时代邻里
TIMES NEIGHBORHOOD

Times Neighborhood Holdings Limited
時代鄰里控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 9928)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022 AND PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

SUMMARY OF ANNUAL RESULTS

- Revenue for the Year amounted to approximately RMB2,606.0 million, representing a year-on-year decrease of approximately 4.2%.

- Gross profit for the Year amounted to approximately RMB555.9 million, representing a year-on-year decrease of approximately 25.1%.

- Net loss for the Year amounted to approximately RMB199.6 million. The core net profit (excluding non-recurring expenses) for the Year amounted to approximately RMB162.1 million, representing a year-on-year decrease of approximately 54.6%.

- As of 31 December 2022, the total contracted GFA for property management service amounted to approximately 134.1 million sq.m., representing an increase of approximately 1.6% as compared to approximately 132.0 million sq.m. as of 31 December 2021.

- The Board recommended a final dividend of RMB2.2 cents per ordinary share for the year ended 31 December 2022.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

In order to, among others, bring the Memorandum and Articles of Association in line with the new requirements under the amendments to the Listing Rules with effect from 1 January 2022, the Board proposed to put forward to the Shareholders for approval at the forthcoming AGM a special resolution to amend the existing Memorandum and Articles of Association and to adopt the amended and restated Memorandum and Articles of Association in substitution for, and to the exclusion of, the existing Memorandum and Articles of Association.

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Times Neighborhood Holdings Limited (the "**Company**" or "**we**" or "**Times Neighborhood**") is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2022 (the "**Year**" or the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2021, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

	Notes	**2022**	2021
		RMB'000	*RMB'000*
REVENUE	*4*	**2,606,042**	2,719,747
Cost of sales		**(2,050,148)**	(1,977,687)
Gross profit		**555,894**	742,060
Other income and gains	*5*	**28,181**	38,108
Selling and marketing costs		**(30,746)**	(20,561)
Administrative expenses		**(341,740)**	(279,224)
Net impairment losses on financial and contract assets		**(372,226)**	(10,443)
Other expenses		**(82,748)**	(28,281)
Finance costs	*7*	**(1,076)**	(3,348)
Share of profits and losses of associates		**(3,885)**	5,482
(LOSS)/PROFIT BEFORE TAX	*6*	**(248,346)**	443,793
Income tax credit/(expense)	*8*	**48,751**	(109,656)
(LOSS)/PROFIT FOR THE YEAR		**(199,595)**	334,137
Attributable to:			
Owners of the parent		**(213,627)**	308,000
Non-controlling interests		**14,032**	26,137
		(199,595)	334,137
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (expressed in RMB cents per share)	*10*	**(22)**	31

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	2022	2021
	RMB'000	*RMB'000*
(LOSS)/PROFIT FOR THE YEAR	**(199,595)**	334,137
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(104,345)**	21,801
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	**106,043**	(35,455)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**1,698**	(13,654)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(197,897)**	320,483
Attributable to:		
Owners of the parent	**(211,929)**	294,346
Non-controlling interests	**14,032**	26,137
	(197,897)	320,483

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**92,607**	95,216
Right-of-use assets		**10,499**	15,911
Goodwill	*11*	**485,185**	562,909
Other intangible assets		**221,321**	253,693
Investments in associates		**68,947**	72,522
Deferred tax assets		**113,609**	20,949
Prepayments, deposits and other receivables		**5,883**	6,939
Total non-current assets		**998,051**	1,028,139
CURRENT ASSETS			
Inventories		**3,371**	1,435
Trade receivables	*12*	**800,475**	1,139,996
Contract assets		**–**	10,178
Prepayments, deposits and other receivables		**303,591**	263,334
Restricted bank deposits		**13,036**	11,324
Cash and cash equivalents		**810,359**	814,329
Total current assets		**1,930,832**	2,240,596
CURRENT LIABILITIES			
Trade payables	*13*	**560,436**	569,447
Other payables and accruals		**376,747**	371,544
Contract liabilities	*4*	**79,040**	128,025
Lease liabilities		**6,602**	8,790
Tax payable		**51,059**	72,903
Government grants		**324**	1,915
Total current liabilities		**1,074,208**	1,152,624
NET CURRENT ASSETS		**856,624**	1,087,972
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,854,675**	2,116,111

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2022

	Note	2022 RMB'000	2021 RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,854,675**	2,116,111
NON-CURRENT LIABILITIES			
Lease liabilities		**7,607**	13,537
Government grants		**–**	6
Deferred tax liabilities		**35,439**	43,757
Financial liability for a put option written on non-controlling interests		**121,641**	125,442
Total non-current liabilities		**164,687**	182,742
Net assets		**1,689,988**	1,933,369
EQUITY			
Equity attributable to owners of the parent			
Share capital	*14*	**8,868**	8,868
Shares held for the share award scheme		**(22,198)**	(22,198)
Reserves		**1,583,274**	1,838,121
		1,569,944	1,824,791
Non-controlling interests		**120,044**	108,578
Total equity		**1,689,988**	1,933,369

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

General information

The Company is a limited liability company incorporated in the Cayman Islands on 12 July 2019. The registered office address of the Company is 71 Fort Street, PO Box 500, George Town, Grand Cayman, KY1-1106, Cayman Islands. The Company's shares became listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 19 December 2019.

The Company is an investment holding company. During the Year, the Company's subsidiaries were involved in the provision of property management and other relevant services in the People's Republic of China (the "**PRC**").

In the opinion of the Directors, the immediate holding company of the Company is Best Source Ventures Limited, which was incorporated in the British Virgin Islands ("**BVI**"), and the ultimate holding company is Renowned Brand Investments Limited ("**Renowned Brand Investments**"), which was incorporated in the BVI. Renowned Brand Investments is wholly owned by Mr. Shum Chiu Hung ("**Mr. Shum**"), the founder of the Company and the Group.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2022.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same Reporting Period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendment to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRS standards 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The adoption of the above revised standards has had no significant financial effect on these consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is engaged in the provision of property management services, value-added services to non-property owners, community value-added services, and professional services. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

The Group's revenue from external customers is derived solely from its operation in Mainland China. Except for the Group's certain property, plant and equipment amounting to HKD16,000 (approximately equivalent to RMB14,000) (31 December 2021: HKD22,000 (approximately equivalent to RMB18,000)) and certain right-of-use assets amounting to HKD3,051,000 (approximately equivalent to RMB2,676,000) (31 December 2021: HKD3,975,000 (approximately equivalent to RMB3,250,000)), the Group's non-current assets are located in Mainland China.

Information about major customers

There was no revenue from sales to a single customer or a group of customers under common control amounting to 10% or more of the Group's revenue for the year ended 31 December 2022 while revenue from Times China Holdings Limited ("**Times China**") and its subsidiaries (the "**Times China Group**") contributed 21.7% to the Group's revenue for the year ended 31 December 2021.

4. REVENUE, CONTRACT LIABILITIES

Revenue from contracts with customers

(a) Disaggregated revenue information

	2022	2021
	RMB'000	*RMB'000*
Services transferred over time:		
Property management services	**1,860,337**	1,576,671
Community value-added services	**317,499**	437,639
Value-added services to non-property owners	**141,795**	367,598
Professional services	**140,701**	145,387
	2,460,332	2,527,295
Goods transferred at a point in time:		
Community value-added services	**61,106**	109,505
Value-added services to non-property owners	**14,963**	29,318
Professional services	**69,641**	53,629
	145,710	192,452
	2,606,042	2,719,747

Contract liabilities

The Group recognised the following revenue-related contract liabilities:

	31 December		1 January
	2022	2021	2021
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities			
– Third parties	**72,707**	126,448	122,620
– Related parties	**6,333**	1,577	9,111
	79,040	128,025	131,731

Contract liabilities of the Group mainly arise from the receipt in advance from customers when the underlying services are yet to be provided. The decrease in contract liabilities in 2022 and 2021 was mainly due to the decrease in short-term advances received from customers in relation to the provision of property management services at the end of the years.

