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祈福生活服務
CLIFFORD MODERN LIVING

CLIFFORD MODERN LIVING HOLDINGS LIMITED

祈福生活服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3686)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

	For the six months ended		Percentage change
	30 June		
	2024	2023	
	RMB'000	RMB'000	
Revenue	182,268	173,099	5.3%
Gross profit	84,563	84,088	0.6%
Profit before income tax	67,589	74,929	-9.8%
Profit for the period	53,083	59,357	-10.6%
Gross profit margin (%)	46.4%	48.6%	-4.5%
Net profit margin (%)	29.1%	34.3%	-15.2%
Earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share):			
– Basic and diluted	0.052	0.058	-10.3%

The board (the “**Board**”) of directors (the “**Director(s)**”) of Clifford Modern Living Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results (the “**Interim Results**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”). The Interim Results have been reviewed by the audit committee of the Board (the “**Audit Committee**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at	
		30 June 2024	31 December 2023
	<i>Notes</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		6,605	7,987
Investment properties		12,205	13,242
Right-of-use assets		20,270	28,118
Intangible assets		847	886
Investment in unallocated silver bullion	8	62,795	50,504
Other receivables	9	6,404	5,123
Deferred tax assets		<u>1,456</u>	<u>1,602</u>
		<u>110,582</u>	<u>107,462</u>
Current assets			
Inventories		8,087	10,339
Trade and other receivables	9	34,124	37,459
Contract assets		5,708	5,726
Term deposits		100,000	120,000
Restricted cash		647	646
Cash and cash equivalents		<u>344,528</u>	<u>591,144</u>
		<u>493,094</u>	<u>765,314</u>

		As at	
		30 June 2024	31 December 2023
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
Current liabilities			
Trade and other payables	10	118,147	75,914
Contract liabilities		19,549	24,289
Lease liabilities		10,932	10,900
Tax payables		<u>9,608</u>	<u>10,103</u>
		<u>158,236</u>	<u>121,206</u>
Net current assets		<u>334,858</u>	<u>644,108</u>
Total assets less current liabilities		<u>445,440</u>	<u>751,570</u>
Non-current liabilities			
Lease liabilities		30,726	38,902
Deferred tax liabilities		<u>6,060</u>	<u>11,434</u>
		<u>36,786</u>	<u>50,336</u>
Net assets		<u>408,654</u>	<u>701,234</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	8,876	8,876
Share premium	11	179,333	179,333
Other reserves		(100,098)	(99,151)
Retained earnings		<u>320,543</u>	<u>612,176</u>
Total equity		<u>408,654</u>	<u>701,234</u>

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

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

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

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

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

These condensed consolidated financial statements have not been audited.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (the “HKAS”) 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

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

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

3. PRINCIPAL ACCOUNTING POLICIES

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

Amendments to HKFRSs adopted by the Group

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

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

5. SEGMENT INFORMATION

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

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

- Retail services, which includes sales of goods, concessionaire services and sub-leasing services;
- Information technology services, which includes engineering work, engineering maintenance and telecommunication services;
- Property management services, which include property management services, resident support services, household cleaning services and sub-leasing services;
- Off-campus services, which include training programmes of interest classes and language classes and sub-leasing services;
- Property agency services, which include real estate agency services, rental agency services and after-rental services;
- Catering services, which include catering services to schools and catering consultancy services; and
- Others, which include laundry services, employment placement services and other services.

