



**Fineland Living Services Group Limited**  
**方圓生活服務集團有限公司**

*(formerly known as Fineland Real Estate Services Group Limited 方圓房地產服務集團有限公司)*  
*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9978)**

INTERIM REPORT  
◀ 2023 ▶

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## CORPORATE INFORMATION

### Board of Directors

#### Executive Directors

Mr. HAN Shuguang (*Chairman*)  
Ms. RONG Haiming (*Chief executive officer*)  
Mr. YI Ruofeng  
Ms. TSE Lai Wa

#### Non-executive Director

Mr. FONG Ming

#### Independent non-executive Directors

Mr. LEUNG Wai Hung  
Mr. LIAO Junping  
Mr. DU Chenhua  
Mr. TIAN Qiusheng

### Company secretary

Mr. TSO Ping Cheong, Brian  
*FCCA, FCCA, FCG (CS,CGP), HKFCG (CS,CGP)*

### Audit committee

Mr. LEUNG Wai Hung (*Chairman*)  
Mr. TIAN Qiusheng  
Mr. DU Chenhua

### Remuneration committee

Mr. TIAN Qiusheng (*Chairman*)  
Mr. LEUNG Wai Hung  
Mr. YI Ruofeng

### Nomination committee

Mr. HAN Shuguang (*Chairman*)  
Mr. LIAO Junping  
Mr. TIAN Qiusheng

### Authorised representatives

Mr. TSO Ping Cheong, Brian  
Mr. YI Ruofeng

### Legal adviser

As to Hong Kong Laws  
Hogan Lovells

### Auditor

BDO Limited  
Registered Public Interest Entity Auditor

### Principal bankers

Industrial Bank Company Limited,  
Guangzhou Tianhe branch

Industrial and Commercial Bank of China,  
Guangzhou Liuhua branch

China Construction Bank,  
Guangzhou Dongbao Building branch

### Registered office

Windward 3, Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### Headquarters in the PRC

No. 28 Tiyu East Road  
Tianhe District  
Guangzhou  
PRC

### Principal place of business in Hong Kong

Unit B, 17/F., United Centre  
95 Queensway, Admiralty  
Hong Kong

### Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17/F., Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

### Principal share registrar and transfer office

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### Company's website address

[www.finelandassets.com](http://www.finelandassets.com)

## HIGHLIGHTS

- The Group recorded revenue of approximately RMB217.6 million for the six months ended 30 June 2023 (for the six months ended 30 June 2022: approximately RMB277.8 million).
- The Group recorded loss attributable to owners of the Company for the six months ended 30 June 2023 of approximately RMB22.9 million (profit attributable to owners of the Company for the six months ended 30 June 2022: approximately RMB9.8 million), which is mainly attributable to the significant increase in impairment losses on financial assets of approximately RMB46.9 million.
- The Directors do not recommend the payment of any dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

## INTERIM RESULTS

The Board (the “Board”) of Directors (the “Directors”) of the Company hereby reports the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2023 (the “Period”) with the unaudited comparative figures for the six months ended 30 June 2022.

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

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Revenue</b>	5	<b>217,595</b>	277,785
Cost of services		<b>(165,329)</b>	(215,717)
Gross profit		<b>52,266</b>	62,068
Other income and gains/(losses), net	6	<b>2,142</b>	2,918
Selling and marketing expenses		<b>(395)</b>	(601)
Administrative expenses		<b>(27,002)</b>	(39,184)
Impairment losses on financial assets, net	7	<b>(46,948)</b>	(6,984)
Finance costs		<b>(741)</b>	(430)
<b>(Loss)/profit before income tax</b>	8	<b>(20,678)</b>	17,787
Income tax	9	<b>2,123</b>	(354)
<b>(Loss)/profit for the period</b>		<b>(18,555)</b>	17,433
<b>Other comprehensive income</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations		<b>(1,235)</b>	(1,787)
<b>Total comprehensive (loss)/income for the period</b>		<b>(19,790)</b>	15,646
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		<b>(22,911)</b>	9,755
Non-controlling interests (“NCI”)		<b>4,356</b>	7,678
		<b>(18,555)</b>	17,433
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		<b>(24,146)</b>	7,968
NCI		<b>4,356</b>	7,678
		<b>(19,790)</b>	15,646
		<i>RMB cents</i>	<i>RMB cents</i>
<b>(Loss)/earnings per share</b>			
— Basic and diluted	11	<b>(5.73)</b>	2.44

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2023

	Notes	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	9,918	9,546
Right-of-use assets	13(a)	–	197
Financial assets at fair value through profit or loss		3,758	3,715
Goodwill		47,646	47,646
Other intangible assets		26,107	28,878
Deferred tax assets		11,337	6,613
<b>Total non-current assets</b>		<b>98,766</b>	96,595
<b>Current assets</b>			
Trade receivables	14	122,896	106,928
Deposits, prepayments and other receivables		59,955	60,322
Amounts due from fellow subsidiaries	15	96,155	117,016
Amounts due from related companies	15	45,388	63,396
Amounts due from NCI	15	2,500	10,228
Financial assets at fair value through profit or loss	16	521	516
Restricted bank balances	17	3,448	1,153
Bank balances and cash	17	111,801	117,684
<b>Total current assets</b>		<b>442,664</b>	477,243
<b>Current liabilities</b>			
Trade payables	18	71,080	73,647
Contingent consideration payable		7,772	–
Contract liabilities		47,350	47,312
Accruals and other payables		133,043	140,159
Lease liabilities	13(b)	–	60
Amounts due to fellow subsidiaries	15	4,260	5,320
Amounts due to related companies	15	19	19
Amounts due to NCI	15	3,160	2,713
Bank borrowings	19	35,000	35,730
Tax payable		13,154	14,007
<b>Total current liabilities</b>		<b>314,838</b>	318,967
<b>Net current assets</b>		<b>127,826</b>	158,276
<b>Total assets less current liabilities</b>		<b>226,592</b>	254,871
<b>Non-current liabilities</b>			
Contingent consideration payables		–	7,337
Lease liabilities	13(b)	–	150
Deferred tax liabilities		9,185	9,877
<b>Total non-current liabilities</b>		<b>9,185</b>	17,364
<b>Net assets</b>		<b>217,407</b>	237,507
<b>Capital and reserves</b>			
Share capital	20	3,403	3,403
Reserves		145,693	169,839
Equity attributable to owners of the Company		149,096	173,242
NCI		68,311	64,265
<b>Total equity</b>		<b>217,407</b>	237,507