The following table shows the amount of revenue recognised in the current Reporting Period that was included in the contract liabilities at the beginning of the Reporting Period:

	2022	2021
	RMB'000	*RMB'000*
Property management services	**106,702**	100,142

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Property management services

The Group recognises revenue in the amount that equals the right to invoice which corresponds directly with the value to the customer of the Group's performance to date on a monthly or quarterly basis and payment is generally due within 30 to 90 days from the billing date. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts. The majority of the property management services do not have a fixed term.

Community value-added services

The community value-added services except for brokerage services provided to property owners and residents and sale of goods are rendered in a short period of time which is generally less than a year and there was no unsatisfied performance obligation at the end of the respective periods. The payment for such community value-added services is generally due when the services are rendered to the customer.

Brokerage commission for parking space and second-hand house is recognised at a point in time when a buyer/lessee and a seller/lessor execute a legally binding agreement and the performance obligations are satisfied. The payment is generally due when the services are rendered to the customer.

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer. The payment is generally due within 30 to 90 days from delivery.

Value-added services to non-property owners

Value-added services to non-property owners mainly include construction site services, sales assistance services, pre-delivery cleaning services, construction and installation services and brokerage services provided to non-property owners. The term of the contracts for construction site services and sales assistance services to non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required. Pre-delivery cleaning services, construction and installation services are rendered in a short period of time and there were no unsatisfied performance obligations at the end of the respective periods. As the customers simultaneously receive and consume the benefits provided by the Group's performance, thus the revenue is recognised over time when the performance obligations are satisfied.

For brokerage services, the Group provides sales and rental assistance services to property developers. Brokerage commission for house agency services is recognised at a point in time when a buyer/lessee and a seller/lessor execute a legally binding agreement and the performance obligations are satisfied.

The payment for value-added services to non-property owners is generally due when the services are rendered to the customer.

Professional services

Revenue from sales commission, and the sale of elevators and elevator parts is recognised at the point in time when control of the asset is transferred to the end customer. The payment is generally due within 30 to 90 days from delivery.

Revenue from the provision of other professional services is recognised when the services are rendered and the terms of the contracts for other professional services are generally set to expire when the counterparties notify the Group that the services are no longer required. The payment is generally due when the services are rendered to the customer.

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2022	2021
	RMB'000	*RMB'000*
Bank interest income	**1,848**	3,837
Gain on disposal of financial assets at fair value through profit or loss	**3,069**	5,328
Government grants	**4,305**	18,707
Tax incentives and exemption on value-added tax	**12,194**	7,654
Fair value gain on put option	**3,801**	–
Others	**2,964**	2,582
	28,181	38,108

The government grants obtained by the Group were primarily anti-pandemic subsidies and employment subsidies. There are no unfulfilled conditions or contingencies relating to these grants.

6. (LOSS)/PROFIT BEFORE TAX

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

	2022	2021
	RMB'000	*RMB'000*
Cost of services provided*	**1,954,777**	1,863,763
Cost of inventories sold	**95,371**	113,924
Depreciation of property, plant and equipment	**18,557**	17,718
Depreciation of right-of-use assets	**5,111**	6,816
Amortisation of other intangible assets	**52,121**	41,239
Research and development costs:		
Current year expenditure	**27,595**	4,739
Deferred expenditure amortised**	**4,102**	2,407
Auditor's remuneration	**2,931**	2,699
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
Wages and salaries	**918,264**	804,561
Pension scheme contributions***	**109,744**	87,005
Equity-settled share award scheme expense	**1,793**	3,921
Less: Amount capitalised in other intangible assets	**–**	(20,669)
	1,029,801	874,818
Impairment of goodwill****	**80,770**	–
Impairment of other intangible assets****	**776**	–

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

	2022	2021
	RMB'000	*RMB'000*
Net impairment losses recognised on financial and contract assets		
– Trade receivables	**358,345**	10,832
– Contract assets	**7,858**	(389)
– Prepayments, deposits and other receivables	**6,023**	–
	372,226	10,443
Rental expense		
– Short-term leases	**17,641**	15,298
– Leases of low-value assets	**670**	837
	18,311	16,135
Compensation paid for contract termination for business combination****	**–**	30,000

* Cost of services provided for the Year included an aggregate amount of RMB859,533,000 (2021: RMB716,919,000) which comprised employee benefit expense, depreciation of property, plant and equipment, amortisation of other intangible assets and rental expense. This amount was also included in the respective expense items disclosed above.

** Deferred expenditure amortised recognised in the administrative expenses was also included in the amortisation of other intangible assets.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

**** These items are included in "Other expenses" in the consolidated statement of profit or loss.

7. FINANCE COSTS

	2022	2021
	RMB'000	*RMB'000*
Interest expense on lease liabilities	**968**	1,252
Interest expense arising from revenue contracts	**108**	2,096
	1,076	3,348

8. INCOME TAX CREDIT/(EXPENSE)

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax. The Group was not liable for income tax in Hong Kong as the Group did not have any assessable profits arising in Hong Kong during the Year.

Subsidiaries of the Group operating in Mainland China are subject to the PRC corporate income tax ("**CIT**") rate of 25% for the Reporting Period. Certain subsidiaries of the Group operating in Mainland China enjoyed a preferential CIT rate of 15% or 20% during 2022 and 2021.

	2022	2021
	RMB'000	*RMB'000*
Current income tax	**52,558**	110,326
Deferred income tax	**(101,309)**	(670)
Total tax (credit)/charge for the year	**(48,751)**	109,656

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2022		2021	
	RMB'000	***%***	*RMB'000*	*%*
(Loss)/Profit before tax	**(248,346)**		443,793	
Tax at the statutory tax rate	**(62,087)**	**25.0**	110,948	25.0
Lower tax rates enacted by local authorities	**(2,761)**	**1.1**	(10,471)	(2.4)
Tax incentives on eligible expenses	**(2,020)**	**0.8**	(1,498)	(0.3)
Share of profits and losses of associates	**971**	**(0.4)**	(1,371)	(0.3)
Expenses not deductible for tax	**19,609**	**(7.9)**	6,727	1.5
Tax losses not recognised	**429**	**(0.2)**	371	0.1
Taxes on undistributed profits of the subsidiaries in the PRC	**1,083**	**(0.4)**	4,950	1.1
Effect on opening deferred tax of decrease in rate	**(3,975)**	**1.6**	–	–
Tax (credit)/charge at the Group's effective rate	**(48,751)**	**19.6**	109,656	24.7

The share of tax attributable to associates amounting to RMB133,000 (2021: RMB1,126,000) is included in "Share of profits and losses of associates" in the consolidated statement of profit or loss.

9. DIVIDENDS

The Board recommended a final dividend of RMB2.2 cents per ordinary share (2021: RMB4.7 cents) totalling RMB21,685,000 for the year ended 31 December 2022 (2021: RMB46,327,000).

The proposed final dividend for the Year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 982,323,000 (2021: 982,323,000) in issue excluding treasury shares during the Year.

