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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2023 (the "**Period**"), together with the comparative figures for the corresponding period in 2022, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	**For the six months ended 30 June 2023** *RMB'000* **(Unaudited)**	2022 *RMB'000* (Unaudited)
REVENUE	*5*	**1,221,756**	1,311,820
Cost of sales		**(934,182)**	(1,014,275)
GROSS PROFIT		**287,574**	297,545
Other income and gains		**78,217**	9,878
Selling and marketing costs		**(10,890)**	(20,176)
Administrative expenses		**(134,894)**	(147,001)
Net impairment losses on financial assets		**(75,176)**	(62,521)
Other expenses		**(368,913)**	(10,163)
Finance costs	*7*	**(284)**	(1,319)
Share of profits and losses of associates		**460**	(5,457)
(LOSS)/PROFIT BEFORE TAX	*6*	**(223,906)**	60,786
Income tax expense	*8*	**(18,241)**	(11,608)
(LOSS)/PROFIT FOR THE PERIOD		**(242,147)**	49,178
Attributable to:			
Owners of the parent		**(243,629)**	31,222
Non-controlling interests		**1,482**	17,956
		(242,147)	49,178
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (expressed in RMB cents per share)	*10*	**(25)**	3

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(LOSS)/PROFIT FOR THE PERIOD	**(242,147)**	49,178
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(38,591)**	(51,841)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	**39,016**	53,726
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**425**	1,885
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(241,722)**	51,063
Attributable to:		
Owners of the parent	**(243,204)**	33,107
Non-controlling interests	**1,482**	17,956
	(241,722)	51,063

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	Notes	**30 June 2023** *RMB'000* **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**87,036**	92,607
Right-of-use assets		**6,495**	10,499
Goodwill		**123,241**	485,185
Other intangible assets		**195,362**	221,321
Investment in associates		**69,407**	68,947
Deferred tax assets		**126,541**	113,609
Prepayments, deposits and other receivables		**4,341**	5,883
Total non-current assets		**612,423**	998,051
CURRENT ASSETS			
Inventories		**3,294**	3,371
Trade receivables	*11*	**806,027**	800,475
Prepayments, deposits and other receivables		**240,216**	303,591
Restricted bank deposits		**26,631**	13,036
Cash and cash equivalents		**813,306**	810,359
Total current assets		**1,889,474**	1,930,832
CURRENT LIABILITIES			
Trade payables	*12*	**497,064**	560,436
Other payables and accruals		**355,981**	376,747
Contract liabilities		**79,104**	79,040
Lease liabilities		**4,406**	6,602
Tax payables		**51,805**	51,059
Government grants		**560**	324
Total current liabilities		**988,920**	1,074,208
NET CURRENT ASSETS		**900,554**	856,624
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,512,977**	1,854,675

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

30 June 2023

	30 June 2023 *RMB'000* **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,512,977**	1,854,675
NON-CURRENT LIABILITIES		
Lease liabilities	**4,957**	7,607
Deferred tax liabilities	**31,192**	35,439
Financial liability for a put option written on non-controlling interests	**52,230**	121,641
Total non-current liabilities	**88,379**	164,687
Net assets	**1,424,598**	1,689,988
EQUITY		
Equity attributable to owners of the parent		
Share capital	**8,868**	8,868
Shares held for the share award scheme	**(22,198)**	(22,198)
Reserves	**1,320,776**	1,583,274
	1,307,446	1,569,944
Non-controlling interests	**117,152**	120,044
Total equity	**1,424,598**	1,689,988

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2023

1. CORPORATE AND GROUP INFORMATION

Times Neighborhood Holdings Limited (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 is an investment holding company. During the six months ended 30 June 2023, the Company and its subsidiaries (together, the "**Group**") were involved in the provision of property management and other relevant services in the People's Republic of China (the "**PRC**").

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 19 December 2019 (the "**Listing**").

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, which was incorporated in the BVI.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 (the "**Interim Financial Information**") has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Interim 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.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the Interim 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	*Insurance Contracts*
Amendments to IFRS 17	*Insurance Contracts*
Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*
Amendment to IFRS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The adoption of the above new and revised standards has had no significant financial effect on the Interim Financial Information.