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June 2023

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Equity attributable to owners of the Company RMB'000	NCI RMB'000	Total equity RMB'000
<b>As at 1 January 2023</b>	<b>3,403</b>	<b>51,677</b>	<b>6,118</b>	<b>13,946</b>	<b>(3,931)</b>	<b>102,029</b>	<b>173,242</b>	<b>64,265</b>	<b>237,507</b>
(Loss)/profit for the period	-	-	-	-	-	(22,911)	(22,911)	4,356	(18,555)
Exchange differences on translation of foreign operations	-	-	-	-	(1,235)	-	(1,235)	-	(1,235)
Total comprehensive (loss)/income for the period	-	-	-	-	(1,235)	(22,911)	(24,146)	4,356	(19,790)
Dividends paid to NCI	-	-	-	-	-	-	-	(1,200)	(1,200)
Capital contribution from NCI	-	-	-	-	-	-	-	890	890
<b>As at 30 June 2023</b>	<b>3,403</b>	<b>51,677</b>	<b>6,118</b>	<b>13,946</b>	<b>(5,166)</b>	<b>79,118</b>	<b>149,096</b>	<b>68,311</b>	<b>217,407</b>
<b>As at 1 January 2022</b>	<b>3,403</b>	<b>51,677</b>	<b>5,987</b>	<b>12,953</b>	<b>(36)</b>	<b>84,859</b>	<b>158,843</b>	<b>46,207</b>	<b>205,050</b>
Profit for the period	-	-	-	-	-	9,755	9,755	7,678	17,433
Exchange differences on translation of foreign operations	-	-	-	-	(1,787)	-	(1,787)	-	(1,787)
Total comprehensive income for the period	-	-	-	-	(1,787)	9,755	7,968	7,678	15,646
Acquisition of subsidiaries	-	-	-	-	-	-	-	7,831	7,831
Acquisition of additional interests in a subsidiary	-	-	65	-	-	-	65	(1,331)	(1,266)
Dividends paid to NCI	-	-	-	-	-	-	-	(1,000)	(1,000)
<b>As at 30 June 2022</b>	<b>3,403</b>	<b>51,677</b>	<b>6,052</b>	<b>12,953</b>	<b>(1,823)</b>	<b>94,614</b>	<b>166,876</b>	<b>59,385</b>	<b>226,261</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Net cash used in operating activities</b>	<b>(1,536)</b>	(37,599)
<b>Investing activities</b>		
Interest received	137	134
Purchase of property, plant and equipment	(583)	(371)
Proceeds from sale of property, plant and equipment	81	7
Payment of contingent consideration payable	–	(6,186)
Acquisition of additional interests in a subsidiary	–	(1,566)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	–	(8,636)
Disposal of a subsidiary, net of cash and cash equivalents disposed of	–	(4)
Placement of restricted cash	(2,295)	–
<b>Net cash used in investing activities</b>	<b>(2,660)</b>	(16,622)
<b>Financing activities</b>		
Interest paid	(737)	(365)
Capital contribution from the NCI	890	–
Dividend paid to non-controlling interest	(1,200)	(1,000)
Payment of principal portion of lease payments	(57)	(428)
Payment of interest portion of lease payments	(4)	(65)
Proceeds from bank borrowings	4,270	40,000
Repayment of bank borrowings	(5,000)	–
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,838)</b>	38,142
<b>Net decrease in cash and cash equivalents</b>	<b>(6,034)</b>	(16,079)
Effect of foreign exchange rate changes	151	38
Cash and cash equivalents at beginning of year	117,684	90,342
<b>Cash and cash equivalents at end of year</b>	<b>111,801</b>	74,301



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated as an exempted company in the Cayman Islands with limited liability. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at Unit B, 17/F., United Centre, 95 Queensway, Admiralty, Hong Kong.

The principal activities of the Group are the provision of real estate agency services, provision of professional property management services and value-added services for residential and commercial properties in the People's Republic of China (the "PRC").

The immediate holding company and ultimate holding company of the Company are Mansion Green Holdings Limited ("**Mansion Green**") and Widethrive Investments Limited ("**Widethrive Investments**"), respectively, companies incorporated in the British Virgin Islands with limited liability. The Directors consider that the Company is ultimately controlled by Mr. Fong Ming and Ms. Tse Lai Wa.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

These unaudited condensed consolidated financial statements have been prepared in accordance Hong Kong Accounting Standards ("**HKASS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

#### (b) Basis of measurement

The financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit and loss and contingent consideration payable which have been measured at fair value.

#### (c) Functional and presentation currency

The financial statements are presented in Renminbi ("**RMB**"), which is the functional currency of the Company's subsidiaries established in the PRC from which all of the Group's revenue and operating profit were generated. The functional currency of the Company is Hong Kong dollars ("**HK\$**"). All values are rounded to the nearest thousand of RMB ("**RMB'000**") except when otherwise indicated.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in preparing the interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 December 2022 (the "**2022 Financial Statements**"), except for the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations (collectively "**new and revised HKFRSs**") issued by the HKICPA which have become effective in this period.

The Directors were not aware of any material impact from the application of the new and revised HKFRSs in the financial statements of the Group for the six months ended 30 June 2023 and in the future.

#### 4. SEGMENT REPORTING

The Group has determined its operating segments and prepared segmental information based on regular internal financial information that is based on a measure of operating results reported to the chief operating decision makers, i.e. the executive Directors of the Company, who are responsible for making strategic decisions. The executive Directors review the Group's internal reporting in order to assess the performance and allocate the resources and have determined the operating segments based on these reports. The Group's reportable and operating segments for the six months ended 30 June 2023 are as follows:

- (i) provision of comprehensive real estate agency services; and
- (ii) provision of professional property management services.

##### Reportable segments

The chief operating decision makers ("CODM") monitor the results of its service lines separately for the purpose of making decision about resources allocation and performance assessment. Segment performance is evaluated based on the results from the reportable segments as explained in the table below.

