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**Zhong Ao Home Group Limited**

**中奧到家集團有限公司**

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

**(Stock Code: 1538)**

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

**FINANCIAL HIGHLIGHTS**

- For the six months ended 30 June 2024, the revenue amounted to approximately RMB889.5 million, representing an increase of approximately 3.8% as compared with the corresponding period in 2023.
- For the six months ended 30 June 2024, the gross profit amounted to approximately RMB187.6 million, representing an increase of approximately 1.1% as compared with the corresponding period in 2023.
- For the six months ended 30 June 2024, the net profit amounted to approximately RMB56.4 million, representing an increase of approximately 5.2% as compared with the corresponding period in 2023.
- For the six months ended 30 June 2024, the basic earnings per share amounted to RMB5.9 cents, representing an increase of approximately 3.5% as compared with the corresponding period in 2023.
- The Board has resolved not to declare an interim dividend for the period (six months ended 30 June 2023: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Zhong Ao Home Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated financial information of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024, together with the comparative figures for the corresponding period in 2023, as follows:

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
*For the six months ended 30 June 2024*

		<b>For the six months ended 30 June</b>	
	<i>Notes</i>	<b>2024</b>	2023
		<b>RMB’000</b>	RMB’000
		<b>(Unaudited)</b>	(Unaudited)
<b>REVENUE</b>	5	<b>889,462</b>	856,517
Cost of sales and services		<u>(701,843)</u>	<u>(670,856)</u>
Gross profit		<b>187,619</b>	185,661
Other income and gains		<b>15,706</b>	15,413
Selling and distribution expenses		<b>(182)</b>	(125)
Administrative expenses		<b>(96,643)</b>	(94,134)
Net impairment losses recognised on financial assets		<b>(23,451)</b>	(26,177)
Other expenses		<b>(4,893)</b>	(2,553)
Finance costs		<b>(871)</b>	(951)
Share of profits and losses of:			
Joint ventures		<b>563</b>	2,899
Associates		<b>2,838</b>	(1,307)
<b>PROFIT BEFORE TAX</b>	6	<b>80,686</b>	78,726
Income tax expenses	7	<u>(24,265)</u>	<u>(25,118)</u>
<b>PROFIT FOR THE PERIOD</b>		<b>56,421</b>	53,608
Attributable to:			
Owners of the parent	9	<b>50,807</b>	48,539
Non-controlling interests		<b>5,614</b>	5,069
		<b>56,421</b>	53,608
<b>EARNINGS PER SHARE</b>			
<b>ATTRIBUTABLE TO ORDINARY</b>			
<b>EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted			
— For profit for the period (RMB)	9	<u><b>0.059</b></u>	<u>0.057</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
<b>PROFIT FOR THE PERIOD</b>	<b>56,421</b>	53,608
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>56,421</b>	53,608
Attributable to:		
Owners of the parent	50,807	48,539
Non-controlling interests	5,614	5,069
	<b>56,421</b>	53,608

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

30 June 2024

		<b>30 June 2024</b>	31 December 2023
	<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
		<b>(Unaudited)</b>	(Audited)
<b>NON-CURRENT ASSETS</b>			
Property and equipment		<b>102,993</b>	112,825
Investment properties	10	<b>158,229</b>	161,005
Right-of-use assets		<b>8,833</b>	9,703
Goodwill		<b>225,282</b>	225,282
Prepayments for acquisition of properties	11	<b>11,887</b>	12,125
Investments in joint ventures		<b>3,125</b>	5,937
Investments in associates		<b>7,671</b>	8,099
Other intangible assets		<b>36,787</b>	41,632
Long-term deposits		<b>18,880</b>	17,623
Deferred tax assets		<b>80,980</b>	76,864
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>654,667</b>	671,095
<b>CURRENT ASSETS</b>			
Inventories		<b>3,015</b>	6,253
Trade receivables	12	<b>619,848</b>	538,334
Prepayments and other receivables	13	<b>299,774</b>	317,026
Financial assets at fair value through profit or loss		<b>2,461</b>	2,961
Cash and cash equivalents		<b>489,215</b>	531,583
		<hr/>	<hr/>
<b>Total current assets</b>		<b>1,414,313</b>	1,396,157
<b>CURRENT LIABILITIES</b>			
Trade payables	14	<b>98,297</b>	110,168
Other payables and accruals	15	<b>677,567</b>	702,730
Interest-bearing bank and other borrowings		<b>49,900</b>	48,990
Lease liabilities		<b>8,476</b>	8,082
Tax payables		<b>128,050</b>	127,478
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>962,290</b>	997,448
<b>NET CURRENT ASSETS</b>		<b>452,023</b>	398,709
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,106,690</b>	1,069,804
		<hr/>	<hr/>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**

30 June 2024

	<b>30 June 2024</b>	31 December 2023
<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<b>32,307</b>	32,911
Lease liabilities	<b>3,175</b>	4,186
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>35,482</b>	37,097
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>1,071,208</b>	1,032,707
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<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	<b>7,082</b>	7,082
Reserves	<b>994,623</b>	963,246
	<hr/>	<hr/>
	<b>1,001,705</b>	970,328
Non-controlling interests	<b>69,503</b>	62,379
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>1,071,208</b>	1,032,707
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# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 1. CORPORATE AND GROUP INFORMATION

Zhong Ao Home Group Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Islands Companies Law on 5 January 2015. The registered office address of the Company is P.O. Box 2681, Cricket Square, Hutchins Drive, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of property management services, provision of cleaning and greening services and other services in the People’s Republic of China (the “**PRC**”).