The calculation of basic and diluted (loss)/earnings per share is based on:

	2022	2021
Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent (RMB'000)	**(213,627)**	308,000
Shares		
Weighted average number of ordinary shares in issue during the year (in thousand)	**982,323**	982,323
(Loss)/earnings per share		
Basic and diluted (RMB cents per share)	**(22)**	31

Because the diluted (loss)/earnings per share amount is decreased/increased when taking shares held for the share award scheme into account, the shares held for the share award scheme had an anti-dilutive effect on the basic (loss)/earnings per share for the year and were ignored in the calculation of diluted (loss)/earnings per share.

11. GOODWILL

	2022	2021
	RMB'000	*RMB'000*
Cost and carrying amount at 1 January	**562,909**	283,957
Acquisitions of subsidiaries	**3,046**	278,952
Impairment during the year	**(80,770)**	–
Cost and net carrying amount at 31 December	**485,185**	562,909
At 31 December:		
Cost	**565,955**	562,909
Accumulated impairment	**(80,770)**	–
Net carrying amount	**485,185**	562,909

Impairment testing on goodwill

The Group's goodwill acquired through business combinations was allocated to ten cash-generating units ("**CGUs**") for impairment testing. The recoverable amounts of these CGUs have been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period prepared by management.

12. TRADE RECEIVABLES

	2022	2021
	RMB'000	*RMB'000*
Related parties *(note (a))*	**669,064**	761,565
Third parties *(note (b))*	**505,424**	398,085
	1,174,488	1,159,650
Impairment	**(374,013)**	(19,654)
	800,475	1,139,996

Notes:

(a) Trade receivables from related parties are due in twelve months upon the issuance of demand notes.

(b) For trade receivables from property management services, the Group charges property management fees on a quarterly or monthly basis and the payment is generally due upon the issuance of demand notes. For trade receivables from other services, the Group's trading terms with its customers are mainly on credit and the credit period is generally within three months.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management. The Group's concentration of credit risk of trade receivables is disclosed in the consolidated financial statements of the Group for the year ended 31 December 2022 in the Company's upcoming annual report. Trade receivables are non-interest-bearing.

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

	2022	2021
	RMB'000	*RMB'000*
Within 1 year	**699,595**	1,013,727
1 to 2 years	**67,272**	119,164
2 to 3 years	**31,241**	5,639
3 to 4 years	**2,167**	1,256
4 to 5 years	**200**	210
	800,475	1,139,996

The movements in the loss allowance for impairment of trade receivables are as follows:

	2022	2021
	RMB'000	*RMB'000*
At beginning of year	**19,654**	11,974
Impairment losses recognised	**358,345**	10,832
Amount written off as uncollectible	**(3,986)**	(3,152)
At end of year	**374,013**	19,654

13. TRADE PAYABLES

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

	2022	2021
	RMB'000	*RMB'000*
Less than 1 year	**393,294**	495,195
Over 1 year	**167,142**	74,252
	560,436	569,447

Included in the trade payables are payables of RMB4,498,000 (2021: RMB2,518,000) due to related parties which are repayable within 60 days. Further details of trade payables due to related parties are included in the consolidated financial statements of the Group for the year ended 31 December 2022 in the Company's upcoming annual report.

Trade payables are unsecured and non-interest-bearing and are normally settled based on terms of 60 days.

14. SHARE CAPITAL

	2022	2021
Authorised:		
2,000,000,000 (2021: 2,000,000,000) ordinary shares of HKD0.01 each	**HKD20,000,000**	HKD20,000,000
Issued and fully paid:		
985,672,747 (2021: 985,672,747) ordinary shares of HKD0.01 each	**HKD9,856,727**	HKD9,856,727
Equivalent to	**RMB8,868,000**	RMB8,868,000

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the audited annual results of the Group for the year ended 31 December 2022.

2022 was a challenging year for the Group.

The recurring flare-ups of the COVID-19 pandemic in China and the spread of Omicron in many regional central cities including Shanghai and Guangzhou seriously hindered the flow of people and logistics and resulted in the weak consumption of goods and services, thus greatly affecting the social and economic development in China as a whole. Meanwhile, the real estate industry in China bottomed out with difficulties, including the continuous sluggish real estate investment and sale and spread of the liquidity crisis of real estate enterprises in the downward cycle, posing significant challenges to the Group.

During the Reporting Period, the Group's revenue was approximately RMB2,606.0 million and its gross profit was approximately RMB555.9 million, with the loss attributable to owners of the Company amounting to approximately RMB213.6 million and the core net profit amounting to approximately RMB162.1 million. Despite difficulties and pressure from the macro economy and industry cycle, Times Neighborhood adhered to the philosophy of "long-termism", chose a balanced development path with consideration to both scale and quality, actively adjusted its business structure and withdrew from some projects with poor quality, as well as suspended some value-added services to non-property owners with high book margins but poor payment collection performance. Simultaneously, the Group took various measures to collect payments, thus improving the net operating cash flow.

Continuously Steady Development of Two Core Businesses

Guided by the "4321" core strategy, the Group continued to be deeply engaged in four core urban agglomerations, with a focus on areas with high economic growth.

In 2022, due to the unremitting efforts of the market development team and the in-depth review by the operation team, the property management scale of the Group grew steadily, and the concentration of project arrangements was further enhanced. In the process of marketization and independence, we constantly developed our ability to expand independently. During the Reporting Period, the contracted area secured by Times Neighborhood through third parties was approximately 19.85 million sq.m.. Meanwhile, we continuously replaced old projects with new ones, and the management scale of the Group in first- and second-tier cities accounted for 75.0% of total gross floor area (the "**GFA**").

In terms of business layout, we achieved collaborative development by integrating brand resources in various business forms and enabling three core business forms. In terms of residential business, we continuously improved the management density of core urban agglomerations. In terms of the industrial park business, we continuously deepened our cooperation with major property owners and established cooperative relationships with six new major property owners in the Year. In terms of the public building business, we actively broaden the service scope, and on the basis of the existing public building management scale, we acquired segmental representative projects, including Guangzhou Nansha Matsu Temple, and Chaozhou Power Supply Bureau.

With the "technology+service" platform for the whole life cycle, Times Neighborhood further tapped into the value of the communities under management. With various matrices including the Neighborhood Services (鄰里邦) APP and mini program, we carried out user management, improved user profiling, constantly upgraded business development models and enriched service product matrices. In respect of renovation business, we opened brand image stores to connect offline and online spending scenarios and promote traffic conversion. Active responses were made in light of the downturn in the real estate market, including surmounting the existing market and exploring our self-operated business, and having developed the first 10-million-level self-operated overall decoration store. We actively gained insights into the needs of property owners, gave full play to the advantages of property companies that are close to property owners, carried out community group buying, provided various paid home-based services, and targeting at various daily life scenarios, designed and matched product sets, so as to provide rich quality goods and resident services for property owners and customers. During the Reporting Period, the revenue from the community value-added services was RMB378.6 million.

Focus on Service Quality and Consolidation on the Foundation of Property Management

With the business philosophy of "providing customers with quality and caring services", Times Neighborhood has always prioritized quality and promoted service innovation. In 2022, we launched the "Initial Plan 2.0", focusing on four key modules: service, environment, engineering and safety, so as to comprehensively improve the quality of community life. We created community brand IP activities "Lehuo Festival (樂活節)" and "Happy Creation Festival (美好創造節)" to provide rich and diverse community activities for property owners, strengthened the connection between Times Neighborhood and property owners, and strove to "enable more people to enjoy a better life". Despite the pandemic in Guangzhou, Shanghai, Chengdu and other places, the frontline employees of Times Neighborhood actively participated in the pandemic prevention and control work, assisted in the completion of tens of thousands of nucleic acid tests, thus building a protective wall for life safety in communities.