	Six months ended 30 June 2023		
	Provision of comprehensive real estate agency services RMB'000 (Unaudited)	Provision of professional property management services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Segment revenue</b>			
External sales	20,089	197,506	217,595
Intersegment sales	–	–	–
<i>Reconciliation</i>			
Elimination of intersegment sales	–	–	–
Total revenue	20,089	197,506	217,595
<b>Segment results</b>	(22,495)	28,285	5,790
<i>Reconciliation:</i>			
Fair value loss on contingent consideration payable			(435)
Unallocated corporate expenses			(26,033)
Loss before income tax			(20,678)

#### 4. SEGMENT REPORTING *(Continued)*

	Six months ended 30 June 2022		
	Provision of comprehensive real estate agency services <i>RMB'000</i> (Unaudited)	Provision of professional property management services <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<b>Segment revenue</b>			
External sales	77,282	200,503	277,785
Intersegment sales	59	3	62
<i>Reconciliation</i>			
Elimination of intersegment sales	(59)	(3)	(62)
Total revenue	77,282	200,503	277,785
<b>Segment results</b>	10,426	39,427	49,853
<i>Reconciliation:</i>			
Fair value loss on contingent consideration payable			(57)
Unallocated corporate expenses			(32,009)
Profit before income tax			17,787

Unallocated corporate expenses mainly comprises legal and professional fees and salaries and allowances for the six months ended 30 June 2023 and 2022.

#### Segment assets and liabilities

As the Group's segment assets and liabilities are not regularly reviewed by the CODM, the measure of total assets and liabilities for each operating segment is therefore not presented.

#### 4. SEGMENT REPORTING *(Continued)*

##### Geographical information

As the CODM consider the Group's revenue and results are all derived from provision of services in the PRC and no significant consolidated assets of the Group are located outside the PRC except bank balances in Hong Kong, geographical segment information is not considered necessary.

##### Information about major customers

Revenue from customers with whom transactions have exceeded 10% of the Group's revenue, is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fineland Group Holdings Company Limited ("Fineland Group Holdings") and its subsidiaries* (collectively the "Fineland Group")#	–	37,806

# The revenue during the six months ended 30 June 2023 did not contribute over 10% of the total revenue of the Group for that period.

#### 5. REVENUE

Disaggregation of revenue by each significant category and timing of revenue recognition are as follows:

		Six months ended 30 June	
		2023	2022
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Real estate agency services</b>			
Real estate agency services income	at a point in time	20,089	77,282
<b>Property management services</b>			
Property management services income	over time	166,911	148,356
Value-added services to non-property owners	over time	10,713	24,120
Community value-added services			
— Other value-added services	over time	19,484	23,405
— Sale of goods	at a point in time	398	2,177
Software service income	over time	–	2,445
		217,595	277,785

## 6. OTHER INCOME AND GAINS/(LOSSES), NET

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	137	134
Exchange gains, net	1,262	1,783
Government grants (Note)	942	1,282
Gain on lease modifications (Note 13(a))	13	51
Fair value gain on financial assets at fair value through profit or loss	48	10
Fair value loss on contingent consideration payable	(435)	(57)
Loss on disposal of a subsidiary	–	(1,326)
Recovery of trade and other receivables after acquisition	–	882
Other income	175	159
	<b>2,142</b>	<b>2,918</b>

Note:

The amounts mainly represent refunds of value-added tax and other taxes benefits from the PRC tax authorities.

## 7. IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>(Provision)/reversal of loss allowance on:</b>		
Trade receivables (Note 14)	6,646	6,281
Amounts due from fellow subsidiaries (Note 15)	22,744	–
Amounts due from related companies (Note 15)	18,024	–
Amounts due from NCI (Note 15)	(414)	450
Deposits, prepayments and other receivables	(52)	253
	<b>46,948</b>	<b>6,984</b>

## 8. (LOSS)/PROFIT BEFORE INCOME TAX

This is arrived at after charging/(crediting):

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Auditor's remuneration	305	122
Amortisation of other intangible assets (included in administrative expenses)	2,771	3,011
Depreciation of property, plant and equipment	1,604	1,989
Depreciation of right-of-use assets	56	476
Exchange (gains)/losses, net	(1,262)	(1,783)
(Gain)/loss on disposal of property, plant and equipment (Note 12)	(33)	50
Finance costs:		
— Interest expenses on lease liabilities	4	65
— Interest expenses on bank borrowings	737	365
Employee benefit expenses	88,332	120,812
Short-term lease expenses	2,515	3,688

## 9. INCOME TAX

The amounts of income tax in the unaudited condensed consolidated statement of profit or loss and other comprehensive income represent:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax — PRC Enterprise Income Tax ("EIT")	3,293	3,177
Deferred tax	(5,416)	(2,823)
	(2,123)	354

- (i) No Hong Kong profits tax has been provided as the Group has no estimated assessable profits arising in Hong Kong for the current and prior periods.
- (ii) Under the PRC EIT Law, the Group's PRC entities are subject to income tax at a rate of 25%, except that certain subsidiaries are qualified as small enterprises and micro businesses and enjoy a preferential income tax rate of 5% respectively for the six months ended 30 June 2023.

## 10. DIVIDEND

The Directors do not recommend the payment of a dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

## 11. (LOSS)/EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
(Loss)/profit for the period attributable to the owners of the Company (RMB'000)	(22,911)	9,755
Weighted average number of ordinary shares in issue during the period for the purpose of basic earnings per share	400,000,000	400,000,000

Diluted (loss)/earnings per share are the same as basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding for the six months ended 30 June 2023 and 2022.

## 12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired items of property, plant and equipment at total cost of RMB2,090,000 (six months ended 30 June 2022: RMB385,000). Items of property, plant and equipment with net carrying amount of RMB112,000 (six months ended 30 June 2022: RMB376,000) were disposed of during the six months ended 30 June 2023, resulting in a gain on disposal of RMB33,000 (six months ended 30 June 2022, loss on disposal of RMB50,000) (Note 8).

## 13. LEASES

The Group entered into a number of lease agreements for the use of office and shop premises in the PRC with lease terms of 3 years (2022: ranging from 2 to 5 years). Certain lease agreements contain options to extend or terminate the lease. Under certain lease agreements with the extension option, the rental amount and lease terms for extension period are subject to negotiation with respective landlords on an individual basis at the time of renewal.

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

During the six months ended 30 June 2023, right-of-use assets with net book value of RMB141,000 (six months ended 30 June 2022: RMB1,948,000) were disposed of, resulting in a gain on disposal of RMB13,000 (six months ended 30 June 2022: RMB51,000) (Note 6).

