange on 22 October 2021, being the last trading day prior to the signing of the 2021 Placing and Subscription Agreement (the “**2021 Last Trading Date**”); (ii) a discount of approximately 4.67% to the average closing price of HK\$16.53 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the 2021 Last Trading Day; and (iii) a discount of approximately 2.60% to the average closing price of HK\$16.18 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the 2021 Last Trading Day.

Completion of the 2021 Placing and the 2021 Subscription took place on 27 October 2021 and 1 November 2021, respectively. A total of 83,520,000 existing Shares have been successfully placed at the 2021 Placing Price of HK\$15.76 per Share to no less than six (6) independent places, and a total of 83,520,000 new Shares (equal to the number of the existing Shares successfully placed under the 2021 Placing) were subscribed by Elite Force Development at the subscription price of HK\$15.76 per Share.



The Company received net proceeds from the 2021 Subscription (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) of approximately HK\$1,304,000,000 and intended to use the net proceeds from the 2021 Subscription for possible business development or investments in the future when opportunities arise and as working capital and general corporate purposes.

Further, as stated in the announcement of the Company dated 27 March 2024 (the “**27 Mar Announcement**”), the Board resolved to change the use of the net proceeds from the 2021 Subscription such that the entire amount of the unutilized net proceeds of approximately HK\$796.5 million under “strategic acquisition and investment opportunities” will be re-allocated for “working capital and general corporate purposes” due to the downturn in the real estate industry in the PRC and the shift in expansion strategy in the property management industry from expansion through merger and acquisitions to expansion through organic growth. For further details of the change in the proposed use of the net proceeds from the 2021 Subscription, please refer to the announcement of the Company dated 27 March 2024.

As at 30 June 2024, all the remaining net proceeds have been utilised. Details of the planned use and actual use of net proceeds from the 2021 Subscription was as follows:

		Net proceeds from the 2021 Subscription					Expected	
Percentage of net proceeds	Allocation of net proceeds	Unutilised (as at 1 January 2024)	Re-allocation as per the 27 Mar Announcement	Utilised during the Period	Utilised (up to 30 June 2024)	Unutilised (as at 30 June 2024)	timeline for the unutilised net proceeds	
	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)		
Strategic acquisition and investment opportunities	65%	847.6	796.5	—	—	51.1	—	N/A
Working capital and general corporate purposes	35%	456.4	—	796.5	796.5	1,252.9	—	N/A <sup>(1)</sup>
	<u>100%</u>	<u>1,304.0</u>	<u>796.5</u>	<u>796.5</u>	<u>796.5</u>	<u>1,304.0</u>	<u>—</u>	

Note:

- (1) The actual timeline of utilisation was expedited as compared to the timeline set out in the 27 Mar Announcement due to our business expansion.

## **INTERIM DIVIDEND AND SPECIAL DIVIDEND**

The Board has resolved to pay an interim dividend of HK\$0.0839 per Share for the six months ended 30 June 2024 and a special dividend of HK\$0.0336 per Share, totalling approximately HK\$145.0 million and HK\$58.1 million respectively. The interim dividend and special dividend are expected to be paid on 24 September 2024 to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company after the close of business on 16 September 2024.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 12 September 2024 to 16 September 2024, both days inclusive, during which period no transfer of the Shares will be effected, for the purpose of ascertaining Shareholders’ entitlement to the interim dividend and special dividend. In order to establish entitlements to the interim dividend and special dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 11 September 2024.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company has applied the principles of good corporate governance and complied with the code provisions as set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) during the Period.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ securities transactions. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the Period.

