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**銀城生活服務有限公司**

**YINCHENG LIFE SERVICE CO., LTD.**

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

**(Stock Code: 1922)**

**(1) INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**(2) CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

**HIGHLIGHTS**

- Revenue for the six months ended 30 June 2023 was approximately RMB946.7 million, representing an increase of approximately 17.2% as compared to approximately RMB807.9 million for the six months ended 30 June 2022.
- Revenue for the six months ended 30 June 2023 generated from the provision of property management services and value-added services were approximately RMB730.7 million and RMB214.3 million, respectively. In particular, revenue generated from independent third parties continued to maintain at a significantly high percentage and accounted for approximately 97.3% of the Group's revenue from the provision of property management services.
- Gross profit for the six months ended 30 June 2023 was approximately RMB147.2 million, representing an increase of approximately 19.0% as compared to approximately RMB123.7 million for the six months ended 30 June 2022. Gross profit margin for the six months ended 30 June 2023 was approximately 15.6%.
- Profit for the six months ended 30 June 2023 was approximately RMB63.8 million, indicating an increase of approximately 16.2% as compared to approximately RMB54.9 million for the six months ended 30 June 2022. Net profit margin for the six months ended 30 June 2023 was approximately 6.7%.
- Profit attributable to owners of the Company for the six months ended 30 June 2023 was approximately RMB59.7 million, representing an increase of approximately 16.4% as compared to approximately RMB51.3 million for the six months ended 30 June 2022.
- As at 30 June 2023, the Group's cash and cash equivalents amounted to approximately RMB194.1 million.

## (1) INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of Yincheng Life Service CO., Ltd. (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated financial information of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2023 with comparative figures for the six months ended 30 June 2022.

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

		Six months ended 30 June	
		2023	2022
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>REVENUE</b>	4	<b>946,735</b>	807,887
Cost of sales		<u>(799,486)</u>	<u>(684,147)</u>
<b>GROSS PROFIT</b>		<b>147,249</b>	123,740
Other income and gains		<b>11,201</b>	6,035
Selling and distribution expenses		<b>(2,501)</b>	(1,907)
Administrative expenses		<b>(46,800)</b>	(43,378)
Loss on disposal of investment property		<b>(1,884)</b>	–
Impairment losses on financial assets, net		<b>(16,937)</b>	(8,949)
Finance costs		<b>(3,669)</b>	(4,148)
Other expenses		<b>(353)</b>	(93)
Share of profits and losses of:			
Joint ventures		<b>(945)</b>	2,230
Associates		<u><b>(575)</b></u>	<u>(477)</u>
<b>PROFIT BEFORE TAX</b>		<b>84,786</b>	73,053
Income tax expense	5	<u><b>(21,013)</b></u>	<u>(18,122)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>63,773</b></u>	<u>54,931</u>
Profit attributable to:			
Owners of the parent		<b>59,747</b>	51,286
Non-controlling interests		<u><b>4,026</b></u>	<u>3,645</u>
		<u><b>63,773</b></u>	<u>54,931</u>
<b>EARNINGS PER SHARE</b>			
<b>ATTRIBUTABLE TO ORDINARY</b>			
<b>EQUITY HOLDERS OF THE PARENT</b>	7		
Basic and diluted (RMB)		<u><b>0.22</b></u>	<u>0.19</u>

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>PROFIT FOR THE PERIOD</b>	<b><u>63,773</u></b>	<b><u>54,931</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Income tax relating to disposal of revaluated investment property that will not be reclassified	288	–
Exchange difference on translation of foreign operations	<u>1,496</u>	<u>1,552</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>1,784</u></b>	<b><u>1,552</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>65,557</u></b>	<b><u>56,483</u></b>
Total comprehensive income attributable to:		
Owners of the parent	61,531	52,838
Non-controlling interests	<u>4,026</u>	<u>3,645</u>
	<b><u>65,557</u></b>	<b><u>56,483</u></b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>30 June</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>92,713</b>	89,570
Investment properties	<b>79,544</b>	50,794
Right-of-use assets	<b>5,479</b>	7,762
Goodwill	<b>27,411</b>	27,411
Pledged deposits	<b>1,573</b>	1,876
Intangible assets	<b>16,900</b>	18,732
Investments in associates	<b>7,019</b>	5,649
Investments in joint ventures	<b>1,720</b>	3,584
Deferred tax assets	<b>18,528</b>	14,720
	<b>250,887</b>	220,098
<b>CURRENT ASSETS</b>		
Inventories	<b>9,289</b>	10,558
Trade receivables	<b>439,434</b>	342,083
Due from related companies	<b>279,451</b>	200,964
Prepayments, deposits and other receivables	<b>113,849</b>	100,473
Financial assets at fair value through profit or loss	<b>–</b>	76,434
Pledged deposits	<b>2,957</b>	2,101
Cash and cash equivalents	<b>194,109</b>	292,058
	<b>1,039,089</b>	1,024,671
Total current assets	<b>1,039,089</b>	1,024,671