The Company’s immediate and ultimate holding company is Qichang International Limited, a company with limited liability incorporated in the British Virgin Islands.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements (the “**Interim Financial Statements**”) for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2023. The Interim Financial Statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (RMB’000) except otherwise indicated.

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values as appropriate.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the Interim Financial Statements are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

#### **Application of amendments to HKFRSs**

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the Interim Financial Statements:

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)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Statements.

The Group has not applied any new and amendments to HKFRSs that have been issued but not yet effective for the current interim period.

#### 4. OPERATING SEGMENT INFORMATION

##### Operating segments

The following table provides an analysis of the Group's revenue and results based on the types of business:

	Property management business <i>RMB'000</i>	Cleaning and greening business <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Total <i>RMB'000</i>
For the six months ended 30 June 2024 (unaudited)				
<b>Segment revenue</b>				
Sales to external customers	648,051	162,269	79,142	889,462
Intersegment sales	<u>6,784</u>	<u>67,302</u>	<u>32,418</u>	<u>106,504</u>
	654,835	229,571	111,560	995,966
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(106,504)</u>
Revenue				<u><u>889,462</u></u>
<b>Segment results</b>	49,113	31,681	10,694	91,488
<i>Reconciliation:</i>				
Bank interest income				2,303
Other interest income from financial assets at fair value through profit or loss				11
Changes in fair value of investment properties				(2,776)
Fair value adjustment of contingent consideration				(500)
Net foreign exchange loss				(1,100)
Corporate expenses				(13,012)
Share of profits of joint ventures				563
Share of profits of associates				2,838
Finance costs (other than interest on lease liabilities)				<u>871</u>
Profit before tax				<u><u>80,686</u></u>



#### 4. OPERATING SEGMENT INFORMATION (Continued)

##### Operating segments (Continued)

	Property management business <i>RMB'000</i>	Cleaning and greening business <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Total <i>RMB'000</i>
30 June 2024 (unaudited)				
<b>Segment assets</b>	<b>2,205,598</b>	<b>334,223</b>	<b>221,041</b>	<b>2,760,862</b>
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(974,518)
Corporate and other unallocated assets				<u>282,636</u>
Total assets				<u><u>2,068,980</u></u>
<b>Segment liabilities</b>	<b>1,215,233</b>	<b>187,311</b>	<b>135,661</b>	<b>1,538,205</b>
<i>Reconciliation:</i>				
Elimination of intersegment payables				(974,518)
Corporate and other unallocated liabilities				<u>434,085</u>
Total liabilities				<u><u>997,772</u></u>

#### 4. OPERATING SEGMENT INFORMATION (Continued)

##### Operating segments (Continued)

	Property management business RMB'000	Cleaning and greening business RMB'000	Other businesses RMB'000	Total RMB'000
For the six months ended 30 June 2023 (unaudited)				
<b>Segment revenue</b>				
Sales to external customers	658,128	119,190	79,199	856,517
Intersegment sales	5,261	80,458	37,126	122,845
	<u>663,389</u>	<u>199,648</u>	<u>116,325</u>	<u>979,362</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(122,845)</u>
Revenue				<u>856,517</u>
<b>Segment results</b>	58,657	19,980	12,114	90,751
<i>Reconciliation:</i>				
Bank interest income				1,250
Other interest income from financial assets at fair value through profit or loss				9
Changes in fair value of investment properties				(578)
Fair value adjustment for contingent consideration				(629)
Net foreign exchange gain				527
Corporate expenses				(13,245)
Share of profits of joint ventures				2,899
Share of profits of associates				(1,307)
Finance costs (other than interest on lease liabilities)				<u>(951)</u>
Profit before tax				<u>78,726</u>
31 December 2023 (audited)				
<b>Segment assets</b>	2,050,979	247,971	172,208	2,471,158
<i>Reconciliation:</i>				
Elimination of intersegment receivables				(993,262)
Corporate and other unallocated assets				<u>589,356</u>
Total assets				<u>2,067,252</u>
<b>Segment liabilities</b>	1,193,385	160,209	117,368	1,470,962
<i>Reconciliation:</i>				
Elimination of intersegment payables				(993,262)
Corporate and other unallocated liabilities				<u>556,845</u>
Total liabilities				<u>1,034,545</u>

## 5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue from contracts with customers		
Rendering of services	885,732	852,381
Sales of products	3,730	4,136
	<u>889,462</u>	<u>856,517</u>

### Revenue from contracts with customers

#### (i) Disaggregated revenue information

##### For the six months ended 30 June 2024 (unaudited)

<u>Segments</u>	Property management business RMB'000	Cleaning and greening business RMB'000	Other businesses RMB'000	Total RMB'000
<b>Types of goods or services</b>				
Rendering of services	648,051	162,269	75,412	885,732
Sales of products	–	–	3,730	3,730
	<u>648,051</u>	<u>162,269</u>	<u>79,142</u>	<u>889,462</u>
Total revenue from contracts with customers	<u>648,051</u>	<u>162,269</u>	<u>79,142</u>	<u>889,462</u>
<b>Geographical markets</b>				
Mainland China	<u>648,051</u>	<u>162,269</u>	<u>79,142</u>	<u>889,462</u>
<b>Timing of revenue recognition</b>				
Revenue recognised over time	648,051	162,269	75,412	885,732
Revenue recognised at a point of time	–	–	3,730	3,730
	<u>648,051</u>	<u>162,269</u>	<u>79,142</u>	<u>889,462</u>
Total revenue from contracts with customers	<u>648,051</u>	<u>162,269</u>	<u>79,142</u>	<u>889,462</u>