**13. LEASES** (Continued)**(b) Lease liabilities**

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Current liabilities	–	60
Non-current liabilities	–	150
	–	210

**14. TRADE RECEIVABLES**

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Trade receivables	<b>144,037</b>	121,423
Less: Impairment losses	<b>(21,141)</b>	(14,495)
	<b>122,896</b>	106,928

Trade receivables mainly represent receivables of property management services income and real estate agency service income and no credit terms are granted generally. For property management services income, the customers are required to settle the invoices which are due on presentation. For real estate agency services income, the customers are required to settle the amounts due upon completion of services provided or pursuant to the terms and conditions of the relevant agreements. The ageing analysis of trade receivables (net of impairment losses) based on invoice date (which is also the due date) as at 30 June 2023 is as follows:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Within 1 year	<b>79,329</b>	87,029
1 to 2 years	<b>35,968</b>	17,326
Over 2 years	<b>7,599</b>	2,573
	<b>122,896</b>	106,928



**14. TRADE RECEIVABLES** *(Continued)*

The Directors consider that the carrying amounts of trade receivables approximate their fair values. No interest is charged on trade receivables.

In determining the recoverability of the trade receivables, the Group monitors any change in the credit quality of the trade receivables.

The Group applies the simplified approach to provide for the expected credit loss (“ECLs”) prescribed by HKFRS 9, which permits the use of the lifetime ECLs provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. For the six months ended 30 June 2023, additional provision of RMB6,646,000 (six months ended 30 June 2022: RMB6,281,000) was made against the gross amounts of trade receivables (Note 7).

**15. AMOUNTS DUE FROM/TO FELLOW SUBSIDIARIES, RELATED COMPANIES AND NCI**

The amounts due from/to fellow subsidiaries, related companies and NCI as at 31 December 2022 and as at 30 June 2023 are trade in nature, unsecured and interest-free and are obliged to settle the amounts due upon completion of services provided or pursuant to the terms and conditions of the relevant agreements. The related companies are investee companies of the Fineland Group and there are common directors between Fineland Group Holdings and the investee companies.

The impairment policies on amounts due from fellow subsidiaries, related companies and NCI during the year ended 31 December 2022 and six months ended 30 June 2023 are the same as those on trade receivables as set out in Note 14.

The ageing analysis of amounts due from fellow subsidiaries, related companies and NCI based on invoice date (which is also the due date) as of the end of the reporting period is as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Amounts due from fellow subsidiaries	120,622	118,739
Less: Impairment losses	(24,467)	(1,723)
	<b>96,155</b>	117,016
Within 1 year	50,326	97,037
1 to 2 years	33,524	19,979
2 to 3 years	12,305	–
	<b>96,155</b>	117,016

## 15. AMOUNTS DUE FROM/TO FELLOW SUBSIDIARIES, RELATED COMPANIES AND NCI (Continued)

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Amounts due from related companies	64,052	64,036
Less: Impairment losses	(18,664)	(640)
	<b>45,388</b>	63,396
Within 1 year	35,734	63,396
1 to 2 years	9,654	–
	<b>45,388</b>	63,396
	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Amounts due from NCI	2,586	10,728
Less: Impairment losses	(86)	(500)
	<b>2,500</b>	10,228
Within 1 year	<b>2,500</b>	10,228

The outstanding earnest money balance was accrued as a result of the earnest money payment arrangement which is part and parcel of the Group's real estate agency service business. As at 30 June 2023, the outstanding earnest money balance under the Renewal Master Agency Service Agreement was approximately RMB33,669,000 (at 31 December 2022: RMB34,452,000).

The Group applies the simplified approach to provide for the ECL prescribed by HKFRS 9, which permits the use of the lifetime ECLs provision for all the amounts due from fellow subsidiaries, related companies and NCI. To measure the ECLs, the amounts due from fellow subsidiaries, related companies and NCI have been grouped based on shared credit risk characteristics and the historical collection period. For the six months ended 30 June 2023, additional provision of RMB40,354,000 (six months ended 30 June 2022: RMB450,000) was made against the gross amounts due from fellow subsidiaries, related companies and NCI (Note 7).

## 15. AMOUNTS DUE FROM/TO FELLOW SUBSIDIARIES, RELATED COMPANIES AND NCI *(Continued)*

The ageing analysis of amounts due to fellow subsidiaries, related companies and NCI based on invoice date as of the end of the reporting period is as follows:

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Amounts due to fellow subsidiaries</b>		
Within 1 year	1,393	5,320
1 to 2 years	2,867	–
	<b>4,260</b>	<b>5,320</b>
<b>Amounts due to related companies</b>		
Within 1 year	19	19
<b>Amounts due to NCI</b>		
Within 1 year	3,160	2,713

## 16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Unlisted partnership investment, at fair value	3,758	3,715
Unlisted investments, at fair value	521	516
	<b>4,279</b>	4,231
Categorised as:		
Non-current portion	3,758	3,715
Current portion	521	516
	<b>4,279</b>	4,231

As at 30 June 2023, the fair value of the partnership investment was RMB3,758,000 (at 31 December 2022: RMB3,715,000). Change in fair value of the partnership investment is recognised in "other income and gains/ (losses), net" in the consolidated statement of comprehensive income.

The above unlisted investments were wealth management products issued by a bank in the PRC. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

## 17. RESTRICTED BANK BALANCES, BANK BALANCES AND CASH

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Total bank balances and cash	115,249	118,837
Less: Restricted bank balances	(3,448)	(1,153)
Cash and cash equivalents	<b>111,801</b>	117,684

As at 31 December 2022 and as at 30 June 2023, bank balances carry interest at prevailing deposit rates.

As at 30 June 2023, included in the Group's restricted bank balances and bank balances is an amount of approximately RMB113,388,000 (at 31 December 2022: RMB116,445,000), which are deposits with banks in the PRC and denominated in RMB, and RMB is not a freely convertible currency.

## 18. TRADE PAYABLES

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

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Within 1 year	70,980	72,878
1 to 2 years	100	769
	<b>71,080</b>	<b>73,647</b>

## 19. BANK BORROWING

Loan amounted to RMB35,000,000 is secured by certain property of a fellow subsidiary of the Company, and guaranteed by Mr. Fong and fellow subsidiaries of the Company, and carried fixed interest rate of 4% per annum. The loan shall be repayable within six months.

## 20. SHARE CAPITAL

The share capital as of the end of the reporting period represented the issued share capital of the Company as detailed below:

	Number	Amount HK\$'000	
Ordinary shares at par value of HK\$0.01 each			
<b>Authorised</b>			
As at 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023	10,000,000,000		100,000
		Number	Amount RMB'000
<b>Issued and fully paid</b>			
As at 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023	400,000,000	4,000	3,403

## 21. COMMITMENTS AND CONTINGENT LIABILITIES

### (a) Capital commitment

As at 30 June 2023, the Group did not have any significant capital commitment.