Due to its good brand reputation and market-tested service quality, the Group was ranked 11th in the Top 100 Property Management Companies in China, and awarded for the "Leading Companies in the Top 100 Property Management Companies in Growth in China", the "Outstanding Companies in Residential Property Management in China" and the "China Excellent Property Management Companies in ESG Development" by Beijing China Index Information Technology Academy ("**CIA**") in 2022. Meanwhile, the Group won many awards granted by many authoritative organizations in the industry, such as: the "Top 8 among Top 100 Property Management Enterprises in Guangdong-Hong Kong-Macao Greater Bay Area in 2022", the "2022 Leading Companies of China in Industrial Park Property Service", the "2022 China Leading Brand Enterprises in Terms of Professional Operation of Property Management" and the "China's Excellent Brand in Terms of Property Service Satisfaction in 2022", reflecting the full recognition of its professionalism and service strength by the market and the industry.

Continuous Upgrade of Internal Operation and Improvement in Quality and Efficiency

The Group continuously carried out internal reforms to promote efficient and delicacy management. In terms of management efficiency improvement, the Group improved the efficiency of information-based systems, with a focus on the systematization of internal management, the platformization of external services and the integration of data middle offices, and completed the development of 106 efficiency improvement functions, thus improving the efficiency by 140 thousand persons per day. In terms of delicacy management, the Group continuously promoted data governance, tapped into the value of data assets, drove the continuous improvement in the operation control system, and supported business diagnosis and efficient decision-making.

Persistence in Green Management and Performance of Social Responsibilities

Times Neighborhood has actively made breakthroughs in environmental, social and governance (the "**ESG**") governance and deepened the organic integration of corporate governance, social responsibility and environmental protection. During the Year, the Group earned an ESG rating from S&P Global Ratings, an international rating agency, becoming the first property company in China to obtain the S&P ESG rating. The Group also actively promoted carbon reduction actions in communities, issued the first "carbon reduction practice" for communities, and carried out carbon reduction seasonal activities such as intelligent and energy-saving transformation actions and Better Recycling Plan, appealing property owners to pay attention to carbon emissions in their lives and build a green community together.

Prospects

Looking into the future, the 20th CPC National Congress Report and the Central Economic Work Conference have pointed out the direction for national development. The optimization of pandemic prevention policies has created a relaxed and favorable environment for the recovery of social economy and various industries. Positive attitude and policy changes for the upstream real estate industry have also boosted the market's confidence in development. In this context, there will be more development opportunities for the property management industry, which is closely related to people's livelihood, and property enterprises should continuously improve their professional level and service quality and explore service segments.

In 2023, the Group will continue to uphold the philosophy of "long-termism" and forge ahead with a positive and innovative attitude.

We will make efforts in "persistence in four aspects", namely persisting in winning trust with high-quality services, constantly enhancing service capabilities, enriching service connotations, and attentively "creating services" for property owners to realize the corporate mission of "enable more people to enjoy a better life"; persisting in quality growth, forging ahead and seizing market opportunities, further enhancing the independent expansion ability, deepening the quality of expansion, and improving the management density; persisting in the high-quality improvement of economic benefits, focusing on the in-depth development of value-added services, continuously tapping into and meeting the real needs of customers, and exploring promising business segments to create new growth curves; and persisting in optimizing organizations to enable businesses, actively promoting organizational reform, building a talent team that is sensitive to change, flexible and innovative with the ability to quickly iterate, consolidating the foundation of sustainable development of enterprises, and making the comprehensive ability of organizations continuously match the development progress of enterprises.

We will work with high morale and make continuous improvement. We believe that as long as we stick to the correct strategic direction, we can eventually traverse the cycle and find the structural strength of self-growth. In 2023, a year of economic recovery and catch-up for China, Times Neighborhood will stick to its beliefs and make persistent efforts to give back to our property owners, shareholders, employees and partners with solid and high-quality development achievements!

Finally, on behalf of the Board, I would like to extend my heartfelt thanks to all the shareholders and partners who have supported the Group and to all the hard-working employees! I would like to extend my most sincere respect to all of the property owners and customers who have given the Group great kindness and trust!

BAI Xihong
Chairman and Non-executive Director

29 March 2023

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Overview

The Group is a leading and fast-growing urban comprehensive service operator in China, providing high-quality community services, urban services and innovative services for diversified industrial types such as residences, industrial parks, public buildings and other urban spaces. In 2022, the Group was recognized as the 11th in the 2022 Top 100 Property Management Companies in China by CIA in terms of its comprehensive strength.

Our main business includes property management services, community value-added services, value-added services to non-property owners and other professional services, comprehensively covering the entire property management value chain.

Property Management Services

As of 31 December 2022, our contracted property management services have covered 88 cities, with a total of 956 property management projects under management (excluding 27 projects of urban public services), and a GFA under property management of approximately 118.7 million sq.m.. In addition, we had a total of 108 contracted property management projects which had not been handed over to us for management, with undelivered GFA of approximately 15.4 million sq.m.. Leveraging on the good quality and market reputation, the scale under management has continued to grow.

In 2022, we increased our business scale and market share and diversified our business scope majorly through organic expansion.

The table below sets forth the movements of our contracted GFA under property management and GFA under management as of the dates indicated:

	For the year ended 31 December			
	2022		2021	
	Contracted GFA	**GFA under management**	Contracted GFA	GFA under management
	sq.m.'000	***sq.m.'000***	*sq.m.'000*	*sq.m.'000*
At the beginning of the period	**132,015**	**105,513**	81,676	68,818
New engagements(1)	**20,551**	**28,920**	27,713	20,350
Acquisitions(2)	**–**	**–**	29,231	22,101
Terminations(3)	**(18,424)**	**(15,725)**	(6,605)	(5,756)
At the end of the period	**134,142**	**118,708**	132,015	105,513

Notes:

(1) In relation to residential communities and non-residential communities we manage, new engagements primarily include preliminary property management service contracts for new properties developed by property developers and property management service contracts for non-residential communities replacing their previous property management service providers.

The new engagements item in 2022 also included the business acquired from the acquisition of 100% interest in Heshan Jianmei Property Management Co., Ltd. (鶴山市堅美物業管理有限公司) ("**Heshan Jianmei**"), with a total area of approximately 973,000 sq.m.. The business of Heshan Jianmei was acquired by the Company through bidding, with its project management right finally obtained by the Company by means of equity transfer after negotiation. Given this was not an active acquisition, it was included in the new engagements item.

(2) These refer to our engagements consolidated through holding a total of 80% equity interest of Chengdu Holytech Technology Co., Ltd. (成都合達聯行科技有限公司) ("**Chengdu Holytech**") after the further acquisition of Chengdu Holytech in 2021.

(3) These terminations include our voluntary non-renewal of certain property management service contracts. We reallocated our resources to more profitable engagements in an effort to optimize our property management services portfolio.