## **AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS**

The Audit Committee consists of three independent non-executive Directors, namely Mr. Yu Tiecheng, Mr. Ma Yongyi and Mr. Cheung Wai Chung. Mr. Cheung Wai Chung, who holds the appropriate professional qualifications as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules, serves as the chairman of the Audit Committee. The Board has not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor. The Audit Committee has also reviewed the unaudited interim results for the six months ended 30 June 2024. In addition, the Company's auditor, Prism Hong Kong Limited (formerly known as Prism Hong Kong and Shanghai Limited), has reviewed the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2024. There are proper arrangements for employees to raise concerns, in confidence, about possible improprieties in financial reporting, internal control and other matters. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

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

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 20 November 2023, the Directors were granted a general mandate to exercise the power of the Company to buy back up to 174,922,000 Shares, representing 10% of the total number of Shares in issue as at 20 November 2023 (the “**2023 Buy-back Mandate**”). Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 6 June 2024, the Directors were granted a general mandate to exercise the power of the Company to buy back up to 174,922,000 Shares, representing 10% of the total number of Shares in issue as at 6 June 2024 (the “**2024 Buy-back Mandate**”). During the Period, pursuant to the 2023 Buy-back Mandate and the 2024 Buy-back Mandate, the Company bought back an aggregate of 15,024,000 Shares on the Stock Exchange at a total consideration of approximately HK\$22,172,950, exclusive of commissions and other expenses.

Details of the Share buy-backs during the Period were as follows:

Date of buy-back	Number of Shares bought back	Consideration per Share		Total consideration paid for the buy-back
		Highest price paid	Lowest price paid	HK\$
		HK\$	HK\$	
2 January 2024	300,000	1.40	1.40	420,000
3 January 2024	300,000	1.40	1.40	420,000
4 January 2024	300,000	1.33	1.33	399,000
5 January 2024	300,000	1.32	1.32	396,000
8 January 2024	300,000	1.25	1.25	375,000
9 January 2024	300,000	1.26	1.26	378,000
10 January 2024	300,000	1.23	1.23	369,000
11 January 2024	300,000	1.27	1.26	380,180
12 January 2024	300,000	1.26	1.26	378,000
15 January 2024	48,000	1.24	1.24	59,520
16 January 2024	300,000	1.24	1.24	372,000
17 January 2024	300,000	1.17	1.17	351,000
18 January 2024	300,000	1.09	1.09	327,000
19 January 2024	300,000	1.10	1.10	330,000
22 January 2024	300,000	1.07	1.07	321,000
23 January 2024	300,000	1.11	1.10	331,600
28 March 2024	300,000	1.29	1.28	386,260
8 April 2024	300,000	1.37	1.37	411,000
9 April 2024	300,000	1.36	1.35	406,680
10 April 2024	300,000	1.43	1.42	428,280
11 April 2024	300,000	1.42	1.42	426,000
12 April 2024	300,000	1.36	1.36	408,000

Date of buy-back	Number of Shares bought back	Consideration per Share		Total consideration paid for the buy-back
		Highest	Lowest	HK\$
		price paid	price paid	
		HK\$	HK\$	
15 April 2024	300,000	1.34	1.34	402,000
16 April 2024	300,000	1.35	1.32	402,880
17 April 2024	300,000	1.33	1.33	399,000
18 April 2024	300,000	1.32	1.32	396,000
19 April 2024	300,000	1.28	1.28	384,000
22 April 2024	300,000	1.32	1.32	396,000
23 April 2024	300,000	1.39	1.37	414,510
6 May 2024	300,000	1.84	1.82	549,800
7 May 2024	300,000	1.86	1.85	557,920
8 May 2024	300,000	1.79	1.79	537,000
30 May 2024	300,000	1.74	1.74	522,000
31 May 2024	300,000	1.77	1.77	531,000
3 June 2024	300,000	1.73	1.73	519,000
4 June 2024	300,000	1.76	1.76	528,000
5 June 2024	300,000	1.78	1.78	534,000
6 June 2024	300,000	1.80	1.78	537,900
7 June 2024	102,000	1.82	1.81	185,540
11 June 2024	300,000	1.73	1.70	514,400
12 June 2024	300,000	1.77	1.75	528,400
13 June 2024	300,000	1.74	1.68	511,860
14 June 2024	300,000	1.77	1.76	530,840
17 June 2024	300,000	1.74	1.68	509,900
18 June 2024	300,000	1.67	1.66	500,700
19 June 2024	300,000	1.67	1.63	498,140
20 June 2024	300,000	1.67	1.60	490,200