## 5. REVENUE (Continued)

### Revenue from contracts with customers (Continued)

#### (i) Disaggregated revenue information (Continued)

#### For the six months ended 30 June 2023 (unaudited)

<u>Segments</u>	Property management business <i>RMB'000</i>	Cleaning and greening business <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>				
Rendering of services	658,128	119,190	75,063	852,381
Sales of products	–	–	4,136	4,136
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenue from contracts with customers	<u>658,128</u>	<u>119,190</u>	<u>79,199</u>	<u>856,517</u>
<b>Geographical markets</b>				
Mainland China	<u>658,128</u>	<u>119,190</u>	<u>79,199</u>	<u>856,517</u>
<b>Timing of revenue recognition</b>				
Revenue recognised over time	658,128	119,190	74,467	851,785
Revenue recognised at a point of time	–	–	4,732	4,732
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenue from contracts with customers	<u>658,128</u>	<u>119,190</u>	<u>79,199</u>	<u>856,517</u>

## 5. REVENUE (Continued)

### Revenue from contracts with customers (Continued)

#### (i) Disaggregated revenue information (Continued)

#### For the six months ended 30 June 2024 (unaudited)

<u>Segments</u>	Property management business <i>RMB'000</i>	Cleaning and greening business <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>				
External customers	648,051	162,269	79,142	889,462
Intersegment sales	6,784	67,302	32,418	106,504
	<u>(6,784)</u>	<u>(67,302)</u>	<u>(32,418)</u>	<u>(106,504)</u>
Intersegment adjustments and eliminations				
Total revenue from contracts with customers	<u>648,051</u>	<u>162,269</u>	<u>79,142</u>	<u>889,462</u>

#### For the six months ended 30 June 2023 (unaudited)

<u>Segments</u>	Property management business <i>RMB'000</i>	Cleaning and greening business <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>				
External customers	658,128	119,190	79,199	856,517
Intersegment sales	5,261	80,458	37,126	122,845
	<u>(5,261)</u>	<u>(80,458)</u>	<u>(37,126)</u>	<u>(122,845)</u>
Intersegment adjustments and eliminations				
Total revenue from contracts with customers	<u>658,128</u>	<u>119,190</u>	<u>79,199</u>	<u>856,517</u>

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024	2023
Note	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of services provided	699,060	667,824
Cost of goods sold	2,783	3,032
Employee benefit expense (excluding directors' and chief executive's remuneration)		
Salaries and other benefits	467,082	515,048
Retirement benefit scheme contributions	38,119	42,858
	<u>505,201</u>	<u>557,906</u>
Depreciation of items of property and equipment	17,572	18,144
Depreciation of right-of-use assets	1,256	1,136
Amortisation of other intangible assets	4,845	5,298
Net impairment losses recognised on trade receivables	20,613	16,993
Net impairment losses recognised on other receivables	2,838	9,184
Fair value loss on investment properties	10	578
Gross rental income	(937)	(872)
Net foreign exchange loss/(gain)	1,100	(527)
Fair value adjustment of contingent consideration	500	629
Bank interest income	(2,303)	(1,250)
Loss on disposal of items of property and equipment	361	423
Other interest income from financial assets at fair value through profit or loss	(11)	(9)
Gain on disposal of subsidiaries	–	(145)
Loss on disposal of an investment property	–	453

## 7. INCOME TAX

A provision for PRC corporate income tax ("CIT") has been provided at the applicable income tax rate of 25% for the six months ended 30 June 2024 (six months ended 30 June 2023: 25%) on the assessable profits of the Group's subsidiaries in Mainland China, except for those subsidiaries which enjoy a lower tax rate as a benefit.

No provision for Hong Kong profits tax has been made in the financial statements as no assessable profit was derived from Hong Kong for the six months ended 30 June 2024 and 2023.

## 7. INCOME TAX (Continued)

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current — Mainland China:		
Charge for the period	33,681	33,549
Deferred tax	(9,416)	(8,431)
	<u>24,265</u>	<u>25,118</u>
Total tax charge for the period	<u>24,265</u>	<u>25,118</u>

## 8. DIVIDENDS

During the six months ended 30 June 2024, a dividend of HKD2.50 cents per share in respect of the year ended 31 December 2023 was declared by the directors of the Company and approved in the Company's annual general meeting on 31 May 2024. No interim dividend was paid, declared or proposed during the six months ended 30 June 2024 (2023: Nil).

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent for the six months ended 30 June 2024 and 2023, and the weighted average number of ordinary shares of 854,550,000 shares (six months ended 30 June 2023: 854,550,000 shares) in issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b><u>Earnings</u></b>		
Profit attributable to ordinary equity holders of the parent	<u>50,807</u>	<u>48,539</u>
<b><u>Shares</u></b>		
Weighted average number of ordinary shares in issue during the period	<u>854,550,000</u>	<u>854,550,000</u>

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

For the six months ended 30 June 2024 and 2023, the computation of diluted earnings per share did not include the exercise of the share options of the Company since the exercise price of the share options was higher than the average market price of the Company's shares during the six months ended 30 June 2024 and 2023.