Our Geographical Presence

The table below sets forth our contracted GFA under property management and GFA under management by regions as of the dates indicated:

	For the year ended 31 December			
	2022		2021	
	Contracted GFA	**GFA under management**	Contracted GFA	GFA under management
	sq.m.'000	***sq.m.'000***	*sq.m.'000*	*sq.m.'000*
Greater Bay Area				
Guangzhou	**21,070**	**19,057**	25,187	21,473
Foshan	**13,216**	**12,159**	12,213	9,181
Zhuhai	**5,006**	**4,390**	5,023	4,758
Zhongshan	**2,141**	**2,075**	4,602	4,119
Dongguan	**3,641**	**2,950**	3,285	2,627
Zhaoqing	**2,925**	**2,284**	3,224	2,617
Huizhou	**3,450**	**2,355**	2,727	1,970
Jiangmen	**4,065**	**3,216**	3,285	2,513
Shenzhen	**139**	**139**	139	139
Subtotal	**55,653**	**48,625**	59,685	49,397
Other Region				
Northeast China[(1)]	**336**	**336**	210	210
North China[(2)]	**2,111**	**2,111**	2,122	2,038
East China[(3)]	**20,828**	**20,255**	17,286	16,624
South China[(4)]	**11,844**	**9,383**	13,056	5,794
Central China[(5)]	**11,315**	**9,394**	9,456	7,727
Northwest China[(6)]	**4,101**	**3,120**	2,912	1,891
Southwest China[(7)]	**27,954**	**25,484**	27,288	21,832
Subtotal	**78,489**	**70,083**	72,330	56,116
Total	**134,142**	**118,708**	132,015	105,513

Notes:

Only the provinces, cities and autonomous regions where we have property management projects are listed below:

(1) Northeast China includes: Liaoning Province, Jilin Province;

(2) North China includes: Beijing, Tianjin, Hebei Province;

(3) East China includes: Shanghai, Jiangsu Province, Zhejiang Province, Anhui Province, Jiangxi Province, Shandong Province, Fujian Province;

(4) South China includes: Guangdong Province (excluding cities in the Greater Bay Area), Guangxi Zhuang Autonomous Region;

(5) Central China includes: Henan Province, Hubei Province, Hunan Province;

(6) Northwest China includes: Shaanxi Province, Gansu Province, Ningxia Hui Autonomous Region; and

(7) Southwest China includes: Chongqing, Sichuan Province, Guizhou Province, Yunnan Province.

The Group has been deeply rooted in the Greater Bay Area for more than 20 years and has continuously expanded the scope of property management in the Greater Bay Area, further consolidating its competitive advantage in the area. As at 31 December 2022, among the Group's projects under property management, the projects with the GFA under property management of approximately 48.6 million sq.m. were located in the Greater Bay Area, accounting for 41.0% of the GFA under property management. With our successful management experience in the Greater Bay Area and word of mouth in the market, we achieved rapid expansion in other cities.

Portfolio of Properties under Management

We manage a diversified portfolio of properties, and in addition to focusing on the three major businesses of residential, industrial parks and public buildings, we also manage commercial properties, office buildings, urban space and other businesses, and are committed to enriching the types of services we provide.

The table below sets forth a breakdown of our GFA under property management as of the dates and revenue generated from property management services for the periods indicated by the type of property:

	For the year ended 31 December							
	2022				2021			
	GFA under management *(sq.m.'000)*	**Percentage %**	**Revenue *(RMB'000)***	**Percentage %**	GFA under management *(sq.m.'000)*	Percentage %	Revenue *(RMB'000)*	Percentage %
Residential properties	**68,890**	**58.0**	**939,297**	**50.5**	48,765	46.2	777,677	49.3
Non-residential properties	**49,818**	**42.0**	**921,040**	**49.5**	56,748	53.8	798,994	50.7
Total	**118,708**	**100.0**	**1,860,337**	**100.0**	105,513	100.0	1,576,671	100.0

Benefitting from our continuous efforts to expand the customer base and to diversify the portfolio of properties under management, the effective strategies for independent expansion were implemented to gain a balanced and diversified business layout. As of 31 December 2022, the management area for the residential business was approximately 68.9 million sq.m., accounting for approximately 58.0% of the scale under management. The revenue derived from the management of residential properties for the year was approximately RMB939.3 million, accounting for approximately 50.5% of the revenue from property management services, representing an increase of approximately 20.8% as compared with the same period of 2021. We believe that the experience and recognition gained from managing such diversified businesses will enable us to further expand our portfolio of properties under management, grow our customer base and generate a stable and recurring income.

Nature of developers served

We stepped up our expansion into independent third-party markets. Leveraging on our high quality services, our professional service team and our renowned reputation, we have achieved rapid growth in terms of GFA obtained from the expansion of third-party markets.

The following table sets forth our GFA under property management as of the dates and revenue generated from property management services by property developers for the periods indicated:

	For the year ended 31 December							
	2022				2021			
	GFA under management ***(sq.m.'000)***	**Percentage** ***%***	**Revenue** ***(RMB'000)***	**Percentage** ***%***	GFA under management *(sq.m.'000)*	Percentage *%*	Revenue *(RMB'000)*	Percentage *%*
Times China Group[1]	**30,186**	**25.4**	**639,749**	**34.3**	24,916	23.6	568,786	36.1
Third-party property developers[2]	**88,522**	**74.6**	**1,220,588**	**65.7**	80,597	76.4	1,007,885	63.9
Total	**118,708**	**100.0**	**1,860,337**	**100.0**	105,513	100.0	1,576,671	100.0

Notes:

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

(2) Includes properties solely developed by third-party property developers independent from Times China Group, as well as properties jointly developed by Times China Group and other property developers for which Times China Group did not hold a controlling interest. Properties developed by third-party property developers also include government-owned buildings and other public properties, which are constructed by third-party construction companies.

The percentage of GFA under property management for properties developed by third-party property developers declined from 76.4% in 2021 to 74.6% in 2022. The revenue generated from managing properties developed by third-party property developers increased from RMB1,007.9 million in 2021 to RMB1,220.6 million in 2022. Such growth is mainly due to our active and multi-faceted business cooperation with third parties.

Community Value-added Services

As an extension of property management services, in order to satisfy the property owners' and residents' pursuit of convenience, to enhance customers' experience and to increase their loyalty, we provide a wide range of services in two categories, namely, public space leasing and parking space management and resident services. Our resident services mainly include bag checking, home renovation, asset management, community group buying and housekeeping services.

The table below sets forth the breakdown of revenue derived from community value-added services for the periods indicated:

	For the year ended 31 December			
	2022		2021	
	Revenue ***(RMB'000)***	**Percentage** ***%***	Revenue *(RMB'000)*	Percentage *%*
Public space leasing and parking space management	**111,182**	**29.4**	103,286	18.9
Resident services	**267,423**	**70.6**	443,858	81.1
Total	**378,605**	**100.0**	547,144	100.0

In 2022, the revenue from community value-added services decreased by 30.8% to approximately RMB378.6 million as compared with RMB547.1 million for the corresponding period in 2021, which was mainly due to the downsizing of renovation business which was resulted from the hinderance of household consumption by preventive measures against the epidemic.

Value-added Services to Non-property Owners

We offer a broad range of property related business solutions to non-property owners, primarily property developers, which cover their entire property development process. Such solutions consist of (i) sales assistance services to assist property developers in showcasing and marketing their properties, services of which include pre-sale consultation, display unit management, organizing sales campaigns and visitor reception for property development projects, (ii) construction site services, such as consultancy and security services, (iii) housing agency services for residences, shops and parking spaces, (iv) pre-delivery cleaning services, and (v) urban redevelopment project services. In 2022, the revenue derived from value-added services to non-property owners decreased by 60.5% to approximately RMB156.8 million from RMB396.9 million in the same period of 2021. In light of the periodic downturn of the real estate industry in China, the Group adjusted the business scale of value-added services to non-property owners based on prudent consideration and to balance the pace of repayment collection, causing the decrease in the revenue of sales assistance services, pre-delivery cleaning services and urban redevelopment services for the Year.