		<b>30 June 2023</b>	31 December 2022
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	9	<b>105,773</b>	75,404
Other payables, deposits received and accruals		<b>278,074</b>	287,983
Contract liabilities		<b>304,804</b>	338,194
Due to related companies		<b>11,804</b>	13,146
Interest-bearing bank and other borrowings		<b>76,326</b>	112,066
Lease liabilities		<b>14,877</b>	7,822
Tax payable		<b>16,051</b>	20,682
		<hr/>	<hr/>
Total current liabilities		<b>807,709</b>	855,297
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>231,380</b>	169,374
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>482,267</b>	389,472
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		<b>2,421</b>	6,480
Lease liabilities		<b>35,077</b>	8,987
Deferred tax liabilities		<b>8,266</b>	9,029
		<hr/>	<hr/>
Total non-current liabilities		<b>45,764</b>	24,496
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>436,503</b>	364,976
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	10	<b>2,387</b>	2,387
Reserves		<b>384,461</b>	322,300
		<hr/>	<hr/>
		<b>386,848</b>	324,687
		<hr/>	<hr/>
<b>Non-controlling interests</b>		<b>49,655</b>	40,289
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>436,503</b>	364,976
		<hr/> <hr/>	<hr/> <hr/>

# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1. CORPORATE INFORMATION

The Company is an exempted company incorporated in the Cayman Islands. The registered office address of the Company is Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman KY1-1104, the Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the provision of property management and value-added services for the living community.

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022. The Interim Financial Information is presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 17	<i>Insurance Contracts</i>
Amendment to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 – Comparative Information</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The above amendments did not have any significant impact on the financial position or performance of the Group.

#### 4. REVENUE

An analysis of revenue is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from contracts with customers	<b>944,961</b>	805,974
Revenue from other sources		
Gross rental income from investment property	<u><b>1,774</b></u>	<u>1,913</u>
	<u><b>946,735</b></u>	<u>807,887</u>

(a) Disaggregated revenue from contracts with customers

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Types of goods or services</b>		
Property management services	<b>730,677</b>	638,368
Value-added services	<u><b>214,284</b></u>	<u>167,606</u>
Total revenue from contracts with customers	<u><b>944,961</b></u>	<u>805,974</u>
<b>Timing of revenue recognition</b>		
Recognised over time	<b>900,579</b>	764,736
Recognised at a point in time	<u><b>44,382</b></u>	<u>41,238</u>
Total revenue from contracts with customers	<u><b>944,961</b></u>	<u>805,974</u>

## 5. INCOME TAX

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 British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiary incorporated in Hong Kong was not liable for income tax as it did not have any assessable profits arising in Hong Kong during the period.

PRC corporate income tax has been provided at the rate of 25% on the taxable profits of the Group's PRC subsidiaries for the period. Some subsidiaries are qualified as small low-profit enterprises and thus subject to a preferential tax rate of 10% for the period.

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax:		
PRC corporate income tax	25,296	20,843
Deferred tax	(4,283)	(2,721)
	<u>21,013</u>	<u>18,122</u>
Total tax charge for the period	<u><b>21,013</b></u>	<u><b>18,122</b></u>

A reconciliation of income tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective income tax rate for each reporting period is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit before tax	<u><b>84,786</b></u>	<u><b>73,053</b></u>
At the statutory income tax rate	21,196	18,263
Effect of different tax levy enacted by local authorities	(1,805)	(1,282)
Adjustments in respect of current tax of previous periods	472	249
Profits and losses attributable to joint ventures and associates	(568)	(288)
Expenses not deductible for tax	534	238
Tax losses not recognised	1,184	942
	<u><b>21,013</b></u>	<u><b>18,122</b></u>

## 6. DIVIDENDS

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Final declared – Nil (2022: HK12.6 cent) per ordinary share	–	27,339

The board of directors resolved not to declare any dividend for the six month period ended 30 June 2023.

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 267,152,000 (for the six months ended 30 June 2022: 267,152,000).

No adjustment has been made to the basic earnings per share amounts presented for the period ended 30 June 2023 (for the six months ended 30 June 2022: Nil) in respect of a dilution as the impact of the share option outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

The calculations of basic and diluted earnings per share are based on:

	<b>For the six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	<u>59,747</u>	<u>51,286</u>
	<b>Number of shares</b>	
	<b>2023</b>	<b>2022</b>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	<u>267,152,000</u>	<u>267,152,000</u>

## 8. TRADE RECEIVABLES

	<b>30 June 2023</b>	31 December 2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Trade receivables	<b>483,206</b>	376,286
Impairment	<b>(43,772)</b>	(34,203)
	<b>439,434</b>	342,083

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

	<b>30 June 2023</b>	31 December 2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 1 year	<b>397,359</b>	317,150
Over 1 year and within 2 years	<b>33,869</b>	19,095
Over 2 years and within 3 years	<b>8,206</b>	5,838
	<b>439,434</b>	342,083

## 9. 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 2023</b>	31 December 2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 1 year	<b>104,145</b>	72,793
Over 1 year	<b>1,628</b>	2,611
	<b>105,773</b>	75,404

## 10. SHARE CAPITAL

	<b>30 June 2023 <i>HK\$'000</i></b>	31 December 2022 <i>HK\$'000</i>
Authorised:		
2,000,000,000 (2022: 2,000,000,000) ordinary shares of HK\$0.01 each	<b><u>20,000</u></b>	<u>20,000</u>
	<b>30 June 2023 <i>RMB'000</i> (Unaudited)</b>	31 December 2022 <i>RMB'000</i> (Audited)
Issued and fully paid:		
267,152,000 (2022: 267,152,000) ordinary shares at HK\$0.01 each	<b><u>2,387</u></b>	<u>2,387</u>

## **PRESIDENT’S STATEMENT**

Dear Shareholders,

On behalf of the management, I am pleased to present to the Board and you the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2023 (the “**Period Under Review**”), together with the business development review and outlook.