## 10. INVESTMENT PROPERTIES

	<i>RMB'000</i>
Carrying amount at 1 January 2024 (audited)	161,005
Net loss from fair value adjustments ( <i>note 6</i> )	<u>(2,776)</u>
Carrying amount at 30 June 2024 (unaudited)	<u><u>158,229</u></u>

The Group's investment properties are all situated in Mainland China. The directors of the Company have determined that all the investment properties are commercial properties, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 30 June 2024 based on valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent firm of professionally qualified valuers, using the market approach, as at 30 June 2024. The Group's property manager and the directors have discussions with the valuer on the valuation assumptions and valuation results regularly when the valuation is performed.

The Group's investment properties with a carrying value of RMB97,154,000 (31 December 2023: RMB98,981,000) were pledged to secure general banking facilities granted to the Group as at 30 June 2024.

### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	<b>Fair value measurement as at 30 June 2024 using</b>			
	<b>Quoted prices in active markets (Level 1) <i>RMB'000</i></b>	<b>Significant observable inputs (Level 2) <i>RMB'000</i></b>	<b>Significant unobservable inputs (Level 3) <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
Recurring fair value measurement for:				
Commercial properties	<u>–</u>	<u>–</u>	<u>158,229</u>	<u>158,229</u>



## 10. INVESTMENT PROPERTIES (Continued)

### Fair value hierarchy (Continued)

	Fair value measurement as at 31 December 2023 using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurement for:	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Commercial properties	–	–	161,005	161,005

During the six months ended 30 June 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 June 2023: Nil).

Below is a summary of the valuation technique used and the key input to the valuation of investment properties:

Valuation technique	Significant unobservable input	Range	
		30 June 2024	31 December 2023
Commercial properties	Direct comparison method Market unit price (RMB/sq.m.)	7–24	7–24

A significant increase/(decrease) in the estimated rental value and the market rent growth rate per annum in isolation would result in a significant increase/(decrease) in the fair value of the investment properties. A significant increase/(decrease) in the long term vacancy rate and the discount rate in isolation would result in a significant decrease/(increase) in the fair value of the investment properties. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and the discount rate and an opposite change in the long term vacancy rate.

## 11. PREPAYMENTS FOR ACQUISITION OF PROPERTIES

As at 30 June 2024, the Group had deposits of RMB11,887,000 (31 December 2023: RMB12,125,000) in relation to the acquisition of properties situated in Mainland China paid to property developers.

## 12. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of the demand note, net of loss allowance, is as follows:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 1 year	500,178	405,796
1 to 2 years	55,063	69,879
Over 2 years	64,607	62,659
	<u>619,848</u>	<u>538,334</u>

## 13. PREPAYMENTS AND OTHER RECEIVABLES

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Payment on behalf of customers to utility suppliers	82,112	97,024
Deposits paid to utility suppliers	44,371	41,391
Other receivables	217,071	217,564
Prepayments	71,538	72,270
Other tax recoverable	340	340
	<u>415,432</u>	<u>428,589</u>
Less: Impairment allowance	(96,778)	(93,940)
	<u>318,654</u>	<u>334,649</u>
Less: non-current portion	(18,880)	(17,623)
	<u>299,774</u>	<u>317,026</u>

Prepayments and other receivables mainly represent payment on behalf of customers for expenditures on communities' facilities, performance bonds, bidding deposit for contracts, business-related prepayments and balances with other independent third parties. Expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied as at 30 June 2024 from 3% to 30% (31 December 2023: 3% to 30%).

Other receivables included RMB14.1 million (31 December 2023: RMB14.2 million) advanced to three independent third parties for business purpose. The loans were unsecured and interest-free or bore interest at 7% per annum. Impairment provision of RMB0.8 million (31 December 2023: RMB0.8 million) is required for these loans as at 30 June 2024.

#### 14. TRADE PAYABLES

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

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 60 days	<b>70,028</b>	92,672
Over 60 days and within 180 days	<b>8,772</b>	3,517
Over 180 days and within 365 days	<b>9,944</b>	6,022
Over one year	<b>9,553</b>	7,957
	<b>98,297</b>	110,168

The trade payables are non-interest bearing and normally settled on terms of 30 to 90 days.

#### 15. OTHER PAYABLES AND ACCRUALS

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Contract liabilities	<b>163,304</b>	167,867
Receipts on behalf of community residents for utilities	<b>227,266</b>	246,474
Received in advance	<b>12,247</b>	14,533
Accruals	<b>160,860</b>	155,949
Other payables	<b>13,794</b>	15,003
Deposits received	<b>57,984</b>	57,523
Dividends payable to non-controlling shareholders of subsidiaries	–	1,046
Amounts due to non-controlling equity holders of subsidiaries	<b>3,385</b>	3,385
Due to the ultimate holding company	<b>14,046</b>	14,046
Other tax payables	<b>24,681</b>	26,904
	<b>677,567</b>	702,730

As at 30 June 2024 and 31 December 2023, the Group's amounts due to non-controlling equity holders of subsidiaries included outstanding consideration payables in respect of the Group's acquisition of the equity interests in the subsidiaries from those non-controlling equity holders which are unsecured, interest-free and have no fixed term of repayment.