### (b) Contingent liability

As at 30 June 2023, the Group did not have any significant contingent liability.

## 22. NOTE TO UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

There are no major non-cash transactions for the six months ended 30 June 2022.

In January 2023, Zhuhai Fangyuan Property Management Co., Ltd.\* (珠海市方圓物業管理有限公司) (“**Zhuhai Fangyuan**”), one of the Company’s indirect non-wholly owned subsidiaries, as purchaser, and Zhuhai Fangyuan Mingzhen Real Estate Co., Ltd.\* (珠海市方圓明臻房地產有限公司) (“**Zhuhai Mingzhen**”), as vendor, entered into a settlement agreement, pursuant to which, Zhuhai Fangyuan agreed to set-off trade receivables of approximately RMB1,643,000 owed to it by Zhuhai Mingzhen, by way of accepting the transfer of one property from Zhuhai Mingzhen to Zhuhai Fangyuan.

## 23. RELATED PARTY TRANSACTIONS

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Real estate agency services income from fellow subsidiaries	5,361	22,206
Real estate agency services income from investee companies of fellow subsidiaries	982	20,068
Real estate agency services income from associates of fellow subsidiaries	1,681	3,259
Property management services income from fellow subsidiaries	7,930	3,178
Property management services income from a related company	277	277
Property management services income from associates of fellow subsidiaries	2,339	478
Property management services income from investee companies of fellow subsidiaries	257	–
Value-added services to non-property owners income from fellow subsidiaries	3,498	9,822
Value-added services to non-property owners income from associates of fellow subsidiaries	1,555	6,755
Value-added services to non-property owners income from investee companies of fellow subsidiaries	3,486	4,131
Other value-added services income from fellow subsidiaries	13	295
Other value-added services income from related companies	–	6
Other value-added services income from an associate of a fellow subsidiary	26	1
Sales of goods from fellow subsidiaries	–	442
Sales of goods income from associates of fellow subsidiaries	19	128
Sales of goods income from investee companies of fellow subsidiaries	–	81
Software service income from fellow subsidiaries	–	1,961

**23. RELATED PARTY TRANSACTIONS** (Continued)

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Software service income from related companies	–	19
Software service income from associates of fellow subsidiaries	–	261
Software service income from an investee company of a fellow subsidiary	–	61
Short-term leases expenses to fellow subsidiaries	1,857	1,925
Lease payments to a related party (Note)	–	219
Consultancy fee to a fellow subsidiary	990	–

The above transactions were conducted on mutually agreed terms.

Note: The related party is a daughter of Ms. Tse Lai Wa, a Director and the ultimate controlling shareholder of the Company.

**24. EVENTS AFTER THE REPORTING DATE**

On 21 June 2023, Guangzhou Fineland Living Services Limited\* (廣州方圓生活服務有限公司) (“**Fineland Living Services**”), an indirectly wholly-owned subsidiary of the Company, as purchaser, and Heshan Fudu Property Development Company Limited\* (鶴山市富都物業發展有限公司) (“**Heshan Fudu**”), as vendor, entered into a settlement agreement, pursuant to which, Fineland Living Services has conditionally agreed to procure the relevant purchaser(s) to pay the down payment of approximately RMB4.0 million and set-off the outstanding receivables of approximately RMB16.0 million which remained outstanding and payable by Heshan Fudu to Fineland Living Services and its subsidiaries by way of accepting the transfer of 23 properties from Heshan Fudu to the relevant purchaser(s) (the “**Settlement Transactions**”). Completion of the Settlement Transactions is subject to fulfillment of conditions precedents. Please refer to the announcement of the Company dated 21 June 2023, and the circular dated 24 August 2023 for further information. The down payment of approximately RMB4.0 million was paid to the Vendor on 5 July 2023.

On 23 August 2023, Guangzhou Fineland Real Estate Development Company Limited (“**Guangzhou Fineland**”), a wholly owned subsidiary of the Fineland Group Holdings, made a public announcement that it was unable to redeem its US dollar-denominated senior notes of US\$340 million (the “**Senior Notes**”) and pay interest of approximately US\$69.4 million by the maturity date. Despite having attempted to enter into an exchange offer with bond holders, Guangzhou Fineland has terminated the exchange offer in order to channel its financial resources into property construction work, adhering to the government policy in ensuring the timely delivery of pre-sold properties. The Group is not a holder of the Senior Notes. Guangzhou Fineland is one of the Group’s customers and there are receivables accrued from the provision of services by the Group to Guangzhou Fineland. We have considered this event in our assessment of credit risk over the expected life of the financial assets. The Group will continue to monitor the situation and assess the impact of this incident including but not limited to the credit profile of Guangzhou Fineland. It will continue to follow up and demand repayment of the receivables owed by Guangzhou Fineland.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

The Group engages in living services, a focus mainly in Guangzhou and elsewhere in the Greater Bay Area, as well as the other parts of the PRC, through two business segments, namely comprehensive real estate agency services and professional property management service. Our business strategy is to expand our services nationwide, with strategic focus on the provision of property management services and complementary value-added services.

In the first half of 2023, the market demand gradually recovered, employment and price were generally stable and residents' income grew steadily, the national economy showed a good momentum of recovery. According to preliminary estimates published by National Bureau of Statistics of China, the gross domestic product (GDP) reached approximately RMB59,303.4 billion, up by 5.5 percent year on year. Sales area of commercial housing sold was approximately 595.1 million square meters ("**sq.m.**"), representing a year-on-year decrease of 5.3%, of which sales areas of residential buildings sold decreased by 2.8%. The total sales amount of commercial housing was approximately RMB6,309.2 billion, representing an increase of 1.1%, of which the total sales amount of residential buildings increased by 3.7%.

In the first quarter, driven by the release of the backlog of demand during the epidemic and the overall loosening policies, the economy stabilized and rebounded, and the real estate industry also ushered in a wave of mild growth. Although the economy continued to recover after the declined credit and the weakened policy support, the main indicators in the real estate industry such as the monthly growth rate have declined. The real estate housing market did not manage to maintain the continuous recovery in the second quarter, residents are still not willing to purchase properties.

Looking ahead, with the positive signal released by the Ministry of Housing and Urban-Rural Development, it's expected that supporting policies will be released in an accelerating pace in the near future, and more powerful. Policies may involve optimizing housing restrictions, reducing the down payment ratio and loan interest rate, reducing transaction taxes, and relaxing regional purchase restrictions, which will be optimized and adjusted in time of the core first-tier and second-tier cities, recovery in the real estate industry is expected to accelerate in the short term.