4. 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 HKD14,000 (approximately equivalent to RMB13,000) (31 December 2022: HKD16,000 (approximately equivalent to RMB14,000)) and certain right-of-use assets amounting to HKD2,527,000 (approximately equivalent to RMB2,347,000) (31 December 2022: HKD3,051,000 (approximately equivalent to RMB2,676,000)), the Group's non-current assets are located in Mainland China.

Information about major customers

For the six months ended 30 June 2023, 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 while revenue from Times China Holdings Limited ("**Times China**") and its subsidiaries (the "**Times China Group**") contributed 11.0% to the Group's revenue for the six months ended 30 June 2022.

5. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

Disaggregated revenue information

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Services transferred over time:		
Property management services	**953,439**	914,972
Value-added services to non-property owners	**41,271**	88,673
Community value-added services	**104,173**	159,259
Professional services	**77,694**	45,043
	1,176,577	1,207,947
Goods transferred at a point in time:		
Value-added services to non-property owners	**2,763**	8,521
Community value-added services	**31,161**	41,627
Professional services	**11,255**	53,725
	45,179	103,873
	1,221,756	1,311,820

6. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of services provided*	**914,525**	953,130
Cost of inventories sold	**19,657**	61,145
Depreciation of property, plant and equipment	**9,624**	8,334
Depreciation of right-of-use assets	**3,177**	3,492
Amortisation of other intangible assets	**26,321**	24,488
Research and development costs:		
Current period expenditure	**5,463**	1,322
Deferred expenditure amortised	**6,319**	1,790
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
Wages and salaries	**348,070**	465,009
Pension scheme contributions	**44,181**	58,573
Equity-settled share award expense	**1,583**	1,955
Less: Amount capitalised in other intangible assets	**–**	(6,605)
	393,834	518,932
Impairment of goodwill**	**361,651**	–
Impairment of other intangible assets**	**860**	–
Impairment losses/(reversed) on financial assets:		
– Trade receivables	**20,488**	59,673
– Prepayments, deposits and other receivables	**55,012**	3,085
– Contract assets	**(324)**	(237)
Rental expense:		
– Short-term leases	**10,350**	7,726
– Leases of low-value assets	**151**	206
	10,501	7,932
Bank interest income	**(4,034)**	(516)
Government grants	**(1,037)**	(655)
Foreign exchange gains, net	**(546)**	(108)
Gain on disposals of financial assets at fair value through profit or loss	**(1,354)**	(2,557)
Fair value (gain)/loss on put option	**(69,411)**	9,018
Gain on derecognition of right-of-use assets for a sublease classified as a finance lease	**–**	(184)
Loss upon early termination of a lease	**(126)**	(170)

* Cost of services provided for the Period included an aggregate amount of RMB334,983,000 (six months ended 30 June 2022: RMB440,448,000) 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.

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

7. FINANCE COSTS

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expense on lease liabilities	**284**	679
Interest expense arising from revenue contracts	**–**	640
	284	1,319

8. 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 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 Period.

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**35,420**	31,866
Deferred income tax	**(17,179)**	(20,258)
Total tax charged for the Period	**18,241**	11,608

9. DIVIDENDS

The proposed 2022 final dividend of RMB2.2 cents per share, totaling RMB21,685,000, was approved by the Company's shareholders at the annual general meeting on 30 May 2023. It was recorded in "other payables and accruals" in the interim condensed consolidated statement of financial position and was subsequently distributed in July 2023.

No interim dividend was proposed during the Period (six months ended 30 June 2022: Nil).

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 Period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 982,323,000 (six months ended 30 June 2022: 982,323,000) in issue during the Period.

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

	For the six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent (RMB'000)	**(243,629)**	31,222
Shares		
Weighted average number of ordinary shares in issue during the Period (in thousand)	**982,323**	982,323
(Loss)/earnings per share		
Basic and diluted (RMB cents per share)	**(25)**	3

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2023 and 2022, respectively.