### **REVIEW FOR THE FIRST HALF OF THE YEAR**

Looking back at the first half of 2023, after experiencing significant changes over the past two years, the Chinese property management industry continued to face fierce competition, with market share becoming more balanced. Under the influence of policy changes, digital transformation and capital markets, the Chinese property management industry experienced rapid development but also faced some challenges.

The Chinese government continued to roll out favorable policies, for example, the Ministry of Housing and Urban-Rural Development issued notice and guiding opinion about property management industry almost every month, which included implementing strict regulation of property management service quality, standardising business activities, proposing the establishment of a sound credit rating system for property management enterprises, and expediting informatisation of the industry. The introduction of these policies is conducive to promoting the concentration of the industry, improving the professional level and service standards of the industry, and promoting healthy development of the industry. As a property management enterprise that provides high-quality services, Yincheng Life Service has always adhered to the road of marketisation and the direction of specialisation. We are pleased to see the flourishing development of the property management industry and will continue to strengthen internal management and training based on our existing advantages to meet the requirements of the new policies.

With the rapid development of technology, the property management industry is also facing pressure and opportunities for technology innovation. The application of artificial intelligence, big data, the Internet of Things and other technologies provides property management companies with more efficient, precise, and intelligent services. Yincheng Life Service has also increased its investment in technology this year, and has carried out digital transformation of its internal management systems, parking systems and other systems to improve its service quality and efficiency.

During the first half of 2023, as affected by the Chinese real estate industry, we saw some property management companies undergoing changes in shareholding or even privatisation in the capital market, with an aim to obtaining more funds for expansion, technology upgrade, or to address the problem of fund shortage. Although our Company has made strategic arrangements in advance with more than 90% of the revenue of the Group acquired from third-party developers in recent years, our positioning as a “second-hand property operation expert” has made us less vulnerable to the turbulence in the real estate industry, but we are still inevitably impacted by bad debts and cash flow issues.

During the Period Under Review, the Group's operating results maintained a steady growth and recorded a revenue of approximately RMB946.7 million, representing a period-on-period increase of approximately 17.2%. Profit attributable to owners of the Company was approximately RMB59.7 million, representing a period-on-period increase of approximately 16.4%, while gross profit margin and net profit margin were approximately 15.6% and 6.7%, respectively. Among which, revenue generated from the provision of property management services amounted to approximately RMB730.7 million, while revenue generated from the provision of value-added services amounted to approximately RMB214.3 million. As at 30 June 2023, the Group's total number of projects under management exceeded 1,000 projects and reached 1,038 projects, representing a year-on-year increase of approximately 17.6%.

The core of the Group's motto "Operation is the Key, Reputation Comes First" is to gain customers' trust and maintain long-term partnership with them. Under this motto, the Group has adopted a two-pronged strategy, namely "stabilising inventory" and "expanding contract volume", to ensure a stable and orderly development of our business.

In terms of stabilising inventory, leveraging the Group's quality services and sound operations, the renewal rate of existing clients remained at a high level at approximately 94%. In terms of residential properties, the collection rate (i.e. the proportion of actual amount received from the property management fees receivable for the full year) as of June maintained stable at approximately 66.2% (2022: 66.6%). As we have entered the collection peak in the third and fourth quarters, the Group is confident that the collection rate and prepayment rate (i.e. the percentage of property management fees collected in advance for the following year) can remain at over 90% and approximately 40%, respectively, for the full year.

In terms of expanding contract volume, although the market competition has become increasingly fierce since last year, and even disorderly vicious competition emerged, the Group has still won the favor of customers with our high-quality services, excellent management and reasonable prices, and achieved promising results in external expansion. the Group acquired 155 new projects under management from the existing market during the first half of the year, representing approximately 15% of the number of total projects. This is a recognition of the Group's brand and operational capability by our customers, which has encouraged us to continuously enhance our external expansion capabilities, so as to maintain long-term and stable development. Currently, there are 22 projects contracted yet to be managed.

The Group has taken non-residential property management as its key segment. Its revenue contribution has exceeded that of the residential property projects in 2022. Our extensive experience and quality management has enabled us to secure new projects from time to time, including Jinling Library, one of the landmarks in Nanjing, Nanjing National Agricultural Innovation Center, Yixing City People's Hospital (宜興市人民醫院) of which we won the tender after we set foot in Yixing, and other high-quality projects. During the Period Under Review, the Group had 409 non-residential projects under management, representing a period-on-period increase of 19.2%, and that our total annualised contract value amounted to approximately RMB850 million.

Since its establishment, the Group has been adhering to the strategy of further developing the market in the Yangtze River Delta and bringing the advantage of its centralised regional development strategy into full play, and we have been expanding our business coverage with our strategy of “increasing our presence in Nanjing, expanding the market in the southern part of the Jiangsu Province and exploring the market in Huaihai district”. In Nanjing, the Group manages 780 projects, and is the property management company with the higher project density. At present, the number of the Group’s projects under management in regions outside Nanjing increased to 258, representing a period-on-period increase of approximately 24%, which was also an increase by 6 times as compared with that when the Group was listed 4 year ago, showing that the Group was able to replicate its success in Nanjing to other regions.