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

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

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

Segment revenue and results

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

For the six months ended 30 June 2024 (unaudited)

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

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

	Retail services <i>RMB'000</i>	Information technology services <i>RMB'000</i>	Property management services <i>RMB'000</i>	Off- campus training services <i>RMB'000</i>	Property agency services <i>RMB'000</i>	Catering services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Gross segment revenue	64,554	10,047	42,351	15,620	2,929	33,223	7,411	176,135
Inter-segment revenue	(135)	(382)	(1,932)	(329)	–	(258)	–	(3,036)
Revenue	<u>64,419</u>	<u>9,665</u>	<u>40,419</u>	<u>15,291</u>	<u>2,929</u>	<u>32,965</u>	<u>7,411</u>	<u>173,099</u>
Timing of revenue recognition								
At a point in time	50,814	732	–	–	28,840	32,399	2,502	89,287
Over time	<u>13,605</u>	<u>8,933</u>	<u>40,419</u>	<u>15,291</u>	<u>89</u>	<u>566</u>	<u>4,909</u>	<u>83,812</u>
	<u>64,419</u>	<u>9,665</u>	<u>40,419</u>	<u>15,291</u>	<u>2,929</u>	<u>32,965</u>	<u>7,411</u>	<u>173,099</u>
Segment results	<u>8,513</u>	<u>7,082</u>	<u>30,604</u>	<u>7,320</u>	<u>895</u>	<u>7,849</u>	<u>3,636</u>	<u>65,899</u>
Other gains/(losses) and other income, net								14,301
Finance costs								(1,246)
Unallocated administration expenses								(4,025)
Income tax expense								<u>(15,572)</u>
Profit for the period								<u>59,357</u>
Segment results include:								
Depreciation and amortisation	(4,872)	(354)	(1,436)	(1,382)	(174)	(568)	(156)	(8,942)
Loss on disposal of property, plant and equipment	(1)	(4)	–	–	–	–	(178)	(183)
Reversal of expected credit losses on trade and other receivables	<u>718</u>	<u>3,418</u>	<u>4</u>	<u>–</u>	<u>–</u>	<u>233</u>	<u>1,109</u>	<u>5,482</u>

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

Segment assets

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

Segment liabilities

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

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

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

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

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

6. INCOME TAX EXPENSE

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

PRC Mainland Corporate Income Tax

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

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

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

PRC Mainland Withholding Income Tax

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

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

Hong Kong Profits Tax

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

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

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

Overseas Corporate Income Tax

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

7. EARNINGS PER SHARE

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

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

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

8. INVESTMENT IN UNALLOCATED SILVER BULLION

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

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

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

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

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

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

9. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Trade receivables (<i>Note (a)</i>):		
– Related parties	6,289	10,518
– Third parties	<u>21,195</u>	<u>20,640</u>
Total trade receivables	27,484	31,158
Less: allowance for impairment of trade receivables	<u>(9,670)</u>	<u>(9,451)</u>
	<u>17,814</u>	<u>21,707</u>
Other receivables:		
– Related parties	3,855	3,405
– Third parties (<i>Note (b)</i>)	<u>17,636</u>	<u>16,398</u>
	<u>21,491</u>	<u>19,803</u>
Less: allowance for impairment of other receivables	<u>(746)</u>	<u>(531)</u>
	<u>20,745</u>	<u>19,272</u>
Prepayments		
– Third parties	<u>1,969</u>	<u>1,603</u>
Total trade and other receivables	<u><u>40,528</u></u>	<u><u>42,582</u></u>
Analysed into:		
– Non-current	6,404	5,123
– Current	<u>34,124</u>	<u>37,459</u>
	<u><u>40,528</u></u>	<u><u>42,582</u></u>

Notes:

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

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

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

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

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

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

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

10. TRADE AND OTHER PAYABLES

	As at	
	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Trade payables (<i>Note</i>):		
– Related parties	544	1,644
– Third parties	<u>35,573</u>	<u>29,904</u>
	<u>36,117</u>	<u>31,548</u>
Other payables:		
– Related parties	1,346	4,934
– Third parties	<u>31,277</u>	<u>30,845</u>
	<u>32,623</u>	<u>35,779</u>
Accrued payroll	8,485	8,200
Dividend payable (<i>Note 12</i>)	39,848	–
Other tax payables	<u>1,074</u>	<u>387</u>
	<u><u>118,147</u></u>	<u><u>75,914</u></u>