The table below sets forth the breakdown of revenue derived from value-added services to non-property owners for the years indicated:

	For the year ended 31 December			
	2022		2021	
	Revenue ***(RMB'000)***	**Percentage** ***%***	Revenue *(RMB'000)*	Percentage *%*
Sales assistance services	**117,221**	**74.8**	254,675	64.2
Construction site services	**14,863**	**9.5**	37,754	9.5
Pre-delivery cleaning services	**507**	**0.3**	37,063	9.3
Urban redevelopment project services	**9,204**	**5.9**	38,106	9.6
Housing agency services	**14,963**	**9.5**	29,318	7.4
Total	**156,758**	**100.0**	396,916	100.0

Other Professional Services

We provide other professional services to our customers, including (i) elevator services (including sale, installation, repair and maintenance of elevators); (ii) Zhilian (智聯) technology services; and (iii) urban public services.

The table below sets forth the breakdown of revenue derived from other professional services for the years indicated:

	For the year ended 31 December			
	2022		2021	
	Revenue ***(RMB'000)***	**Percentage** ***%***	Revenue *(RMB'000)*	Percentage *%*
Zhilian technology services	**53,435**	**25.4**	102,084	51.3
Elevator services	**75,529**	**35.9**	46,153	23.2
Urban public services	**81,378**	**38.7**	50,779	25.5
Total	**210,342**	**100.0**	199,016	100.0

In 2022, we were deeply engaged in the elevator sale services sector. By doing so, we provided sale and installation of elevator sets, daily operation and maintenance of elevators. The revenue from elevator services increased to approximately RMB75.5 million from approximately RMB46.2 million in the same period of 2021.

In 2022, we continued to develop urban public services projects, providing services such as municipal sanitation, security patrol, integrated management of construction site and comprehensive cleaning for these projects. As at 31 December 2022, we had a total of 27 urban public service projects, with an aggregate signed contract amount of approximately RMB294.3 million and an annualized contract amount of approximately RMB140.4 million.

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from property management services, community value-added services, value-added services to non-property owners and other professional services. The Group's revenue decreased by RMB113.7 million or 4.2% to RMB2,606.0 million in 2022 from RMB2,719.7 million in 2021, which was primarily attributable to the decrease in our revenue from community value-added services.

The table below sets forth the breakdown of revenue of the Group by operating segments for the periods indicated:

	For the year ended 31 December			
	2022		2021	
	Revenue *(RMB'000)*	**Percentage *%***	Revenue *(RMB'000)*	Percentage *%*
Property management services	**1,860,337**	**71.4**	1,576,671	58.0
Community value-added services	**378,605**	**14.5**	547,144	20.1
Value-added services to non-property owners	**156,758**	**6.0**	396,916	14.6
Other professional services	**210,342**	**8.1**	199,016	7.3
Total	**2,606,042**	**100.00**	2,719,747	100.00

The property management services segment remained to be our largest source of revenue. In 2022, the Group's revenue from property management services was approximately RMB1,860.3 million, accounting for 71.4% of the Group's total revenue. This increase in revenue was driven by the growth of our GFA under management, which was resulted from both our continuous cooperation with Times China Group and our efforts to expand the third-party customer base. The decrease in revenue from community value-added services was mainly due to the decline in revenue from resident services. The decrease in revenue from value-added services to non-property owners was mainly due to the decline in revenue from sales assistance services, urban redevelopment project services and housing agency services. The increase in revenue from other professional services was mainly due to the increase in revenue from urban public services.

Cost of Sales

Our expenses mainly consist of (i) labor costs; (ii) cleaning and gardening expenses; and (iii) maintenance costs, etc. For the year ended 31 December 2022, the total expenses of the Group was approximately RMB2,050.1 million, which increased by approximately RMB72.5 million or approximately 3.7% as compared to approximately RMB1,977.7 million for the year ended 31 December 2021. Such increase was mainly due to the adjustment of employees' basic remuneration and the increase in labor costs.

Gross Profit and Gross Profit Margin

Based on the above reasons, the gross profit of the Group decreased by approximately RMB186.2 million or approximately 25.1% to RMB555.9 million in 2022 from RMB742.1 million in 2021, which was primarily attributable to the downsizing of value-added services to non-property owners and community value-added services business. The gross profit margin of the Group decreased by 6.0 percentage points to 21.3% in 2022 from 27.3% in 2021, primarily due to the general decrease in gross profit margin as a result of the adjustments in business structure and the basic employee compensation, and the increase of labor costs.

Gross profit margin of the Group by business lines was as follows:

	For the year ended 31 December	
	2022	2021
	%	*%*
Property management services	**21.9**	26.7
Community value-added services	**32.9**	33.9
Value-added services to non-property owners	**6.4**	26.0
Other professional services	**6.9**	16.1
Total gross profit margin	**21.3**	27.3

The gross profit margin of our property management services decreased by 4.8 percentage points. The decrease in gross profit margin of property management services was mainly due to the increase of labor costs as a result of the adjustment of the basic employee compensation.

The gross profit margin of our community value-added services decreased by 1.0 percentage point, mainly due to the adjustment and change of service portfolio.

The gross profit margin of our value-added services to non-property owners decreased by 19.6 percentage points, primarily due to the decrease in revenue and gross profit margin of sales assistance business as a result of the cyclical impact of China's real estate market.

The gross profit margin of our other professional services decreased by 9.2 percentage points, primarily due to the adjustment of business structure of Zhilian technology services.

Other Income and Gains

The other income of the Group decreased by approximately RMB9.9 million or 26.0% to RMB28.2 million in 2022 from RMB38.1 million in 2021, which was primarily attributable to the decrease in gains from government grants received.

Administrative Expenses

Administrative expenses mainly consist of (i) office expenses; and (ii) depreciation and amortization, etc. For the year ended 31 December 2022, the total administrative expenses of the Group were approximately RMB341.7 million, which increased by approximately RMB62.5 million or approximately 22.4% as compared to approximately RMB279.2 million for the year ended 31 December 2021. Such increase was mainly due to the increase in the expenses arising from business expansion.

Net Impairment Losses on Financial and Contract Assets

The net impairment losses on financial and contract assets of the Group increased by approximately RMB361.8 million or approximately 3,464.4% from approximately RMB10.4 million in 2021 to approximately RMB372.2 million in 2022. Such increase was mainly due to increased credit risk of several customers, and increased trade receivables, resulting in the increase in impairment provision of trade receivables.

Other Expenses

The other expenses of the Group increased by approximately RMB54.4 million or approximately 192.2% to approximately RMB82.7 million in 2022 from approximately RMB28.3 million in 2021. The increase in the expenses was mainly due to the increase of the impairment loss of goodwill.

Finance Costs

The finance costs of the Group decreased by approximately RMB2.2 million or approximately 66.7% to approximately RMB1.1 million in 2022 from approximately RMB3.3 million in 2021. The decrease was mainly due to the decrease of interest expense arising from revenue contracts.

Income Tax Expense

For the year ended 31 December 2022, the income tax credited to the Group's statement of profit or loss was approximately RMB48.8 million (2021: income tax expense of RMB109.7 million). The decrease in income tax expense was primarily due to the decrease in taxable income.

Core Net Profit Attributable to Owners of the Parent for the Year

After excluding non-recurring expenses (including loss allowance for impairment of financial and contract assets and goodwill since 2022) from the net profit attributable to owners of the parent for the Year, the core net profit attributable to owners of the parent for the Year amounted to approximately RMB143.3 million in 2022 (2021: RMB330.5 million), representing a decrease of 56.6%.