In terms of value-added services where the main purpose is to maintain customer satisfaction and happiness, the Group is determined to provide customers with value-added services that are only in rigid demand, with high frequency, large volume and sustainability. In recent years, Yincheng Life Service also focused on providing city-level life services and has extended its service radius from communities to cities, its service target has also expanded from property owners to the general public. We provide not only convenient sports and fitness, home delivery, housekeeping, home decoration, travel, home care for the elderly, and infant and child care services, but also city-level services such as new energy vehicle charging, battery-powered vehicle charging, and smart battery swapping for riders. Starting from Nanjing, the Group’s city services have expanded into more than 10 cities including Nanjing, Suzhou, Wuxi, Yangzhou, Huaian and Xuzhou as of the first half of the year, and have become a leader in the provision of charging and battery swapping services in these cities.

As at 30 June 2023, the Group has installed more than 1,300 smart battery swapping stations, with more than 23,000 registered riders, contributing revenue of approximately RMB27.8 million during the Period Under Review, nearly doubled over last year.

The Group established Big Zebra Smart Energy Company\* (大斑馬智慧能源公司) (“**Big Zebra**”) in mid-2022, and has so far built 12 commercial DC charging stations for urban operating vehicles and 77 property AC charging stations for community network. Big Zebra contributed approximately RMB8.2 million in revenue during the Period under Review.

In 2022, the Group established Nanjing Meihe Environmental Technology Co., Ltd and gradually replaced the original cleaning outsourcing model. Although this has significantly increased the Group’s staff cost, it has greatly improved the quality of our cleaning services and gained high recognition from property owners, thus helping the Group to be more competitive in expanding its business. In 2023, the Group’s human resources will remain at a stable level. We will also cultivate a core team of talents through a mature training, promotion, and incentive system, to secure talent for the Group to further expand its market scale and improve its profitability.

## **OUTLOOK FOR THE SECOND HALF OF THE YEAR**

2023 is the final year of the Group's three-year plan. In 2020, which marked the beginning of our three-year plan, the property management industry had the highest market attention. Although the goal we set at that time, being to achieve an annual growth rate of 35% in revenue, not as high as our peers generally, with our deep understanding of ourselves and our accurate judgment of the industry, the Group is determined to execute practical and achievable goals. Looking back, history has proved the Group's down-to-earth approach. Regardless the changes in the environment, we shall always have a clear understanding of ourselves, adhere to the original aspiration, and hold on to our belief in moving forward.

Looking ahead to the second half of the year, achieving the annual target is not an easy task. Since 2022, the Group has made some strategic adjustments, including shifting the focus from GFA under management to revenue, from quantity to quality, and from growth rate-oriented to investment-output ratio-oriented, as well as focusing on the health of cash flow while pursuing profits. In the second half of the year, the management team will double its efforts to secure more external expansion projects and increase the coverage and penetration rate of value-added services on the basis of high-quality property services, aiming to improve the overall gross profit margin.

In the course of adhering to the path of marketisation, the Group has encountered many challenges, but none of them has shaken our determination. On the contrary, we have accumulated rich experience from those challenges and strengthened the unity of our management team. In this critical period of industry transformation, we have consolidated our solid foundation and strengthened our unique advantages. Yincheng Life Service is committed to becoming a company trustworthy for customers, trusted by shareholders, for employees to grow together, and respected by the society.

**LI Chunling**  
*President*

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Overview

The Group is an established property management service provider in the PRC with over 25 years of industry experience that engages in the provision of diversified property management services and value-added services. As at 30 June 2023, the Group's property management services covered 23 PRC cities, of which 19 cities are in the Yangtze River Delta Megalopolis. The Group managed 1,038 properties, including 629 residential properties and 409 non-residential properties, serving over 580,000 households which covers over 1.85 million people as at 30 June 2023.

The Group's business covers a wide spectrum of properties, including residential properties and 11 types of non-residential properties. The Group operates its business along two main business lines, namely the provision of (i) property management services; and (ii) value-added services.

Leveraging on the Group's business scale, operational efficiency, excellent service quality, development potential and social responsibility, the Group ranked 17th among the China Top 100 Property Management Companies\* (中國物業服務百強企業) and 2nd among the Top 50 Property Management Companies of Jiangsu Province\* (江蘇省物業服務行業綜合實力五十強企業) in 2022, and ranked the 1st in the Nanjing Property Management Industry Credit Handbook Directory (南京市物業管理行業信用手冊名錄) for three consecutive years in 2020-2022. The Group was awarded the Leading Market-Oriented Operation Enterprise in China's Property Management Industry in 2022\* (2022中國物業管理行業市場化營運領先企業). It is also worth mentioning that Nanjing HuiRen HengAn Property Management Co., Ltd.\* (南京匯仁恆安物業管理有限公司), a subsidiary of the Group which principally engages in the provision of property management services to hospitals, is also on the list of the China Top 100 Property Management Companies\* (中國物業服務百強企業).

The Group adheres to its business motto of "Operation is the Key, Reputation Comes First (運營為王、口碑至上)" and service concept of "Living+ (生活+)" and "Industry+ (產業+)", and has adopted the special business model of "Service alignment, Business modularisation, Modules specialisation and Management digitalisation (服務網格化、業務模塊化、模塊專業化、管理數據化)" to serve and create value for its customers with quality property management services.

#### Property Management Services

The Group provides a wide range of property management services to its customers that comprises security services, cleaning services, car park management, repair and maintenance of specialised elevators, escalators and mechanical car park equipment, gardening and landscaping services, daily repair and maintenance of equipment and machinery and ancillary customer services.