The property management services industry has shown steady growth in the past few years and is expected to continue to flourish in the coming years driven by the support from the PRC government and continuous increase in both demand of property management services and supply of commercial housing. Market drivers such as increasing urbanization rate, continuous policy support from governments, in recovery and growing economy, upgrade of consumption and services, integration of information technology services and others will drive the development of the property management services market. The Group strategically shifted the focus of future developments to property management services segment, seeing that the revenue from real estate agency services declined dramatically affected by the difficulties facing by real estate industry and property developers.



## MANAGEMENT DISCUSSION AND ANALYSIS

The Group's total revenue amounted to approximately RMB217.6 million for the six months ended 30 June 2023 (the "Period"), representing a decrease of approximately 21.7%, from RMB277.8 million for the corresponding period of 2022, which was mainly due to the decrease in income recorded of approximately RMB57.2 million in comprehensive real estate agency services segment. The net loss of the Group for the Period was approximately RMB18.6 million, down from a net profit of approximately RMB17.4 million for the corresponding period of 2022, which is mainly attributable to the significant increase in impairment losses on financial assets of approximately RMB46.9 million. Please refer to note 7 to the unaudited condensed consolidated financial statements of this interim report for further details.

To improve the Group's financial position, on 21 June 2023, Guangzhou Fineland Living Services Limited\* (廣州方圓生活服務有限公司) ("**Fineland Living Services**"), an indirectly wholly-owned subsidiary of the Company, as purchaser, and Heshan Fudu Property Development Company Limited\* (鶴山市富都物業發展有限公司) ("**Heshan Fudu**"), as vendor, entered into a settlement agreement (the "**Settlement Agreement**"), pursuant to which, Fineland Living Services has conditionally agreed to procure the relevant purchaser(s) to pay the down payment of approximately RMB4.0 million and set-off the outstanding receivables of approximately RMB16.0 million which remained outstanding and payable by Heshan Fudu to Fineland Living Services and its subsidiaries by way of accepting the transfer of 23 properties from the Heshan Fudu to the relevant purchaser(s) (the "**Settlement Transactions**"). The outstanding receivables arose from property agency and property management services provided by the Group to Heshan Fudu in the past. As the highest applicable percentage ratio in respect of the Settlement Transactions exceeds 25% but is less than 100%, the Settlement Transactions constituted a major transaction of the Company under the Listing Rules and was therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. Completion of the Settlement Transactions is subject to fulfillment of conditions precedents. Please refer to the announcement of the Company dated 21 June 2023 and the circular dated 24 August 2023 for further information.

### Comprehensive real estate agency services

Real estate agency services consist of (i) online and offline real estate agency services; (ii) property research and consultancy services; and (iii) integrated services. Revenue recorded from comprehensive real estate agency services was approximately RMB20.1 million for the Period, representing a decrease of 74.0% from RMB77.3 million for the corresponding period in 2022.

The reason behind the dramatic decline is that although favourable signs shown for several months, financial difficulties facing by the property developers remained challenging, and the developers fell short on their capability to launch new projects and make timely payments due, thus the Company was more cautious on taking on more projects available. As a result, online and offline agency services income fell sharply during and the months leading to the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Professional property management services segment

Property management services segment mainly consist of (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services. Revenue recorded from professional property management services segment was approximately RMB197.5 million for the Period, representing a slight decrease of 1.5%, compared with RMB200.5 million for the corresponding period of 2022.

Contracted gross floor areas (“GFA”) as of 30 June 2023 is approximately 19.5 million sq.m., an increase of 1.6% compared with approximately 19.2 million sq.m. as of 31 December 2022, and GFA under management is approximately 14.2 million sq.m., an increase of 2.9% compared with approximately 13.8 million sq.m. as of 31 December 2022.

### Property management services

Property management services are mainly for property developers and property owners. Services provided include standard property management services and ancillary services such as security, cleaning, gardening, repair and maintenance and butler services. The Group provides services for residential and non-residential properties, including public facilities, commercial and office buildings, schools, etc. Revenue recorded for property management services was approximately RMB166.9 million for the Period, representing an increase of 12.5% compared with RMB148.4 million for the corresponding period of 2022.

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

Value-added services to non-property owners are mainly for property developers, services including cleaning, security and maintenance services for pre-sale display units and sales offices, etc. Revenue recorded for Value-added services to non-property owners was approximately RMB10.7 million for the Period, representing a decrease of 55.6%, compared with RMB24.1 million for the corresponding period of 2022. This is mainly due to the financing difficulties the real estate developers faced, and their decreased capability to develop, launch and deliver new projects.

### Community value-added services

Community value-added services include common area value-added services, community retail, community media, furnishing services, and other community convenience services to property owners. Revenue recorded for community value-added services was approximately RMB19.9 million for the Period, representing a decrease of approximately 22.3%, compared with RMB25.6 million for the corresponding period of 2022. The decrease is mainly due to the decrease in revenue generated from community retail and furnishing services.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

Revenue for the six months ended 30 June 2023 was approximately RMB217.6 million, representing a decrease of approximately 21.7% as compared to RMB277.8 million for the six months ended 30 June 2022. The decrease was primarily attributable to the decrease in revenue generated from real estate agency service segment of approximately RMB57.2 million.

#### Cost of services

Cost of services for the six months ended 30 June 2023, amounted to approximately RMB165.3 million, representing a decrease of approximately 23.4% as compared to RMB215.7 million for the six months ended 30 June 2022. The decrease was mainly due to the decrease in real estate agency service segment.

#### Administrative expenses

For the six months ended 30 June 2023, the administrative expenses of the Group were approximately RMB27.0 million, representing a decrease of approximately 31.1% as compared to approximately RMB39.2 million for the six months ended 30 June 2022. Such decrease was primarily due to the Company's effective cost control measures.

#### Net impairment losses on financial assets

For the six months ended 30 June 2023, the net impairment losses on financial assets of the Group were approximately RMB46.9 million, representing an increase of approximately 570.0% as compared to approximately RMB7.0 million for the six months ended 30 June 2022. The increase was primarily attributed to the significant increase in provision for impairment loss on trade receivables of approximately RMB6.6 million, and amounts due from fellow subsidiaries and amounts due from related parties of approximately RMB40.8 million (Note 7), which is mainly resulting from the slowing down of collection of receivables from major clients, and the Company made a reasonable provision for impairment loss due to the increase in credit risk of real estate developers in financial difficulties and the downturn in the real estate industry.