11. TRADE RECEIVABLES

	30 June 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Related parties	**599,065**	669,064
Third parties	**595,399**	505,424
	1,194,464	1,174,488
Impairment	**(388,437)**	(374,013)
	806,027	800,475

11. TRADE RECEIVABLES (continued)

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

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 1 year	**674,056**	699,595
1 to 2 years	**112,788**	67,272
2 to 3 years	**15,397**	31,241
3 to 4 years	**3,430**	2,167
4 to 5 years	**356**	200
	806,027	800,475

12. TRADE PAYABLES

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

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Less than 1 year	**300,682**	393,294
Over 1 year	**196,382**	167,142
	497,064	560,436

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Times Neighborhood 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 2023, Times Neighborhood has adhered to "long-termism" and continued to strive for high-quality development. It has persevered in winning trust and achieving quality growth, high-quality improvement of economic benefits and optimization of organizational empowerment business with high-quality services, forged ahead with a positive and transformative attitude and joined hands with customers to create a better future, so as to enable more people to enjoy a better life. In the first half of 2023, Times Neighborhood, as a "modern service creator", won the "11th in the 2023 Top 100 Property Management Companies in China", "4th in China's Exceptional Property Management Companies in terms of ESG Development for 2023", "2023 China's Leading Technology-Empowered Property Enterprise", "2023 Outstanding Companies in Residential Property Management in China", "2023 Outstanding Property Management Enterprise of Business Parks in China", "2023 Leading Companies in Intelligent City Services in China" and other awards issued by Beijing China Index Information Technology Academy ("**CIA**") for always maintaining a leading position in the industry, as well as its comprehensive strength and core advantages. It also won four awards, including the "7th in Market Expansion Capability of the 2023 Property Management Listed Companies in China", "6th in Growth Potential of the 2023 Property Management Listed Companies in China", "8th in 2023 China Top 10 Listed Property Management Companies in terms of Community Value-added Service Capabilities" and "5th in 2023 Outstanding Property Management Listed Companies in Investment Value in China" issued by CIA for its outstanding capital markets performance, solid investment value, strong comprehensive strength and development potential. Times Neighborhood won the "2023 Top 20 of China Property Management Companies", "2023 Excellent Projects of China Property Management" and other awards issued by CRIC Property Management and Beijing CPMRI Information Technology Ltd. for its continuously improving comprehensive strength, high-quality service ability and unique potential creativity.

In 2023, Times Neighborhood has continuously and deeply engaged in the Guangdong-Hong Kong-Macao Greater Bay Area (the "**Greater Bay Area**"), expanded its presence nationwide, and accelerated the development of diversified businesses. With the philosophy of "creation of services" and by adhering to the core strategy of "4321", which is to strengthen our position in the four core urban agglomerations, deploy three core business formats, achieve two core growth points, and establish a core platform of "Technology + Service" for the whole life cycle, in the first half of 2023, the Group's revenue was approximately RMB1,221.8 million, representing a year-on-year decrease of approximately 6.9%; gross profit was approximately RMB287.6 million, representing a year-on-year decrease of approximately 3.3%; gross profit margin was approximately 23.5%, representing a year-on-year increase of 0.8 percentage points.

As of 30 June 2023, we had a total of 1,006 property management contract projects with a total contracted gross floor area ("**GFA**") of 129.0 million square meters ("**sq.m.**"), representing a decrease of 2.4% as compared with the same period of 2022, and had a total of 906 projects under property management (excluding urban public service projects), with a total GFA under management of approximately 117.1 million sq.m.. As of 30 June 2023, the GFA from third-party development projects under management by the Group (excluding urban public service projects) increased to approximately 85.0 million sq.m. as compared with the corresponding period of 2022.

Business Model

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 30 June 2023, our property management services under management have covered 87 cities, with a total of 906 property management projects under management (excluding 23 projects of urban public services), and a GFA under property management of approximately 117.1 million sq.m.. In addition, we had a total of 100 contracted property management projects which had not been handed over to us for management, with undelivered GFA of approximately 11.9 million sq.m.. Leveraging on the good quality and market reputation, the scale of our property management services under management has continued to grow.

In the first half of 2023, we increased our business scale and market share and diversified our business scope 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:

	30 June 2023		30 June 2022	
	Contracted GFA *(sq.m.'000)*	**GFA under management** *(sq.m.'000)*	Contracted GFA *(sq.m.'000)*	GFA under management *(sq.m.'000)*
At the beginning of the Period	**134,142**	**118,708**	132,015	105,513
New engagements(1)	**5,814**	**8,750**	9,242	11,604
Terminations(2)	**(10,915)**	**(10,358)**	(9,068)	(8,896)
At the end of the Period	**129,041**	**117,100**	132,189	108,221

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.

(2) These terminations include (a) our voluntary non-renewal of certain property management service contracts upon the end of contract terms. We reallocated our resources to more profitable engagements in an effort to optimize our property management portfolio.; (b) voluntary exit of property management service contracts, which do not meet our requirements on operational efficiency and payment collection; and (c) passive termination of property management service contracts due to the factors of asset holders.