## ***Geographical Coverage***

The Group has grown from a local property management service provider in Nanjing to one of the leading property management service providers in both Nanjing and the Jiangsu Province. The Group has been actively expanding its business to cities other than Nanjing in recent years and has made a great progress. As at 30 June 2023, the Group's revenue generated from districts outside Nanjing increased by approximately 26.9% period-on-period, and amounted to approximately 28.2% (30 June 2022: 25.4%) of the Group's total revenue from the provision of property management services.

The table below sets out the breakdown of the number of the Group's managed properties by geographic region as at the dates indicated:

	As at 30 June		2022 Number of managed properties
	2023 Number of managed properties	Increase	
Nanjing	780	15.6%	675
Districts outside Nanjing	258	24.0%	208
<b>Total</b>	<b>1,038</b>	<b>17.6%</b>	<b>883</b>

The table below sets out the breakdown of the Group's property management services revenue by geographic region for the periods indicated:

	Six months ended 30 June		2022 RMB'000
	2023 RMB'000	Increase	
Nanjing	524,626	10.2%	475,976
%	71.8		74.6
Districts outside Nanjing	206,051	26.9%	162,392
%	28.2		25.4
<b>Total</b>	<b>730,677</b>	<b>14.5%</b>	<b>638,368</b>

## ***Types of Property Management Services***

The Group provides property management services in respect of both residential and non-residential properties. As at 30 June 2023, the non-residential properties comprise 11 types of properties, namely government facilities, financial institutions, property sales offices, medical institutions, commercial complex, parks, transportation facilities, industrial parks, mixed-use properties, schools and office buildings.

While the provision of property management services in respect of residential properties is still the foundation of the Group's revenue generation and scale expansion, the Group is seeking to improve its brand awareness in the non-residential sector by diversifying its service provided to include other types of non-residential properties, optimising its project portfolio and adjusting its business structure. The Group's provision of property management services in respect of non-residential properties has grown stably and reached 409 properties as at 30 June 2023, representing an increase of approximately 19.2% period-on-period.

The table below sets out the breakdown of the number of the Group's managed properties by property types as at the dates indicated:

	As at 30 June		2022 Number of managed properties
	2023 Number of managed properties	Increase	
Residential properties	629	16.5%	540
Non-residential properties	409	19.2%	343
<b>Total</b>	<b>1,038</b>	<b>17.6%</b>	<b>883</b>

The table below sets out the breakdown of the Group's revenue and gross profit margin from property management services by property types for the periods indicated:

	Six months ended 30 June				
	2023		Gross profit margin %	2022	
	Revenue RMB'000	Increase		Revenue RMB'000	Gross profit margin %
Residential properties	402,603	22.4%	6.8	328,916	6.2
%	55.1			51.5	
Non-residential properties	328,074	6.0%	14.6	309,452	14.8
%	44.9			48.5	
<b>Total</b>	<b>730,677</b>	<b>14.5%</b>	<b>10.3</b>	<b>638,368</b>	<b>10.3</b>

## ***Revenue model***

For the six months ended 30 June 2023, all of the Group's property management fees were charged on a lump sum basis.

## ***Project Sources***

The Group is known for its market-oriented model and has strong external expansion capabilities. As at 30 June 2023, approximately 97.3% of the Group's projects were obtained from the market, either from property owners associations or independent third party property developers. At the same time, the Group has also been providing property management services to (i) Yincheng International Holding Co., Ltd. and its subsidiaries; and (ii) Yincheng Real Estate Group Co., Ltd. and its subsidiaries (collectively, the “**Yincheng Group**”).

The table below sets out the breakdown of the number of the Group's managed properties by project sources as at the dates indicated:

	<b>As at 30 June</b>		
	<b>2023</b>		<b>2022</b>
	<b>Number</b>	<b>Increase</b>	<b>Number</b>
Projects from independent third parties	995	18.3%	841
Projects from Yincheng Group	43	2.4%	42
<b>Total</b>	<b>1,038</b>	<b>17.6%</b>	<b>883</b>

The table below sets out the breakdown of revenue generated from the Group's property management services by project sources for the periods indicated:

	<b>Six months ended 30 June</b>		
	<b>2023</b>		<b>2022</b>
	<b>Revenue</b>	<b>Increase/</b>	<b>Revenue</b>
	<b>RMB'000</b>	<b>(Decrease)</b>	<b>RMB'000</b>
Projects from independent third parties	711,122	15.9%	613,596
%	97.3		96.1
Projects from Yincheng Group	19,555	(21.0%)	24,772
%	2.7		3.9
<b>Total</b>	<b>730,677</b>	<b>14.5%</b>	<b>638,368</b>

## **Value-Added Services**

The Group provides value-added services to property owners and residents of its managed residential properties with an aim to enhance the level of convenience at its managed communities and customer experience, satisfaction and royalty.

The Group's value-added services mainly include (i) common area value-added services; (ii) community convenience services; and (iii) city services. The Group's common area value-added services include rental of advertising space and the provision of management services of the community's common area and spaces. The Group's community convenience services refer to the comprehensive and diversified convenience services provided by the Group in response to the owners' needs, including but not limited to rental of gym and membership services, the use of express delivery cabinets, home renovation, housekeeping, home and elderly care and operation of staff canteens for non-residential properties owners. In recent years, the Group has introduced city services through intensive project deployment to provide services to clients other than residents in communities under management, including charging of electric vehicles and the rider battery swap service. The city services have grown rapidly and increased its revenue contribution to the Group.