Property, Plant and Equipment

The Group's property, plant and equipment mainly included leasehold improvement, motor vehicles and office equipment. As at 31 December 2022, the Group's property, plant and equipment was approximately RMB92.6 million, representing a decrease of approximately RMB2.6 million from approximately RMB95.2 million as at the end of 2021, mainly due to an increase in the depreciation of property, plant and equipment.

Trade Receivables

Trade receivables mainly arise from property management services, value-added services to non-property owners and other professional services provided to Times China Group and third parties. The Group's trade receivables as at 31 December 2022 amounted to approximately RMB800.5 million, representing a decrease of approximately RMB339.5 million or 29.8% as compared to approximately RMB1,140.0 million as at 31 December 2021, primarily due to the increased provision for impairment losses on financial assets.

Prepayments, Deposits and Other Receivables

Prepayment, deposits and other receivables increased by 14.5% from RMB270.3 million as of 31 December 2021 to RMB309.5 million as of 31 December 2022, primarily due to the expansion of the Company's business scale.

Trade Payables

The Group's trade payables as at 31 December 2022 amounted to approximately RMB560.4 million, representing a decrease of approximately RMB9.0 million or 1.6% as compared to approximately RMB569.4 million as at 31 December 2021, mainly due to the expansion of the Company's business scale.

Other Payables and Accruals

Other payables and accruals increased by approximately 1.4% from approximately RMB371.5 million as of 31 December 2021 to approximately RMB376.7 million as of 31 December 2022, primarily due to the expansion of the Company's property management business scale.

Financial Position and Capital Structure

For the year ended 31 December 2022, the Group maintained a sound financial position.

As at 31 December 2022, the Group's current ratio (current assets/current liabilities) was 1.80 times (31 December 2021: 1.94 times) and net gearing ratio indicated a net cash status (31 December 2021: net cash). Net gearing ratio is calculated by other interest-bearing borrowings minus cash and cash equivalent, and then divided by net assets. As at 31 December 2022 and 2021, the Group did not have any outstanding other interest-bearing borrowings.

Financial Guarantee

As at 31 December 2022, the Group did not have any financial guarantee.

Pledge of Assets

As at 31 December 2022, none of the assets of the Group were pledged.

Contingent Liabilities

As at 31 December 2022, the Group did not have any material contingent liabilities.

Interest Rate Risk

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

Foreign Exchange Risk

The Group mainly operates in the PRC and most of its operations are denominated in RMB. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into currency swap arrangement as and when appropriate for hedging corresponding risks. As at 31 December 2022, the Group did not engage in hedging activities for managing foreign exchange rate risk.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AFFILIATES AND JOINT VENTURE ENTERPRISES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no other significant investments held, no material acquisitions or disposals of subsidiaries, affiliates and joint venture enterprises during the Year, nor was there any plan authorized by the Board for other material investments or additions of capital assets at the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

There were no other significant events occurring after the Reporting Period.

USE OF NET PROCEEDS FROM THE LISTING

The shares of the Company were listed on the Main Board of the Stock Exchange on the listing date (i.e. 19 December 2019) (the "**Listing Date**") by way of global offering (the "**Listing**"), raising the total net proceeds (after deducting professional fees, underwriting commissions and other related listing expenses) of approximately HKD786,744,178.

As at 31 December 2022, the proceeds from the Listing have been and will be continuously used according to the plans disclosed in the section headed "Future Plans and Use of Proceeds – Use of Proceeds" in the prospectus dated 9 December 2019 of the Company, namely:

	Proposed Use of Proceeds	Percentage of Total Net Proceeds	Net Proceeds	As at 31 December 2022 Amount Used (Including the Reserved Amount)	Remaining Unutilized Proceeds	Expected Timeline for Use of Remaining Unutilized Proceeds
		%	*HK$*	*HK$ (%)*	*HK$ (%)*	
a)	Seeking selective strategic investment and acquisition opportunities and further developing strategic alliances;	65	511,383,716	511,383,716 (65)	–	N/A
b)	Improving the customer service quality by using advanced technology and building a smart community;	15	118,011,627	91,834,559 (11.7)	26,177,068 (3.3)	On or before 31 December 2023*
c)	Further developing a one-stop service platform; and	10	78,674,417	58,127,757 (7.4)	20,546,660 (2.6)	On or before 31 December 2023*
d)	Working capital and general corporate purposes.	10	78,674,417	78,674,417 (10)	–	N/A

* The COVID-19 pandemic caused a delay in the Company's implementation of the relevant plan. As at the date of this announcement, the Company expects the unutilized net proceeds to be fully utilized on or before 31 December 2023.

USE OF NET PROCEEDS FROM THE PLACING AND SUBSCRIPTION OF SHARES

On 7 July 2020, the Company entered into an agreement (the "**Agreement**") with Credit Suisse (Hong Kong) Limited (the "**Manager**") (the manager) and Asiaciti Enterprises Ltd. ("**Asiaciti Enterprises**") (the seller), pursuant to which the Manager conditionally agreed to place 77,000,000 existing ordinary shares of the Company at the placing price of HKD10.22 per share to not less than six (6) placees on a best effort basis, while Asiaciti Enterprises conditionally agreed to subscribe for new shares, the number of which is equal to the number of the placing shares placed by the Manager, at the issue price of HKD10.22 per new share (the "**Issue Price**"). The Issue Price represented a discount of approximately 6.92% to the closing price of HKD10.98 per share as quoted on the Stock Exchange on the last trading day prior to the signing of the Agreement. The Directors considered that the placing and subscription provide a good opportunity for the Company to raise additional funds to consolidate its financial position, broaden the shareholder base and capital base of the Group, thus promoting future development, and helping increase the liquidity of shares. The Company completed the placing of shares, and allotment and issuance of new shares under the general mandate, on 9 July 2020 and 20 July 2020, respectively. The total net proceeds raised by the Company after deducting all relevant fees, costs and expenses to be borne or incurred by the Company are approximately HKD779,596,946. The net price for the subscription, after deduction of all relevant fees, costs and expenses to be borne or incurred by the Company was approximately HKD10.12 per share.

As at 31 December 2022, the proceeds from the placing and subscription of shares have been and will be continuously used according to the plans disclosed in the announcements dated 7 July 2020 and 20 July 2020 of the Company, which are set forth as follow:

			As at 31 December 2022		
Proposed Use of Proceeds	**Percentage of Total Net Proceeds**	**Net Proceeds**	**Amount Used (Including the Reserved Amount)**	**Remaining Unutilized Proceeds**	**Expected Timeline for Use of Remaining Unutilized Proceeds**
	%	*HK$*	*HK$ (%)*	*HK$ (%)*	
a) Potential strategic investment and acquisition opportunities; and	90	701,637,251	428,770,106 (55.0)	272,867,145 (35.0)	On or before 31 December 2023*
b) General working capital of the Group.	10	77,959,695	77,959,695 (10)	–	N/A

* The COVID-19 pandemic caused a delay in the Company's implementation of the relevant plan. As at the date of this announcement, the Company expects the unutilized net proceeds to be fully utilized on or before 31 December 2023.

As at the date of this announcement, (i) the Company actively explores any targets that are related to its core businesses and has not identified any new investment or acquisition targets; (ii) the Company has developed a general list of prospects, but no agreement has been entered by the Group in respect of any such investments or acquisitions; and (iii) the rest of the net proceeds from the placing and subscription of shares will be continuously used according to the original intended use, subject to market conditions.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2022, the Group had 9,128 employees (31 December 2021: 10,268 employees).