#### Net Profit Margin

The net profit margin decreased to -8.5% for the six months ended 30 June 2023 as compared to 6.3% for the six months ended 30 June 2022. This decrease was mainly due to sharp increase in the net impairment losses on financial assets.

#### (Loss)/profit for the Period

As a result of the factors discussed above, unaudited net loss of the Group for the Period was approximately RMB18.6 million, compared to the unaudited net profit of approximately RMB17.4 million for the six months ended 30 June 2022. And the Group made a loss before income tax for the six months ended 30 June 2023 of approximately RMB20.7 million, compared to a profit of approximately RMB17.8 million for the six months ended 30 June 2022. The net profit before income tax and impairment losses on financial assets of the Group would be approximately RMB26.3 million for the six months ended 30 June 2023, compared to approximately RMB24.8 million for the corresponding period of 2022.

## DISCLOSURE OF INTERESTS

### Liquidity and Financial Resources

In 2023, the Group's main source of funds has been cash generated from operating activities.

As at 30 June 2023, the Group had net current assets of approximately RMB127.8 million (as at 31 December 2022: approximately RMB158.3 million) and total assets of approximately RMB541.4 million (as at 31 December 2022: approximately RMB573.8 million).

As at 30 June 2023, the bank balances and cash of the Group amounted to approximately RMB111.8 million (restricted bank balances: approximately RMB3.4 million), compared with approximately RMB117.7 million as at 31 December 2022 (restricted bank balances: approximately RMB1.2 million).

### Indebtedness

As at 30 June 2023, the Group had short-term borrowings of RMB35.0 million (as at 31 December 2022: RMB35.7 million), which is principally to finance daily operation and general working capital, but had no long-term borrowings (as at 31 December 2022: Nil). The bank loan is secured by a personal guarantee from Mr. Fong, corporate guarantees from the fellow subsidiaries and a legal charge over a fellow subsidiary's land and buildings.

### Foreign Exchange Risk

As the Group's sales are denominated in Renminbi, the Group's purchases and expenses are either denominated in Renminbi or Hong Kong dollars, and there are no significant foreign currency borrowings, the Group's currency fluctuation risk is considered insignificant. The Group currently does not have a foreign currency hedging policy. The management continuously monitors the foreign exchange risk exposure and will consider hedging significant currency risk exposure should the need arises.

### Gearing Ratio

The gearing ratio (calculated as total liabilities divided by total assets) was 60% as at 30 June 2023, as compared to 59% as at 31 December 2022.

### Employees and the Group's remuneration policy

The Group recognizes the accomplishment of the employees by providing comprehensive benefit packages, career development opportunities and internal training appropriate to individual needs. Apart from basic remuneration, share options may be granted under the share option scheme to eligible employees by reference of the Group's performance as well as individual's contribution. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents were found in the Period under review.

As at 30 June 2023, numbers of the employees was approximately 1,869 (as at 30 June 2022: approximately 2,121), and the decrease was mainly due to the strategic adjustment of staff to achieve management efficiency and cost effectiveness.

## DISCLOSURE OF INTERESTS

### MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct for securities transactions by Directors on terms no less exacting than to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "**Model Code**"). The Company had made specific enquiries with written guidelines in relation to the Model Code to all Directors and all Directors have confirmed that they complied with the required standards set out in the Model Code for the six months ended 30 June 2023.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests or short positions of the Directors and chief executives in the shares of the Company (the "**Shares**"), underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

#### (i) Long positions in Shares of the Company

Name	Nature of interest	Total number of shares held	Percentage of shareholding
Mr. FONG Ming (" <b>Mr. Fong</b> ")	Interest in controlled corporation and a legal and beneficial owner <sup>(1),(2)</sup>	222,000,000	55.5%
Ms. TSE Lai Wa (" <b>Ms. Tse</b> ")	Interest in controlled corporation <sup>(1)</sup>	216,000,000	54%
Ms. RONG Haiming (" <b>Ms. Rong</b> ")	Interest in controlled corporation <sup>(3)</sup>	3,176,000	0.794%
Mr. YI Ruofeng (" <b>Mr. Yi</b> ")	Interest in controlled corporation <sup>(4)</sup>	6,120,000	1.53%
Mr. HAN Shuguang (" <b>Mr. Han</b> ")	Interest in controlled corporation <sup>(5)</sup>	4,500,000	1.125%

Notes:

- (1) 216,000,000 shares are registered in the name of Mansion Green Holdings Limited ("**Mansion Green**"), which is held as to 70% by Mr. Fong's holding companies (including Stand Smooth Group Limited ("**Stand Smooth**"), Hero Dragon Management Limited ("**Hero Dragon**"), Fineland Group Holdings Company Limited ("**Fineland Group Holdings**", formerly known as Fineland Real Estate Holdings Company Limited) and Widethrive Investments Limited ("**Widethrive Investments**"), and as to 30% by Aspiring Vision Holdings Limited ("**Aspiring Vision**"), which is wholly-owned by Ms. Tse. Accordingly, Widethrive Investments, Fineland Group Holdings, Hero Dragon, Stand Smooth, Aspiring Vision, Mr. Fong and Ms. Tse are therefore deemed to be interested in the same number of Shares as to which Mansion Green is interested under the SFO.
- (2) Mr. Fong purchased 6,000,000 Shares from the market in September 2021, after which Mr. Fong is interested in a total of 222,000,000 Shares, representing 55.5% of the entire issued share capital of the Company.
- (3) Shares were held by Metropolitan Dawn Holdings Limited ("**Metropolitan Dawn**"), which is wholly-owned by Ms. Rong.
- (4) Shares are held by Totoro Holding Limited ("**Totoro**"), which is wholly-owned by Mr. Yi.
- (5) Shares are held by Adwan Orient Holdings Limited ("**Adwan**"), which is wholly-owned by Mr. Han.