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

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

11. SHARE CAPITAL AND SHARE PREMIUM

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

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

12. DIVIDEND

Pursuant to the approval at the annual general meeting of shareholders of the Company on 21 June 2024, a final dividend of HK4.30 cents per ordinary share for the year ended 31 December 2023 (31 December 2022: HK2.50 cents) was approved and to be distributed out of the Company's retained earnings. The final dividend amounting to approximately HK\$43,677,000 (equivalent to approximately RMB39,848,000) (30 June 2023: HK\$25,394,000 (equivalent to approximately RMB23,201,000)) based on the total number of issued shares of the Company of 1,015,750,000 ordinary shares as at 30 June 2024 (31 December 2023: 1,015,750,000 ordinary shares) was recognised as a liability in the condensed consolidated statement of financial position as at 30 June 2024 (Note 10). Subsequent to the period end, on 13 August 2024, the final dividend was paid by the Company.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a service provider with a diversified service portfolio comprising five main service segments: (i) property management services, (ii) retail services, (iii) off-campus training services, (iv) information technology services and (v) Ancillary Living Services (as hereinafter defined).

1. Property Management Services

Property management services

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

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

Renovation and fitting-out services

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

2. Retail Services

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

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

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

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

3. Off-campus Training Services

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

4. **Information Technology Services**

Engineering services

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

Telecommunication services

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

5. **Ancillary Living Services**

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

Catering services

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

Property agency services

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

Employment placement services

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

Laundry services

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

PROSPECTS AND FUTURE PLANS

Expansion of the property management network through engagements in integrated projects

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

Developing online marketing and building online distribution channels

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

Further investment on unallocated silver bullion

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

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

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

Further exploration for new investment opportunities

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

FINANCIAL REVIEW

Revenue

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

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

Property Management Services

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

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

Retail Services

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

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

Off-campus Training Services

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

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

Information Technology Services

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

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

Ancillary Living Services

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

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

Gross Profit and Gross Profit Margin

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

Selling and Marketing Expenses

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

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

Administrative Expenses

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

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

Other Gains/(Losses) and Other Income, Net

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

Finance Costs

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

Income Tax Expense

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

Net Profit for the Period

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

Property, Plant and Equipment

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

Investment Properties

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

Investment in Unallocated Silver Bullion

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

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

Inventories

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

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

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

Trade and Other Receivables

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

Trade receivables

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

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

Other receivables

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

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

Trade and Other Payables

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

Trade payables

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

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

Other payables

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

INTERIM DIVIDEND

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

LIQUIDITY AND CAPITAL RESOURCES

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

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

PLEDGE OF ASSETS

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

CONTINGENT LIABILITIES

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

EMPLOYEES AND REMUNERATION POLICIES

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

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

In addition, the Company adopted a pre-initial public offering share option scheme and a share option scheme in October 2016 which allow the Directors to grant share options to employees of the Group in order to retain elite personnel and to provide incentives for their contribution to the Group.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

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

FUTURE PLANS FOR CAPITAL ASSETS

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

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company’s listed securities (including sale of treasury shares as defined in the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) during the six months ended 30 June 2024.

As at 30 June 2024, the Company did not hold any treasury shares as defined in the Listing Rules.

CORPORATE GOVERNANCE CODE

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

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

AUDIT COMMITTEE

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

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cliffordmodernliving.com). The interim report of the Company for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company (if appropriate) and made available on the same websites in due course.

By Order of the Board
Clifford Modern Living Holdings Limited
MAN Lai Hung

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 August 2024

As at the date of this announcement, the Board comprises Ms. MAN Lai Hung, Ms. HO Suk Mee and Mr. LIU Xing as executive Directors; Ms. LIANG Yuhua as non-executive Director; and Ms. LAW Elizabeth, Mr. HO Cham and Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung) as independent non-executive Directors.

* *for identification purpose only*