Our Geographic Presence

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

	As at 30 June 2023		As at 31 December 2022	
	Contracted GFA ***(sq.m.'000)***	**GFA under management** ***(sq.m.'000)***	Contracted GFA *(sq.m.'000)*	GFA under management *(sq.m.'000)*
Greater Bay Area				
Guangzhou	**19,170**	**18,081**	21,070	19,057
Foshan	**12,453**	**12,224**	13,216	12,159
Zhuhai	**5,045**	**4,430**	5,006	4,390
Zhongshan	**2,099**	**2,032**	2,141	2,075
Dongguan	**3,604**	**3,442**	3,641	2,950
Zhaoqing	**3,109**	**2,469**	2,925	2,284
Huizhou	**2,994**	**1,890**	3,450	2,355
Jiangmen	**4,065**	**3,216**	4,065	3,216
Shenzhen	**113**	**113**	139	139
Subtotal	**52,652**	**47,897**	55,653	48,625
Other Region				
Northeast China[1]	**321**	**321**	336	336
North China[2]	**2,111**	**2,111**	2,111	2,111
East China[3]	**20,475**	**19,902**	20,828	20,255
South China[4]	**10,519**	**8,290**	11,844	9,383
Central China[5]	**11,984**	**10,312**	11,315	9,394
Northwest China[6]	**3,817**	**3,102**	4,101	3,120
Southwest China[7]	**27,162**	**25,165**	27,954	25,484
Subtotal	**76,389**	**69,203**	78,489	70,083
Total	**129,041**	**117,100**	134,142	118,708

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 the Greater Bay Area City), 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 of 30 June 2023, among the Group's projects under property management, the projects with the management area of approximately 47.9 million sq.m. were located in the Greater Bay Area, accounting for 40.9% of the GFA under property management. With our successful management experience in the Greater Bay Area and word of mouth in the market, we also achieved quality expansion in other cities.

Portfolio of Properties under Management

We manage a diversified portfolio of properties, and in addition to residential properties, we also place an increasing focus on non-residential properties, such as commercial properties and office buildings, government buildings, industrial parks, public facilities, hospitals, airports and schools, to enrich and balance the types of projects our service offers.

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

	For the six months ended 30 June							
	2023				2022			
	GFA under management *(sq.m.'000)*	**Percentage** *%*	**Revenue** *(RMB'000)*	**Percentage** *%*	GFA under management *(sq.m.'000)*	Percentage *%*	Revenue *(RMB'000)*	Percentage *%*
Residential properties	**69,554**	**59.4**	**493,274**	**51.7**	53,538	49.5	426,604	46.6
Non-residential properties	**47,546**	**40.6**	**460,165**	**48.3**	54,683	50.5	488,368	53.4
Total	**117,100**	**100.0**	**953,439**	**100.0**	108,221	100.0	914,972	100.0

Benefitting from our continuous efforts to expand the customer base and to diversify the portfolio of properties under management, effective strategies for independent expansion were implemented to gain a balanced and diversified business layout. As of 30 June 2023, the management area for the residential business was approximately 69.6 million sq.m., accounting for approximately 59.4% of the scale under management. In the first half of 2023, the revenue derived from the management of residential properties was approximately RMB493.3 million, accounting for approximately 51.7% of the revenue from property management services, representing an increase of approximately 15.6% as compared with the same period of 2022. We believe that the experience and recognition gained from managing such diversified businesses will enable us to effectively maintain our portfolio of properties under management and 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 a breakdown of our GFA under property management as of the dates indicated and revenue generated from property management services by property developer for the periods indicated:

	For the six months ended 30 June							
	2023				2022			
	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]	**32,106**	**27.4**	**368,736**	**38.7**	26,158	24.2	310,921	34.0
Third-party property developers[2]	**84,994**	**72.6**	**584,703**	**61.3**	82,063	75.8	604,051	66.0
Total	**117,100**	**100.0**	**953,439**	**100.0**	108,221	100.0	914,972	100.0

Notes:

(1) Includes properties solely developed by Times China Group and properties that Times China Group jointly developed with other property developers for which properties 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 revenue generated from managing properties developed by third-party property developers decreased by 3.2% from RMB604.1 million in the first half of 2022 to RMB584.7 million in the first half of 2023. Such decrease was mainly due to the strategic adjustment made to project portfolios in order to pursue a better profit margin.