For the six months ended 30 June 2023, the Group's revenue generated from the provision of value-added services amounted to approximately RMB214.3 million, representing an increase of approximately 27.9% as compared to that of RMB167.6 million for the six months ended 30 June 2022. Such increase was mainly attributable to an increase in the number of projects undertaken by the Group and the diversification of the scope of services provided by the Group following its continuous business development.

The table below sets out the breakdown of the Group's revenue and gross profit margin of value-added services for the periods indicated:

	Six months ended 30 June				
	2023		Gross profit margin %	2022	
	Revenue RMB'000	Increase		Revenue RMB'000	Gross profit margin %
Value-added services					
(i) Common area value-added services	149,000	18.1%	42.9	126,213	40.7
(ii) Community convenience services	31,734	17.8%	10.0	26,934	9.3
(iii) City services	33,550	132.0%	8.9	14,459	13.7
<b>Total</b>	<b>214,284</b>	<b>27.9%</b>	<b>32.7</b>	<b>167,606</b>	<b>33.3</b>

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased by approximately 17.2% from approximately RMB807.9 million for the six months ended 30 June 2022 to approximately RMB946.7 million for the six months ended 30 June 2023 as a result of (i) an increase in the number of residential and non-residential projects undertaken by the Group which led to an increase in the income from the provision of property management services; and (ii) the diversification of the scope of value-added services provided by the Group following its continuous business development and hence the continued income contribution in respect thereof.

The table below sets out the breakdown of the Group's revenue by business line for the periods indicated:

	Six months ended 30 June			
	2023		2022	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property management services	730,677	77.2	638,368	79.0
Value-added services	214,284	22.6	167,606	20.8
Gross rental income from investment property	1,774	0.2	1,913	0.2
<b>Total</b>	<b><u>946,735</u></b>	<b><u>100.0</u></b>	<b><u>807,887</u></b>	<b><u>100.0</u></b>

Revenue from the provision of property management services increased by approximately 14.5% from approximately RMB638.4 million for the six months ended 30 June 2022 to approximately RMB730.7 million for the six months ended 30 June 2023. Such increase was primarily due to the continuous increase in the number of projects undertaken by the Group.

Revenue from the provision of value-added services increased by approximately 27.9% from approximately RMB167.6 million for the six months ended 30 June 2022 to approximately RMB214.3 million for the six months ended 30 June 2023. Such increase was primarily due to (i) an increase of the number of projects under management; (ii) more value-added services being provided to the projects under management as a result of optimisation of the property management environment; and (iii) diversification of the scope of city-level value-added services provided by the Group such as the provision of rider battery swap services.

### Cost of Sales

The Group's cost of sales consists of labour costs, subcontracting costs, equipment operation and facility maintenance costs, material costs, depreciation of right-of-use assets, office expenses and others.

The Group's cost of sales increased by approximately 16.9% from approximately RMB684.1 million for the six months ended 30 June 2022 to approximately RMB799.5 million for the six months ended 30 June 2023, primarily due to an increase in the number of staff and subcontracting costs as a result of the expansion of the Group's business.

### Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit increased by approximately 19.0% from approximately RMB123.7 million for the six months ended 30 June 2022 to approximately RMB147.2 million for the six months ended 30 June 2023. The gross profit margin increased from approximately 15.3% for the six months ended 30 June 2022 to approximately 15.6% for the six months ended 30 June 2023. Such increase was primarily due to (i) an increase in the income from the provision of property management services as a result of an increase in the number of projects undertaken by the Group; and (ii) the increase in staff costs was less than that for the same period in 2022.

## **Other Income and Gains**

The Group's other income and gains mainly represents interest income, investment income, government grants, gain on disposal of items of property, plant and equipment and others.

The Group's other income and gains increased by approximately 86.7% from approximately RMB6.0 million for the six months ended 30 June 2022 to approximately RMB11.2 million for the six months ended 30 June 2023, primarily due to the receipt of tax subsidy from the government and receipt of dividend from an associate of the Group.

## **Selling and Distribution Expenses**

The Group's selling and distribution expenses consist primarily of staff costs, advertising and promotional expenses, office expenses, business development expenses, travelling expenses and others.

The Group's selling and distribution expenses increased by approximately 31.6% from approximately RMB1.9 million for the six months ended 30 June 2022 to approximately RMB2.5 million for the six months ended 30 June 2023, primarily due to a continuous increase in the Group's business expansion.

## **Administrative Expenses**

The Group's administrative expenses primarily include staff costs, professional fees, office expenses, business development expenses, rental expenses, travelling expenses, depreciation and amortisation, bank charges, taxes and others.

The Group's administrative expenses remained relatively stable from approximately RMB43.4 million for the six months ended 30 June 2022 to approximately RMB46.8 million for the six months ended 30 June 2023.

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

The Group's net impairment losses on financial assets increased by approximately 89.9% from approximately RMB8.9 million for the six months ended 30 June 2022 to approximately RMB16.9 million for the six months ended 30 June 2023, primarily due to an increase in (i) trade and other receivables; and (ii) due from related companies of the Company.

## **Finance Costs**

The Group's finance costs mainly include interest on bank borrowings and other loans and interest on lease liabilities in relation to lease liabilities recorded for properties leased by the Group for operation of its offices and fitness centres.

The Group's finance costs decreased by approximately 9.8% from approximately RMB4.1 million for the six months ended 30 June 2022 to approximately RMB3.7 million for the six months ended 30 June 2023, primarily due to the repayment of borrowings of approximately RMB39.8 million.