The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund schemes, medical insurance scheme, unemployment insurance scheme, housing provident fund and mandatory provident fund. Relevant employees of the Group are eligible participants of the share award scheme, details of which are set out in the section headed "Share Award Scheme" below. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the remuneration levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances. The Group also provides training programs for the employees with a view to constantly upgrading their skills and knowledge.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year ended 31 December 2022 (the "**AGM**") is scheduled to be held on Tuesday, 30 May 2023. A notice convening the AGM will be issued and disseminated to the shareholders of the Company (the "**Shareholders**") in due course.

FINAL DIVIDEND

The Board recommended a final dividend of RMB2.2 cents per ordinary share (2021: RMB4.7 cents) totalling approximately RMB21,685,000 (2021: RMB46,327,000) for the year ended 31 December 2022. The final dividend is subject to the approval of the Shareholders at the AGM, and is expected to be paid on or around 10 July 2023. The proposed final dividend shall be declared in RMB and paid in HKD. The final dividend payable in HKD will be converted from RMB to HKD at the average exchange rate of HKD against RMB announced by the People's Bank of China on 30 May 2023.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 23 May 2023 to 30 May 2023, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 22 May 2023.

The record date for qualifying to receive the proposed final dividend is 8 June 2023. In order to determine the right of the Shareholders entitled to receive the proposed final dividend, which is subject to the approval by the Shareholders in the forthcoming AGM, the register of members of the Company will be closed from 6 June 2023 to 8 June 2023, both days inclusive. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 5 June 2023.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of our Shareholders and to enhance corporate value and accountability. The Company has adopted Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance.

In the opinion of the Directors, the Company has complied with all the code provisions as set out in Part 2 of the CG Code for the year ended 31 December 2022. The Company will continue to review and monitor its corporate governance practice to ensure the compliance of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions conducted by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions conducted by relevant Directors. After making specific enquiries to all the Directors, each of them has confirmed that he/she has complied with the required standards set out in the Model Code during the period from the Listing Date to 31 December 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2022.

SHARE AWARD SCHEME

On 23 September 2020, the Company adopted a share award scheme (the "**Scheme**") to recognize the contributions of selected participants and encourage them to remain in office in the Group, thus promoting continuous operation and development of the Group. The details are set out in the announcement of the Company dated 23 September 2020. According to the Scheme, the award shares will be satisfied by way of acquisition of existing shares through on-market transactions by the trustee and will be held on trust until they are vested. The total number of all award shares granted under the Scheme shall not exceed 3% of the total issued shares of the Company as at 23 September 2020.

On 13 November 2020, according to the Scheme, the Company granted 24 selected participants (including 4 executive Directors) a total of 3,350,000 award shares, representing approximately 0.34% of the total issued shares of the Company as at 13 November 2020. The details are set out in the announcement of the Company dated 13 November 2020.

As at 31 December 2022, a total of 3,350,000 shares were held under the Scheme and shall be held upon trust for the benefits of the relevant grantees until they are vested (or cancelled) in accordance with the Scheme.

During the Reporting Period, there was no purchase of shares of the Company by the trustee under the Scheme, and no award shares were granted/vested/cancelled/lapsed/forfeited under the Scheme by the Company save as disclosed in the summary below.

A summary of the award shares granted and their movements during the Year is set forth below:

				Number of award shares					
Name of selected participants	**Date of grant**	**Vesting period**	**Purchase price HK$**	**Outstanding/ unvested as at 1 January 2022**	**Granted during the Reporting Period**	**Vested during the Reporting Period**	**Cancelled during the Reporting Period**	**Lapsed/ forfeited during the Reporting Period**	**Outstanding/ unvested as at 31 December 2022**
Ms. Wang Meng[(1)]	13 November 2020	13 November 2020 - 31 March 2024	HK$5.15 per award share	200,000	–	–	–	–	200,000
Mr. Yao Xusheng[(1)]	13 November 2020	13 November 2020 - 31 March 2024	HK$5.15 per award share	200,000	–	–	–	–	200,000
Ms. Xie Rao[(1)]	13 November 2020	13 November 2020 - 31 March 2024	HK$5.15 per award share	200,000	–	–	–	–	200,000
Ms. Zhou Rui[(1)]	13 November 2020	13 November 2020 - 31 March 2024	HK$5.15 per award share	200,000	–	–	–	–	200,000
Other employee participants	13 November 2020	13 November 2020 - 31 March 2024	HK$5.15 per award share	2,300,000[(2)]	–	–	–	(400,000)[(3)]	1,900,000
Total				3,100,000	–	–	–	(400,000)[(3)]	2,700,000

Notes:

(1) Under Chapter 14A of the Listing Rules, he/she is a connected person of the Company.

(2) During the year ended 31 December 2021, a total of 2 other employee participants ceased to be eligible persons and no award shares were vested. According to the Scheme, any award shares that have not been vested (a total of 250,000 award shares) have been immediately forfeited. These forfeited award shares will be regarded as returned shares, which will continue to be held by the trustee and can be used to satisfy the awards to be granted in the future.

(3) During the Reporting Period, a total of 3 other employee participants ceased to be eligible persons and no award shares were vested. According to the Scheme, any award shares that have not been vested (a total of 400,000 award shares) have been immediately forfeited. These forfeited award shares will be regarded as returned shares, which will continue to be held by the trustee and can be used to satisfy the awards to be granted in the future.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the annual results of the Company for the year ended 31 December 2022 and the financial statements for the year ended 31 December 2022 prepared in accordance with the IFRSs.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young ("**EY**"), to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY on this preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement for the year 2022 has been published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (http://www.shidaiwuye.com), and the annual report for the year 2022 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the aforesaid websites of the Stock Exchange and the Company in due course.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

In order (i) to bring the memorandum and articles of association of the Company (the "**Memorandum and Articles of Association**") in line with the new requirements under the amendments to the Listing Rules with effect from 1 January 2022; (ii) to allow the Company to hold hybrid and virtual meetings of Shareholders; and (iii) to make some other consequential and housekeeping amendments (collectively, the "**Proposed Amendments**"), the Board proposed to put forward to the Shareholders for approval at the forthcoming AGM a special resolution to amend the existing Memorandum and Articles of Association and to adopt the amended and restated Memorandum and Articles of Association in substitution for, and to the exclusion of, the existing Memorandum and Articles of Association.

The Board is of the view that the Proposed Amendments are in the interests of the Company and the Shareholders as a whole. The Proposed Amendments are subject to the approval of the Shareholders by way of special resolution at the forthcoming AGM and, if approved, will become effective upon such approval. Prior to the passing of the relevant special resolution at the AGM, the existing Memorandum and Articles of Association shall remain valid. After the Proposed Amendments come into effect, the full text of the amended and restated Memorandum and Articles of Association will be published on the aforesaid websites of the Stock Exchange and the Company.

A circular containing, among others, details of the Proposed Amendments together with the notice convening the AGM will be despatched to the Shareholders as soon as practicable.

By order of the Board
Times Neighborhood Holdings Limited
Mr. BAI Xihong
Chairman

Hong Kong, 29 March 2023

As at the date of this announcement, the Board comprises Ms. WANG Meng, Mr. YAO Xusheng, Ms. XIE Rao and Ms. ZHOU Rui as executive Directors; Mr. BAI Xihong and Mr. LI Qiang as non-executive Directors; Mr. LUI Shing Ming, Brian, Dr. WONG Kong Tin and Dr. CHU Xiaoping as independent non-executive Directors.