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 six months ended 30 June			
	2023		2022	
	Revenue *(RMB'000)*	**Percentage** *%*	Revenue *(RMB'000)*	Percentage *%*
Public space leasing and parking space management	**58,665**	**43.3**	53,012	26.4
Resident services	**76,669**	**56.7**	147,874	73.6
Total	**135,334**	**100.0**	200,886	100.0

During the first half of 2023, the revenue from community value-added services decreased by 32.6% to approximately RMB135.3 million as compared with approximately RMB200.9 million for the corresponding period in 2022, which was mainly due to the adjustment made to the structure of resident services business.

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; and (iv) urban redevelopment project services. During the first half of 2023, the revenue derived from value-added services to non-property owners decreased by 54.7% to approximately RMB44.0 million from RMB97.2 million in the same period of 2022. In response to the cyclical downturn of the PRC real estate market, the Group adjusted the scale of value-added services to non-property owners out of prudent considerations and to balance the pace of payment collection, primarily resulting in a decrease in revenue from sales assistance services and urban redevelopment project services during the Period.

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

	For the six months ended 30 June			
	2023		2022	
	Revenue ***(RMB'000)***	**Percentage** ***%***	Revenue *(RMB'000)*	Percentage *%*
Sales assistance services	**39,330**	**89.3**	69,084	71.1
Construction site services	**1,637**	**3.7**	10,993	11.3
Urban redevelopment project services	**304**	**0.7**	8,597	8.8
Housing agency services	**2,763**	**6.3**	8,520	8.8
Total	**44,034**	**100.0**	97,194	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 periods indicated:

	For the six months ended 30 June			
	2023		2022	
	Revenue ***(RMB'000)***	**Percentage** ***%***	Revenue *(RMB'000)*	Percentage *%*
Zhilian technology services	**17,657**	**19.9**	28,100	28.4
Elevator services	**18,870**	**21.2**	38,110	38.6
Urban public services	**52,422**	**58.9**	32,558	33.0
Total	**88,949**	**100.0**	98,768	100.0

In the first half of 2023, 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 of 30 June 2023, we had a total of 23 urban public service projects, with an aggregate signed contract amount of approximately RMB255.0 million and an annualized contract amount of approximately RMB144.7 million.

INDUSTRY REVIEW

In the first half of 2023, the domestic macro economy entered into an upward path of slow recovery as China's economic and social operations and people's lives returned to normal. In the first half of 2023, China's GDP grew by 5.5% and the total domestic retail sales of consumer goods increased by 8.3%, both representing substantial improvements over the same period in 2022. China's economy still has tremendous developmental resilience and potential, and the fundamental factors of the overall long-term positive trend remain unchanged.

In the first half of 2023, the property service industry showed new development features. On the one hand, the upstream new house sales market recovered slowly, real estate enterprises continued to reduce their investment in new land, the incremental market accessible to property service enterprises tended to shrink, and the expansion in scale of property enterprises shifted from the delivery of new houses to the expansion of inventory. The trend of independence and marketization has become increasingly evident. On the other hand, as residents' demand for high-quality services was constantly increasing, property service enterprises have invested more resources and energy to focus on improving their own service quality and strength, resulting in a fiercer competition in terms of quality. In term of policy making, the Chinese government has accelerated the implementation of grassroots governance policies, and upgraded the development plan for the community service system. In July 2023, 13 departments including the Ministry of Commerce issued the "Three-Year Action Plan for Comprehensively Promoting the Construction of One Quarter-hour Convenient Living Circles in Cities (2023-2025)", initiating the promotion of the pilot implementation of the one quarter-hour convenient living circles, and in particular encouraging property enterprises to extend towards the field of people's livelihoods and to expand "property + life services". As the best entities to carry out grassroots governance and provide convenient living services, property service enterprises can penetrate into the smallest "cell" of a city – community unit, so their importance is self-evident. With the formal implementation of supporting policies and the introduction of specific guidelines and measures tailored to local conditions in various places, property service enterprises will gain more opportunities and practical assistances when they provide comprehensive value-added services in communities.