<b>Date of buy-back</b>	<b>Number of Shares bought back</b>	<b>Consideration per Share</b>		<b>Total consideration paid for the buy-back</b>
		<b>Highest price paid HK\$</b>	<b>Lowest price paid HK\$</b>	<b>HK\$</b>
21 June 2024	300,000	1.62	1.59	482,600
24 June 2024	300,000	1.59	1.54	469,560
25 June 2024	300,000	1.65	1.59	486,800
26 June 2024	174,000	1.69	1.65	293,780
27 June 2024	300,000	1.63	1.60	485,700
Total	<u>15,024,000</u>			<u>22,172,950</u>

The Shares bought back by the Company during the Peirod were not cancelled as at 30 June 2024 but have all been cancelled on 19 July 2024.

The Board believed that the Shares were trading at a price level which does not fully reflect the underlying value of the Company. As such, depending on the market conditions and the Company's actual needs at the relevant time, the Board made such repurchases. The Board also believed that the repurchase of Shares would demonstrate the Company's confidence in its long-term business prospects, which would in turn benefit the Company and will also be in the interest of the Company and the Shareholders as a whole.

As at 30 June 2024, the Company did not hold any treasury shares.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company during the Period.

## CHANGE OF COMPANY NAME

References are made to the announcements of the Company dated 22 December 2023 and 15 April 2024, and the circular of the Company dated 31 January 2024. Following the passing of a special resolution at the extraordinary general meeting of the Company convened and held on 28 February 2024, the English name of the Company has been changed from “CIFI Ever Sunshine Services Group Limited” to “Ever Sunshine Services Group Limited” and the dual foreign name of the Company in Chinese has been changed from “旭輝永升服務集團有限公司” to “永升服務集團有限公司”. The stock short names of the Company for trading in the Shares on the Stock Exchange has been changed from “CIFI ES SERVICE” to “ES SERVICES” in English and from “旭輝永升服務” to “永升服務” in Chinese, and the website of the Company has been changed from “www.cifis.com” to “www.ysservice.com.cn”, both with effect from 18 April 2024.

## CHANGE IN CONSTITUTIONAL DOCUMENTS

Pursuant to a special resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 6 June 2024, the Memorandum of Association of the Company (the “**Memorandum**”) and the Articles of Association of the Company (the “**Articles**”) were amended and restated with effect from 6 June 2024. For details of the amendments to the Memorandum and Articles and the adoption of the amended and restated Memorandum and Articles, please refer to the circular of the Company dated 26 April 2024 and the poll results announcement of the Company dated 6 June 2024.

An up-to-date copy of each of the Memorandum and Articles is available on the websites of the Company and the Stock Exchange.

## **EVENTS AFTER THE PERIOD**

No material event has taken place subsequent to 30 June 2024 and up to the date of this announcement that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The interim report of the Company for the six months ended 30 June 2024, containing all the information required under the Listing Rules, will be despatched to the Shareholders (if requested) and published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.ysservice.com.cn](http://www.ysservice.com.cn) in due course. This announcement can also be accessed on these websites.

## **APPRECIATION**

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and Shareholders for their continuous support to the Group. I would also like to extend my gratitude and appreciation to all management and staff for their hard work and dedication throughout the Period.

By order of the Board  
**Ever Sunshine Services Group Limited**  
**LIN Zhong**  
*Chairman*

Hong Kong, 29 August 2024

*As at the date of this announcement, the executive Directors are Mr. LIN Zhong, Mr. ZHOU Hongbin and Mr. ZHOU Di; the non-executive Director is Ms. CUI Xiaoqing; and the independent non-executive Directors are Mr. MA Yongyi, Mr. YU Tiecheng and Mr. CHEUNG Wai Chung.*

\* *For identification purposes only*