## **Income Tax Expense**

The Group's income tax refers to PRC corporate income tax at a tax rate of 25% on taxable profits of its subsidiaries incorporated in the PRC. Some subsidiaries of the Group are qualified as small low-profit enterprises and thus are subject to a preferential tax rate of 10% for the six months ended 30 June 2023.

The Group's income tax expense increased by approximately 16.0% from approximately RMB18.1 million for the six months ended 30 June 2022 to approximately RMB21.0 million for the six months ended 30 June 2023, primarily due to an increase in the profit before tax during the period.

## **Profit for the Period**

As a result of the foregoing, the Group's profit increased by approximately 16.2% from approximately RMB54.9 million for the six months ended 30 June 2022 to approximately RMB63.8 million for the six months ended 30 June 2023. Profits attributable to owners of the Company for the six months ended 30 June 2023 amounted to approximately RMB59.7 million, representing an increase of approximately 16.4% as compared to the corresponding period in 2022. The net profit margin remained relatively stable at a normal and healthy level of approximately 6.8% and 6.7% for the six months ended 2022 and 2023, respectively.

## **Liquidity, Reserves and Capital Structure**

The Group maintained a healthy financial position during the six months ended 30 June 2023. The Group's current assets amounted to approximately RMB1,039.1 million as at 30 June 2023, representing an increase of approximately 1.4% as compared to approximately RMB1,024.7 million as at 31 December 2022. The Group's cash and cash equivalents amounted to approximately RMB194.1 million as at 30 June 2023, representing a decrease of approximately 33.6% as compared to RMB292.1 million as at 31 December 2022, primarily due to (i) a decrease in borrowings by approximately RMB39.8 million; and (ii) the usual practice of the Group's residential properties customers to pay property management fee at the end of the year, leading to an increase in trade receivables and a decrease in cash and cash equivalents of the Group.

The Group's total equity amounted to approximately RMB436.5 million as at 30 June 2023, representing an increase of approximately 19.6% as compared to approximately RMB365.0 million as at 31 December 2022. Such increase was mainly due to an increase in profit of approximately RMB63.8 million.

## **Property, Plant and Equipment**

The Group's property, plant and equipment amounted to approximately RMB92.7 million as at 30 June 2023, representing a slight increase of approximately 3.5% as compared to that of approximately RMB89.6 million as at 31 December 2022.

## **Trade Receivables**

The Group's trade receivables primarily consist of receivables for its property management services and value-added services from its customers.

The Group's trade receivables amounted to approximately RMB439.4 million as at 30 June 2023, representing an increase of approximately 28.4% as compared to approximately RMB342.1 million as at 31 December 2022. Such increase in trade receivables was due to (i) an increase of the Group's revenue during the period; (ii) the usual practice of the Group's residential properties customers to pay property management fee at the end of the year; and (iii) the usual practice of the Group's non-residential properties customers to pay property management fee once per quarter.

## **Prepayments, Deposits and Other Receivables**

The Group's prepayments, deposits and other receivables amounted to approximately RMB113.8 million as at 30 June 2023, representing an increase of approximately 13.2% as compared to approximately RMB100.5 million as at 31 December 2022. This was mainly due to an increase in other deposits including bid bond and performance bond as a result of an increase in the number of property management projects undertaken by the Group.

## **Due from Related Companies**

The Group recorded due from related companies of approximately RMB279.5 million as at 30 June 2023, representing an increase of approximately 39.1% as compared to that of approximately RMB201.0 million as at 31 December 2022. The increase was primarily due to (i) an increase of approximately RMB30.5 million in the deposits for unsold property units and other referral and agency services to Yincheng International; and (ii) an increase of approximately RMB47.2 million of prepayments and receivables from joint ventures and associates of the Group.

## **Financial Assets at Fair Value through Profit or Loss**

The Group's financial assets at fair value through profit or loss was nil as at 30 June 2023, representing a decrease of 100% as compared to RMB76.4 million as at 31 December 2022. This was mainly due to the redemption of all the wealth management products from different independent third party financial institutions during the six months ended 30 June 2023.

## **Trade Payables**

The Group's trade payables primarily consist of payables to suppliers and subcontractors. The Group's trade payables amounted to approximately RMB105.8 million as at 30 June 2023, representing an increase of approximately 40.3% as compared to approximately RMB75.4 million as at 31 December 2022. This was mainly due to an increase in the number of property management projects undertaken by the Group.

## **Other Payables, Deposits Received and Accruals**

The Group's other payables, deposits received and accruals amounted to approximately RMB278.1 million as at 30 June 2023, representing a slight decrease of approximately 3.4% as compared to that of approximately RMB288.0 million as at 31 December 2022.

## **Contract Liabilities**

The Group receives payments from its customers based on billing schedules as provided in the property management agreements. A portion of the payments is usually received in advance of the performance under the contracts which are mainly from property management services.

The Group's contract liabilities amounted to approximately RMB304.8 million as at 30 June 2023, representing a decrease of approximately 9.9% as compared to that of approximately RMB338.2 million as at 31 December 2022. This was mainly due to the usual practice of the Group in receiving property management fees for the coming year in advance in the second half of the previous year.

## **Borrowings**

As at 30 June 2023, the Group had interest-bearing bank and other borrowings of RMB78.7 million. The Group's borrowings were all denominated in Renminbi.