PROSPECTS

Looking forward to the second half of 2023, the external international environment remains complex and severe, and the domestic economy will face new difficulties and challenges in operation. We believe that the precise implementation of macro-regulation policies is expected to promote the sustained improvement of the economic situation, while the initiatives of industrial transformation, consumption boost, and regional coordinated development all imply different development opportunities.

In the second half of 2023, we will continue to adhere to the “4321” strategy, expand our scale through the “Starfire Plan”, intensely tap into the four core areas to enhance management density, and dig deep into the three core business formats to consolidate our competitive strength. By leveraging on the policy of building convenient living circles, we will gain deep insights into consumers’ demand for upgrading their consumption quality, broaden the space for providing value-added services, and drive the Company to achieve better growth.

Based on the core development concepts of “long-termism” and quality growth, we are committed to improving our “endogenous strength” in services and business operations. Service quality is the foundation for an enterprise’s development: We will upgrade our core business service standards, optimize and upgrade service solutions and product designs in response to specific pain points of customers under different business scenarios, and enhance our service level with high quality, professionalism and great satisfaction as the goals. Organizational change endows the team with more vitality: We will continue to change our organizational and business models according to development needs, optimize the decision-making mechanism, streamline business processes, and appropriately delegate business powers and responsibilities to enhance our business operation efficiency; we will also promote pilot projects of business partners to fully stimulate the motivation and autonomy of frontline employees. Fine management promotes the improvement of project quality: We will continue to optimize and improve the whole lifecycle control mechanism of a project, further integrate pre-investment judgment and post-investment management, and facilitate the improvement in quality and efficiency during the project operation process.

We believe that the improvement of an enterprise’s competitiveness is an external manifestation of its continuously consolidated service capabilities and its increasing business management efficiency. Only by improving our “endogenous strength” can we achieve long-term sustainable development.

We’ll stay true to our original intention and make unremitted efforts to achieve our goals. Times Neighborhood will stand firm in its beliefs, drive self-development with great determination, and forge ahead bravely in spite of difficulties and challenges.

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 approximately RMB90.0 million or approximately 6.9% to approximately RMB1,221.8 million for the six months ended 30 June 2023 from approximately RMB1,311.8 million for the six months ended 30 June 2022, which was primarily attributable to the decrease in our revenue from community value-added services and revenue from value-added services to non-property owners.

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

	For the six months ended 30 June			
	2023		2022	
	RMB (in million)	***Percentage %***	*RMB (in million)*	*Percentage %*
Property management services	**953.5**	**78.0**	914.9	69.8
Community value-added services	**135.4**	**11.1**	200.9	15.3
Value-added services to non-property owners	**44.0**	**3.6**	97.2	7.4
Other professional services	**88.9**	**7.3**	98.8	7.5
Total	**1,221.8**	**100.0**	1,311.8	100.00

The property management services are still our largest source of revenue. As at 30 June 2023, the revenue from property management services was approximately RMB953.5 million, accounting for 78.0% of the Group's total revenue. This increase in revenue was primarily driven by the year-on-year growth of our GFA under management, which 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 changes in the structure of service business types. The decrease in revenue from value-added services to non-property owners was mainly due to the decline in revenue from sales assistance services. The decrease in revenue from other professional services was mainly due to a decrease in revenue from elevator services.

Cost of Sales

Our cost of sales mainly consists of (i) labor costs; and (ii) marketing costs, etc. For the six months ended 30 June 2023, the total cost of sales of the Group was approximately RMB934.2 million, which decreased by approximately RMB80.1 million or approximately 7.9% as compared to approximately RMB1,014.3 million for the same period of 2022. The decrease in cost of sales was primarily due to the optimization of resource allocation.

Gross Profit and Gross Profit Margin

Based on the above reasons, the gross profit of the Group decreased by approximately RMB9.9 million or approximately 3.3% to approximately RMB287.6 million for the six months ended 30 June 2023 from approximately RMB297.5 million for the six months ended 30 June 2022.

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

	For the six months ended 30 June	
	2023	2022
	%	*%*
Property management services	**22.9**	23.7
Community value-added services	**44.9**	33.9
Value-added services to non-property owners	**5.9**	6.4
Other professional services	**7.0**	6.9
Total gross profit margin	**23.5**	22.7

For the six months ended 30 June 2023, the gross profit margin of the Group recorded a year-on-year increase of 0.8 percentage points, primarily due to the general increase in gross profit margin as a result of the changes in the business structure of community value-added services.