Other payables are unsecured, non-interest-bearing and repayable on demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group is a leading independent property management service provider in the PRC. In 2024, the Group received the 傑出企業 (the Excellent Enterprise award\*) from 廣東省物業管理行業協會 (Guangdong Property Management Industry Institute\*) under the Campaign in Property Services Week. As at 30 June 2024, the Group had a total delivered contracted gross floor area (“GFA”) of approximately 59.6 million square meters (“sq.m.”) and managed 537 properties across 43 cities in China.

The Group is engaged in the provision of property management services, cleaning and greening services and other services. The Group strives to provide more services and create more value for property owners and customers through diversified property management with its value-added services package. The Group adheres to the philosophy of “more wonderful, more well-being, more satisfactory 更美，更好，更滿意” to provide the services with best qualities to customers.

#### *Property management business*

The Group primarily provides property developers and property owners with a broad range of property management services to mainly residential properties, commercial and government buildings. Services provided by the Group include standard property management services and also ancillary services such as cleaning, gardening, property facilities repair and maintenance and butler services. Through its butler services, the Group provides personalised and premium property management services to residents with its trained butlers onsite. While its primary and long-term business focus is on the residential property market, the Group also provides services to non-residential properties, including both stand-alone non-residential properties and properties associated with residential properties, such as schools and commercial buildings.

The Group believes that service quality is fundamental to establish a solid foundation to support the growth of the Group’s business. The Group holds various qualifications and licenses in respect of property management services, namely CMS 31950, IEC 27001, ISO 50001, ISO 9001, ISO 14001 and OHSAS 18001.

As at 30 June 2024, the Group had maintained its presence in 43 cities in China where it was delivered contracted to manage a total of 537 residential properties and non-residential premises such as commercial or government buildings with an aggregate delivered contracted GFA of approximately 59.6 million sq.m., representing a decreased of approximately 4.3 million sq.m. over the same period in 2023.

The Group strives to develop new business relationships from its existing customer base and network in order to provide strong organic growth to the Group. In addition to organic growth, the Group continues to identify appropriate acquisition targets to strengthen its portfolio and increase geographic presence across China.

### *Geographic presence*

The Group will continue to strategically select markets to enter into, focus on those with more developed economies and comparatively high per capita GDP. Once the Group has established presence in a new city, it will seek to expand its business within the same city or neighboring cities with a view to maximise its economies of scale.

The list below illustrates the cities in which properties the Group was delivered contracted to manage were located and number of projects in each city as at 30 June 2024.

<b>Eastern and Central China</b>	<b>Southern China</b>	<b>Northern China</b>	<b>Western China</b>
1 Changde (2)	27 Cenxi (12)	40 Baotou (7)	42 Lhasa (1)
2 Chongqing (1)	28 Foshan (18)	41 Zhangjiakou (1)	43 Urumqi (3)
3 Chuzhou (1)	29 Guangzhou (4)		
4 Hangzhou (57)	30 Guilin (4)		
5 Heze (4)	31 Heyuan (1)		
6 Huzhou (14)	32 Jiangmen (3)		
7 Jinan (1)	33 Kaifeng (1)		
8 Macheng (1)	34 Nanning (18)		
9 Nantong (11)	35 Qingyuan (4)		
10 Ningbo (272)	36 Sanya (6)		
11 Quzhou (4)	37 Wenchang (1)		
12 Shanghai (15)	38 Wuzhou (6)		
13 Shaoxing (6)	39 Zhaoqing (2)		
14 Suqian (2)			
15 Suzhou (33)			
16 Taizhou (1)			
17 Wenzhou (1)			
18 Wuxi (6)			
19 Xuancheng (2)			
20 Yixing (2)			
21 Yueyang (1)			
22 Yunfu (1)			
23 Zhengzhou (2)			
24 Zhenjiang (3)			
25 Zhoukou (1)			
26 Zhuji (1)			

*Note:* Numbers in parentheses represent the number of delivered contracted projects.

The table below sets forth the delivered contracted GFA and the number of properties under management as at the dates indicated.

	<b>As at 30 June 2024</b>	
	<b>Sq.m. in thousands</b>	<b>No.</b>
<i>Residential and Non-residential properties</i>		
Eastern and Central China <sup>(1)</sup>	<b>42,603</b>	<b>445</b>
Southern China <sup>(2)</sup>	<b>15,120</b>	<b>80</b>
Northern China <sup>(3)</sup>	<b>1,381</b>	<b>8</b>
Western China <sup>(4)</sup>	<b>511</b>	<b>4</b>
	<hr/>	<hr/>
<b>Total</b>	<b>59,615</b>	<b>537</b>
	<hr/> <hr/>	<hr/> <hr/>

*Notes:*

- (1) Including Changde, Chongqing, Chuzhou, Hangzhou, Heze, Huzhou, Jinan, Macheng, Nantong, Ningbo, Quzhou, Shanghai, Shaoxing, Suqian, Suzhou, Taizhou, Wenzhou, Wuxi, Xuancheng, Yixing, Yueyang, Yunfu, Zhengzhou, Zhenjiang, Zhoukou and Zhuji.
- (2) Including Cenxi, Foshan, Guangzhou, Guilin, Heyuan, Jiangmen, Kaifeng, Nanning, Qingyuan, Sanya, Wenchang, Wuzhou and Zhaoqing.
- (3) Including Baotou and Zhangjiakou.
- (4) Including Lhasa and Urumqi.