## **Gearing Ratio**

The Group's gearing ratio is calculated based on net debt divided by total capital plus net debt. The Group includes, within net debt, interest-bearing bank borrowings, amounts due to related companies and lease liabilities, less cash and cash equivalents. The Group's capital represents equity attributable to owners of the Company. As at 30 June 2023, the Group's gearing ratio was not applicable.

## **Use of Proceeds from the Listing**

The Company was successfully listed on the Main Board of the Stock Exchange on 6 November 2019 with the issue of 66,680,000 new shares. The total net proceeds (the "**Net Proceeds**") from the listing of the shares of the Company on the Main Board of the Stock Exchange (including the exercise of the Over-allotment Option (as defined in the prospectus of the Company dated 25 October 2019 (the "**Prospectus**"))) amounted to approximately HK\$131.4 million after deducting the underwriting fees and commissions and other expenses in connection with the Global Offering (as defined in the Prospectus). As at 30 June 2023, all of the Net Proceeds have been used.

## **Pledge of Assets**

As at 30 June 2023, the Group's bank and other borrowings were secured by (i) certain of the Group's buildings with a net carrying amount of approximately RMB22.0 million; (ii) certain of the Group's office equipment, electronic and other devices with a net carrying amount of approximately RMB14.1 million; (iii) the Group's investment properties with an aggregate carrying amount of approximately RMB16.5 million; (iv) the Group's right of receipt of property management fee and new energy vehicle station charging fee managed by the Group in the future; and (v) a mortgage over the entire issued share capital of Nanjing Zhihui Meijia Technology Service Co., Ltd.\*, an indirect wholly-owned subsidiary of the Company.

Save as disclosed above, the Company had no other pledged assets as at 30 June 2023.

## **Contingent Liabilities**

The Group had no material contingent liabilities or guarantees as at 30 June 2023.

## **Exchange Rate Risk**

As all of the Group's businesses are conducted in the PRC, revenue and profits for the six months ended 30 June 2023 were denominated in RMB. The major foreign currency source for the Group during the period is the fundraising following the successful listing on the Main Board of the Stock Exchange, all of which were in Hong Kong dollars. As at 30 June 2023, the Group did not have significant foreign currency exposure from its operations. The Group currently has not used derivative financial instruments to hedge its foreign exchange risk. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

## **Employees and Remuneration Policies**

As at 30 June 2023, the Group had a total of 9,964 employees. The Group offers employees competitive remuneration packages that include fees, salaries, allowances and benefits in kind, bonuses and pension scheme contribution, equity settled and share option scheme and social welfare. The Group contributes to social insurance for its employees, including medical insurance, work-related injury insurance, retirement insurance, maternity insurance, unemployment insurance and housing funds.

## **Material Acquisition and Disposal**

During the six months ended 30 June 2023 and up to the date of this announcement, the Group did not perform any material acquisition or disposal of subsidiaries and associates.

## **Subsequent Events**

The Directors are not aware of any material events undertaken by the Group subsequent to 30 June 2023.

## **OTHER INFORMATION**

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any securities of the Company for the six months ended 30 June 2023.

### **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2023.

## **CORPORATE GOVERNANCE**

### **Compliance with the Corporate Governance Code**

The Group is committed to maintaining high corporate governance standards, which are essential in providing a framework for the Group to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company will continue to practise the principles of good corporate governance as set out in the Corporate Governance Code (the “**CG Code**”) in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

During the six months ended 30 June 2023, the Company has complied with all applicable code provisions as set out in the CG Code, and will continue to review and enhance its corporate governance practices, and identify and formalise measures and policies to ensure compliance with the CG Code.

### **Review of interim results**

The audit committee of the Company (the “**Audit Committee**”) currently comprises two independent non-executive Directors, namely Mr. Chow Siu Hang and Mr. Mao Ning, and a non-executive Director, namely Mr. Xie Chenguang, with Mr. Chow Siu Hang as the chairman of the Audit Committee. The Audit Committee has reviewed the Group’s unaudited interim condensed consolidated financial information for the six months ended 30 June 2023, which has been approved by the Board on 24 August 2023 prior to its issuance. The Audit Committee is of the view that the unaudited interim condensed consolidated financial information is in compliance with the applicable accounting standards, the Listing Rules and other legal requirements, and that sufficient disclosure has been made.

### **Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules and the code for dealing in securities of the Company by the Directors as adopted by the Company (the “**Securities Dealing Code**”) as its own codes of conduct governing the Directors. All Directors confirmed, after having made specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code and the Securities Dealing Code for the six months ended 30 June 2023.

No incident of non-compliance was found by the Company for the six months ended 30 June 2023. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

The interim results announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and that of the Company ([www.yinchenglife.hk](http://www.yinchenglife.hk)). The interim report will be dispatched to the shareholders of the Company and will be available on the website of the Stock Exchange and that of the Company in due course.

## **(2) CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

The Board also announces that the Company's principal place of business in Hong Kong has been changed to Suite 2903, 29/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong with effect from 24 August 2023.

By order of the Board  
**Yincheng Life Service CO., Ltd.**  
**XIE Chenguang**  
*Chairman*

Nanjing, China  
24 August 2023

*As at the date of this announcement, the executive Directors are Mr. Li Chunling and Ms. Huang Xuemei; the non-executive Directors are Mr. Huang Qingping, Mr. Xie Chenguang, Mr. Ma Baohua and Mr. Zhu Li; and the independent non-executive Directors are Mr. Chow Siu Hang, Mr. Li Yougen and Mr. Mao Ning.*

\* *for identification purposes only*