## OTHER INFORMATION

**(ii) Associated corporation**

Apart from the foregoing, as at 30 June 2023, none of the Directors nor the chief executives of the Company had any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES AND DEBENTURES**

As at 30 June 2023, the following persons (other than Directors or chief executive of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules:

**Long positions in Shares**

Name	Nature of Interest	Number of Shares held	Approximate percentage of shareholding <sup>(4)</sup>
Ms. HE Kangkang (何康康) <sup>(1)</sup>	Interest of spouse	222,000,000	55.5%
Mr. ZHENG Muming (鄭木明) <sup>(2)</sup>	Interest of spouse	216,000,000	54%
Mansion Green <sup>(3)</sup>	Legal and beneficial owner	216,000,000	54%
Widethrive Investments <sup>(3)</sup>	Interest in a controlled corporation	216,000,000	54%
Fineland Group Holdings <sup>(3)</sup>	Interest in a controlled corporation	216,000,000	54%
Hero Dragon <sup>(3)</sup>	Interest in a controlled corporation	216,000,000	54%
Stand Smooth <sup>(3)</sup>	Interest in a controlled corporation	216,000,000	54%
Aspiring Vision <sup>(3)</sup>	Interest in a controlled corporation	216,000,000	54%

*Notes:*

- (1) Ms. HE Kangkang (何康康) is the spouse of Mr. Fong. Under the SFO, Ms. HE Kangkang (何康康) is deemed to be interested in the same number of Shares in which Mr. Fong is interested in.
- (2) Mr. ZHENG Muming (鄭木明) is the spouse of Ms. Tse. Under the SFO, Mr. ZHENG Muming (鄭木明) is deemed to be interested in the same number of Shares in which Ms. Tse is interested in.
- (3) Mansion Green is the registered owner of 216,000,000 Shares, representing 54% of the issued share capital of the Company. Mansion Green is owned as to 30% by Aspiring Vision, which is in turn wholly-owned by Ms. Tse, and as to 70% by Stand Smooth. Stand Smooth is wholly owned by Hero Dragon, which is wholly-owned by Fineland Group Holdings, which in turn is wholly owned by Widethrive Investments, and ultimately wholly-owned by Mr. Fong. Accordingly, Widethrive Investments, Fineland Group Holdings, Hero Dragon, Stand Smooth, Aspiring Vision, Mr. Fong and Ms. Tse are therefore deemed to be interested in the same number of Shares as to which Mansion Green is interested under the SFO.
- (4) All interests are calculated based on the total Shares in issue as at 30 June 2023, being 400,000,000 Shares.

## OTHER INFORMATION

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any other persons who had any interest or short positions in the Shares or underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' and Chief Executives' Interests or Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the six months ended 30 June 2023 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors and chief executive of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the Shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

### CHANGE IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B (1) of the Listing Rules, the change in Directors' information required to be disclosed by Directors is as follows:

Mr. TIAN Qiusheng has ceased to serve as a member of the Teaching Steering Committee of the National Economics Management Experimental Teaching Demonstrative Center (Zhongshan University).

Mr. TIAN Qiusheng has ceased to be an independent non-executive director of Wanlian Securities Joint-Stock Company Limited\* (萬聯證券股份有限公司) and Guangdong Audiowell Technology Joint-Stock Company Limited\* (廣東奧迪威傳感科技股份有限公司).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange or any other stock exchange, by private arrangement, or by way of grant offer, during the six months ended 30 June 2023.

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 23 October 2017. As at 30 June 2023, no option had been granted, agreed, exercised, cancelled or lapsed under the Scheme, and there was no share option outstanding.

### COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board has reviewed the Group's corporate governance practices and is satisfied that during the six months ended 30 June 2023, the Company had complied with all the code provisions set out in the Corporate Governance Code as contained in Appendix 14 of the Listing Rules.

### DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The Directors are not aware of any business or interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates that competes or may compete, directly or indirectly, with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the six months ended 30 June 2023.

## COMPETITION AND CONFLICT OF INTERESTS

During the six months ended 30 June 2023, save as disclosed in the prospectus of the Company dated 31 October 2017, none of the Directors or controlling shareholders of the Company or any of their respective close associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

## REVIEW BY AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 23 October 2017 with written terms of reference which were revised and adopted on 26 May 2020 in compliance with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist the Board in reviewing and supervising the financial reporting process and internal control system of the Group. At present, the Audit Committee consists of three members who are Mr. LEUNG Wai Hung, Mr. TIAN Qiusheng and Mr. DU Chenhua, Mr. LEUNG Wai Hung has been appointed as the chairman of the Audit Committee.

The unaudited interim results of the Group for the six months ended 30 June 2023 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited interim results comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

## PLEDGE OF ASSETS

As of 30 June 2023, the Group did not have any material pledge of assets.

## SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2023.

## EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 21 June 2023 and the circular dated 24 August 2023, that Fineland Living Services (an indirectly wholly-owned subsidiary of the Company), as purchaser, and Heshan Fudu, as vendor, entered into the Settlement Agreement, pursuant to which, Fineland Living Services has conditionally agreed to procure the relevant purchaser(s) to pay the down payment of approximately RMB4.0 million and set-off the outstanding receivables of approximately RMB16.0 million which remained outstanding and payable by Heshan Fudu to Fineland Living Services and its subsidiaries by way of accepting the transfer of 23 properties from the Heshan Fudu to the relevant purchaser(s). Completion of the Settlement Transactions is subject to fulfillment of conditions precedents. Subsequent to 30 June 2023 and in accordance with the terms of the Settlement Agreement, Heshan Fudu and the relevant purchaser(s) have entered into the 23 individual property pre-sale agreements and the down payment of approximately RMB4.0 million has been paid. Please refer to pages 22 and 24 of this interim report for further details.



## OTHER INFORMATION

On 23 August 2023, Guangzhou Fineland Real Estate Development Company Limited (“**Guangzhou Fineland**”), a wholly owned subsidiary of the Fineland Group Holdings, made a public announcement that it was unable to redeem its US dollar-denominated senior notes of US\$340 million (the “**Senior Notes**”) and pay interest of approximately US\$69.4 million by the maturity date. Despite having attempted to enter into an exchange offer with bond holders, Guangzhou Fineland has terminated the exchange offer in order to channel its financial resources into property construction work, adhering to the government policy in ensuring the timely delivery of pre-sold properties. The Group is not a holder of the Senior Notes. Guangzhou Fineland is one of the Group’s customers and there are receivables accrued from the provision of services by the Group to Guangzhou Fineland. We have considered this event in our assessment of credit risk over the expected life of the financial assets. The Group will continue to monitor the situation and assess the impact of this incident including but not limited to the credit profile of Guangzhou Fineland. It will continue to follow up and demand repayment of the receivables owed by Guangzhou Fineland.

Save as disclosed above, subsequent to the six months ended 30 June 2023 and up to the date of this report, no important events affecting the Company has taken place that is required to be disclosed.

### INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

### APPRECIATION

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

By order of the Board

**HAN Shuguang**

*Chairman*

Hong Kong, 31 August 2023