### *Cleaning and greening business*

The Group provides property developers and property owners with a series of indoor and outdoor environmental cleaning, greening and maintenance services. This business division also provides services to the property developers and property owners of the property management business division. Accordingly, segment results of the cleaning and greening division is evaluated by the Group's management on services as subcontracted from the property management business division. The Group holds various qualifications and licenses in respect of cleaning services, namely 國家一級環衛清潔服務企業資質 (national level one environmental hygiene cleaning service qualification\*), E315甲級高空外牆清洗服務企業 (E315 A Grade high-altitude exterior wall cleaning services enterprise\*), ISO 14001, ISO 9001 and ISO 45001.

### *Other businesses*

Other businesses comprise shuttle bus and maintenance services in the PRC, engineering services related to elevators, engineering services, the sale of engineering spare parts, canteen operations as well as catering services, providing sales assistance services and consulting and agency services to property developers and property owners.

### **Prospects and Future Plans**

Even though the second half of 2024 will still be full of challenges and uncertainties, the Group will continue to maintain its own advantage as an independent property management company and compete with its counterparts in the market by maintaining its high quality service and operational efficiency. The Group will actively establish stable partnerships with leading property developers and/or property management service providers in all regions and explore potential projects under development. The Group will strive to develop new business relationships from its existing customer base and its own network in order to provide strong organic growth to the Group. The Group also targets to expand its portfolio of customers by pursuing properties with established owners' association. Furthermore, when right opportunities arise, the Group will accelerate its expansion by expanding its business scope and coverage in China with means of acquisitions and cooperation.

## FINANCIAL PERFORMANCE REVIEW

### Revenue

During the six months ended 30 June 2024, the Group recorded revenue of approximately RMB889.5 million, representing an increase of approximately 3.8% over the six months ended 30 June 2023.

The Group's revenue derived from property management business was approximately RMB658.1 million for the six months ended 30 June 2023 and approximately RMB648.1 million for the six months ended 30 June 2024, which represented a decrease of approximately RMB10.1 million or 1.5%.

The Group's revenue derived from cleaning and greening business was approximately RMB119.2 million for the six months ended 30 June 2023 and approximately RMB162.3 million for the six months ended 30 June 2024, which represented an increase of approximately RMB43.1 million or 36.1%.

The Group's revenue derived from other businesses was approximately RMB79.2 million for the six months ended 30 June 2023 and approximately RMB79.1 million for the six months ended 30 June 2024, which represented a decrease of approximately RMB0.1 million or 0.1%.

#### *Breakdown of revenue by business line and services*

	For the six months ended 30 June			
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	Change <i>RMB'000</i>	%
Property management business	<b>648,051</b>	658,128	(10,077)	(1.5)
Cleaning and greening business	<b>162,269</b>	119,190	43,079	36.1
Other businesses	<b>79,142</b>	79,199	(57)	(0.1)
	<b><u>889,462</u></b>	<u>856,517</u>	<u>32,945</u>	<u>3.8</u>



The Group's businesses include the provision of property management services, cleaning and greening services and other services. Details of analysis of each services are as follows:

#### *Property management business*

Revenue from the property management business decreased by approximately RMB10.1 million or 1.5% over the corresponding period in 2023 and was primarily due to the decrease in number of projects.

#### *Cleaning and greening business*

Revenue from the cleaning and greening business was approximately RMB162.2 million for the six months ended 30 June 2024, comparing to approximately RMB119.2 million for the six months ended 30 June 2023, represented an increase of approximately RMB43.1 million or 36.1%, mainly due to strong demand for cleaning and greening services.

#### *Other businesses*

Revenue from other businesses remained at similar level with the corresponding period in 2023, which only decreased slightly by approximately RMB0.57 million or 0.1%.

### **Cost of Sales and Services**

The Group's cost of sales and services primarily comprises (i) sub-contracting costs, representing the expenses paid to sub-contractors for various services under the property management services and sales assistance services; (ii) staff costs; (iii) depreciation expenses associated with property and equipment used in providing services; (iv) costs of other services and sale of goods such as salaries cost of the technicians in the provision of elevator engineering services and weak-current engineering services; costs of the spare parts sold and operating costs in running the catering services; and (v) costs of cleaning and greening products and utensils as well as commission paid for the real estate and property agency services.

Cost of sales and services increased by approximately 4.6% from approximately RMB670.9 million for six months ended 30 June 2023 to approximately RMB701.8 million for six months ended 30 June 2024. The increase was primarily due to the increase in the sub-contracting costs and costs of the services, which was in line with the increase in revenue.

## Gross Profit and Gross Profit Margin

The table below sets forth the Group's gross profit and gross profit margins by services for the period indicated:

	For the six months ended 30 June			
	2024 (Unaudited)		2023 (Unaudited)	
	<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>
Property management business	<b>156,828</b>	<b>24.2</b>	153,567	23.3
Cleaning and greening business	<b>21,582</b>	<b>13.3</b>	19,980	16.8
Other businesses	<b>9,209</b>	<b>11.6</b>	12,114	15.3
Total	<b>187,619</b>	<b>21.1</b>	185,661	21.7

The Group's gross profit for the six months ended 30 June 2024 was approximately RMB187.6 million, comparing to approximately RMB185.7 million for the six months ended 30 June 2023, represented an increase of approximately RMB1.9 million or 1.1%. The Group's overall gross profit margin decreased from 21.7% for the six months ended 30 June 2023 to 21.1% for the six months ended 30 June 2024.

## Other Income and Gains

The Group's other income and gains for the six months ended 30 June 2024 was approximately RMB15.7million, which increased by approximately RMB0.30 million as compared to approximately RMB15.4 million for the six months ended 30 June 2023 and was mainly due to interest income received.

## Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended 30 June 2024 were approximately RMB0.18 million, comparing to approximately RMB0.12 million for the six months ended 30 June 2023, represented an increase of approximately RMB0.6 million. The increase was in line with the increase in revenue.

## Administrative Expenses

The Group's administrative expenses for the six months ended 30 June 2024 was approximately RMB96.6 million which increased by approximately RMB2.5 million as comparing to approximately RMB94.1 million for the six months ended 30 June 2023 and was mainly due to exchange loss incurred during the period.

## **Net Impairment Losses Recognised on Financial Assets**

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Based on the impairment analysis, impairment losses on financial and contract assets of approximately RMB23.5 million were recognized for the six months ended 30 June 2024 as compared with approximately RMB26.2 million for the six months ended 30 June 2023.

## **Other Expenses**

The Group's other expenses for the six months ended 30 June 2024 was approximately RMB4.9 million, comparing to approximately RMB2.6 million for the six months ended 30 June 2023, representing an increase of approximately RMB2.3 million. The increase was mainly due to changes in fair value of financial assets/liabilities at fair value through profit or loss.

## **Finance Costs**

The Group's finance costs amounted to approximately RMB0.87 million for the six months ended 30 June 2024 (six month ended 30 June 2023: approximately RMB0.95 million). The decrease was primarily due to the decrease in interest-bearing bank and other borrowings.

## **Income Tax Expense**

The Group's income tax expenses for the six months ended 30 June 2024 was approximately RMB24.3 million, comparing to approximately RMB25.1 million for the six months ended 30 June 2023, representing a decrease of approximately RMB0.8 million or 3.4%. The decrease was due to lower assessable profit incurred for the period.

## **Goodwill**

As at 30 June 2024, the Group recorded goodwill of approximately RMB225.3 million, comparing to approximately RMB225.3 million as at 30 June 2023.

Since the performance of the acquired companies in the first half of 2024 met the management's expectation, the management of the Group determined that no impairment of goodwill should be recognised.

## **Trade Receivables**

Trade receivables mainly arose from property management services and cleaning and greening services.

As at 30 June 2024, total trade receivables of the Group amounted to approximately RMB619.8 million, representing an increase of approximately RMB81.5 million as compared with approximately RMB538.3 million as at 31 December 2023. The increase was primarily due to the seasonality factor caused by property owners' tendency to settle management fee balances towards the end of the year.

## **Prepayments and Other Receivables**

Prepayments and other receivables decreased from approximately RMB317.0 million as at 31 December 2023 to approximately RMB299.8 million as at 30 June 2024. The decrease of approximately RMB17.2 million or 5.4% was mainly due to decrease in payment on behalf of customers to utility suppliers.

## **Other Payables and Accruals**

Other payables and accruals primarily comprise receipts on behalf of community residents for utilities, receipts in advances, accruals, deposit received and other payables. Other payables and accruals decreased from approximately RMB702.7 million as at 31 December 2023 to approximately RMB677.6 million as at 30 June 2024. The decrease of approximately RMB25.1 million or 3.6% was primarily due to decrease of receipts on behalf of community residents for utilities.

## **Liquidity, Financial Resources and Capital Structure**

The Group maintains a strong and healthy financial position. The Group's principal sources of funds to finance the working capital, capital expenditure and other capital requirements were cash inflows generated from the operating activities and bank loans. As at 30 June 2024, net working capital (calculated as current assets less current liabilities) was approximately RMB452.0 million as compared to approximately RMB398.7 million as at 31 December 2023. The current ratio (calculated as current assets/current liabilities) were 1.5 times as at 30 June 2024 and 1.4 times as at 30 June 2023.

## **Gearing Ratio**

The gearing ratio is defined as total borrowings add amounts due to non-controlling equity holders of a subsidiary and net of bank balances and cash divided by total equity. As at 30 June 2024, the Group was in a good financial position with a net cash position amounting to approximately RMB435.9 million (31 December 2023: RMB479.2 million). Accordingly, no gearing ratio is presented.

## **PLEDGE OF ASSETS**

At 30 June 2024, investment properties of approximately RMB99.0 million (31 December 2023: RMB99.0 million) were pledged to secure certain banking facilities granted to the Group.

## **Contingent Liabilities**

The Group had no material contingent liabilities as at 30 June 2024 (31 December 2023: Nil).

## **Employees and Remuneration Policies**

As at 30 June 2024, excluding the employees under commission basis and employees under subcontracting contracts, the Group had approximately 8,644 (31 December 2023: 8,521) employees. In order to enhance the morale and productivity of employees, employees are remunerated based on their performance, experience and prevailing industry practices. Compensation policies and packages of management staffs and functional heads are reviewed on a yearly basis. In addition to basic salaries, performance related salaries may also be awarded to employees based on internal performance evaluation. Moreover, the Company has adopted a share award scheme in June 2017 in order to retain elite personnel to stay with the Group and to provide incentives for their contribution to the Group.

The Group also invests in continuing education and training programmes for management staffs and other employees with a view to upgrade their skills and knowledge. These training courses comprise of internal courses run by the management of the Group and external courses provided by professional trainers which range from technical training for butlers to financial and administrative trainings for management staff.

## **OTHER INFORMATION**

Reference is made to the announcements of the Company dated 1 August 2022, 17 April 2023, 29 April 2024 and 31 May 2024 (the “**Announcements**”) in relation to the civil lawsuit commenced by 廣東中奧物業管理有限公司 (Guangdong Zhong Ao Property Management Company Limited\*) (“**Guangdong Zhong Ao**”), a wholly-owned subsidiary of the Group against 梁錫偉 (Liang Xiwei\*) (“**Mr. Liang**”).

As disclosed in the Announcements, Guangdong Zhong Ao has received the judgment (the “**Judgment**”) from the PRC court and it was ordered by the PRC court that (i) Mr. Liang to pay Guangdong Zhong Ao the outstanding option price adjudged by the PRC court in the amount of RMB30,565,479.45 and the relevant interest amount; (ii) Mr. Liang to pay Guangdong Zhong Ao the penalty; and (iii) Guangdong Zhong Ao shall have the right to be compensated in priority by the proceeds from the auction or sale of the mortgaged properties (including a house and 227 car parking spaces).

On 31 May 2024, Guangdong Zhong Ao received a written appeal by Mr. Liang as the appellant against the Judgment.

The Company would like to update the shareholders of the Company that the appeal was heard by the PRC court and the Company is waiting for the PRC court to hand down the result of the appeal. Further announcement(s) will be made by the Company to keep its shareholders and potential investors informed of any significant development on the appeal as and when appropriate.

## **CHANGE OF DIRECTORS’ AND SENIOR MANAGEMENT’S INFORMATION**

The Directors confirmed that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil). The Board will consider to declare a final dividend if the annual results of the Group for the year ending 31 December 2024 are satisfactory.

## **CORPORATE GOVERNANCE**

The Board is committed to maintaining and upholding high standards of corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximise the interests of the shareholders of the Company (“**Shareholders**”).

The Company has adopted the code provisions set out in the Corporate Governance Code (“**CG Code**”) contained in Appendix C1 to the Listing Rules as its code of corporate governance.

In the opinion of the Directors, the Company applied and complied with all the code provisions of the CG Code throughout the six months ended 30 June 2024, except for certain deviations as specified and explained with considered reasons hereunder:

### **Code Provision C.2.1**

Chairman and chief executive officer are two key aspects of the management of a company. Chairman is responsible for providing leadership for the board and management of the board while chief executive officer is responsible for day-to-day management of business. Clear division of these responsibilities should be in place to ensure a balance of power and authority. The code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

During the period, Mr. Liu Jian (“**Mr. Liu**”) was both the chairman and chief executive officer of the Company. This constitutes a deviation from the code provision C.2.1 of the CG Code.

The Company considers that having Mr. Liu act as both the chairman and chief executive officer provides a strong and consistent leadership to the Group and allow for more effective strategic planning and management of the Group. Further, in view of Mr. Liu’s experience in the industry, personal profile and role in the Group and historical development of the Group, the Group considers it is to the benefit of the Group that Mr. Liu continues to act as both the chairman and chief executive officer of the Company. Therefore, the Company currently has no intention to separate the functions of chairman and chief executive officer.

### **EVENTS AFTER THE REPORTING PERIOD**

There are no material events undertaken by the Group subsequent to 30 June 2024 and up to the date of this announcement.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in their dealings in Company’s securities. Having made specific enquiry of all Directors, all the Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2024.



## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.22 of the Listing Rule and the CG Code. The Audit Committee consists of three members, namely Mr. Chan Wai Cheung, Admiral, Mr. Chan Ka Leung, Kevin and Mr. Yin Weizhong, all being independent non-executive Directors. Mr. Chan Wai Cheung, Admiral is the chairman of the Audit Committee with the appropriate professional qualifications. The interim results of the Group for the six months ended 30 June 2024 have been reviewed by the Audit Committee.

## **MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES**

Save as disclosed above, the Group had no material acquisition or disposal of subsidiaries or associated companies during the six months ended 30 June 2024. In addition, the Group had no significant investments held during the six months ended 30 June 2023.

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

During the six months ended 30 June 2024, neither the Company, nor any of its subsidiaries repurchased, redeemed or sold any of the Company's listed securities.

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

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.gdzawy.com](http://www.gdzawy.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 dispatched to the Company's Shareholders and published on the above websites in due course.

By order of the Board  
**Zhong Ao Home Group Limited**  
**LIU Jian**  
*Chairman and Chief Executive Officer*

Hong Kong, 29 August 2024

*As at the date of this announcement, the Board comprises Mr. Liu Jian, Ms. Chen Zhuo, Mr. Liang Bing and Mr. Long Weimin as executive directors, Ms. Jin Keli and Ms. Xu Yaping as non-executive directors, and Mr. Chan Wai Cheung, Admiral, Mr. Chan Ka Leung, Kevin and Mr. Yin Weizhong as independent non-executive directors.*