The gross profit margin of our property management services decreased by 0.8 percentage points, primarily due to the changes in labor costs as a result of the adjustment of the basic employee compensation.

The gross profit margin of our community value-added services increased by 11.0 percentage points, mainly due to the Company's strengthening on the business management of public space leasing and parking space management business which helped to achieve profit growth, and meanwhile the increase in the gross profit margin was due to the adjustment and change of service portfolio.

The gross profit margin of our value-added services to non-property owners decreased by 0.5 percentage points, primarily due to the decrease in revenue 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 increased by 0.1 percentage points, primarily due to the adjustment of business structure of Zhilian technology services.

Other Income and Gains

The other income and gains of the Group increased by approximately RMB68.3 million or approximately 689.9% to approximately RMB78.2 million for the six months ended 30 June 2023 from approximately RMB9.9 million for the six months ended 30 June 2022, which was primarily due to the fair value gain on put option.

Administrative Expenses

Administrative expenses mainly consist of (i) office expenses; and (ii) depreciation and amortization, etc. For the six months ended 30 June 2023, the total administrative expenses of the Group were approximately RMB134.9 million, which decreased by approximately RMB12.1 million or approximately 8.2% as compared to approximately RMB147.0 million for the six months ended 30 June 2022. Such decrease was mainly due to optimization of resource allocation, effective control of costs and improvement in management efficiency.

Net Impairment loss on Financial Assets

The net impairment losses on financial assets of the Group increased by approximately RMB12.7 million or approximately 20.2% from approximately RMB62.5 million for the six months ended 30 June 2022 to approximately RMB75.2 million for the six months ended 30 June 2023. Such increase was mainly due to increased credit risk of several customers, resulting in the increase in impairment provision for other receivables.

Other Expenses

The other expenses of the Group increased by approximately RMB358.7 million to approximately RMB368.9 million for the six months ended 30 June 2023 from approximately RMB10.2 million for the six months ended 30 June 2022. The increase in the other expenses was mainly due to the increase in goodwill impairment losses.

Finance Costs

The finance costs of the Group decreased by approximately RMB1.0 million or approximately 76.9% from approximately RMB1.3 million for the six months ended 30 June 2022 to approximately RMB0.3 million for the six months ended 30 June 2023, mainly due to the decrease in interest expense arising from revenue contracts.

Income Tax Expense

For the six months ended 30 June 2023, the income tax expense of the Group during the first half of 2023 was approximately RMB18.2 million (for the six months ended 30 June 2022: RMB11.6 million). The increase in income tax expense was primarily due to the increase in taxable income.

(Loss)/profit for the Period

The net loss of the Group decreased by approximately RMB291.3 million to approximately RMB242.1 million for the six months ended 30 June 2023 from the net profit of approximately RMB49.2 million for the six months ended 30 June 2022, mainly due to the provision for goodwill impairment losses and impairment provision of trade receivables and other receivables.

Property, Plant and Equipment

The Group's property, plant and equipment mainly included leasehold improvement, motor vehicles and office equipment. As at 30 June 2023, the Group's property, plant and equipment was approximately RMB87.0 million, representing a decrease of approximately RMB5.6 million from approximately RMB92.6 million as at 31 December 2022, 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 30 June 2023 amounted to approximately RMB806.0 million, which remained generally the same as compared to approximately RMB800.5 million as at 31 December 2022.

Prepayments, Deposits and Other Receivables

Prepayment, deposits and other receivables decreased by 21.0% from approximately RMB309.5 million as of 31 December 2022 to approximately RMB244.6 million as of 30 June 2023, primarily due to the provision for losses of bad debts for other receivables.

Trade Payables

The Group's trade payables as at 30 June 2023 amounted to approximately RMB497.1 million, representing a decrease of approximately RMB63.3 million or 11.3% as compared to approximately RMB560.4 million as at 31 December 2022, mainly because it improved the settlement efficiency for a few high-quality suppliers to maintain good cooperative relationships.

Other Payables and Accruals

Other payables and accruals decreased by approximately 5.5% from approximately RMB376.7 million as of 31 December 2022 to approximately RMB356.0 million as of 30 June 2023, without any significant changes.

Financial Position and Capital Structure

For the six months ended 30 June 2023, the Group maintained a sound financial position.

As at 30 June 2023, the Group's current ratio (current assets/current liabilities) was 1.91 times (31 December 2022: 1.80 times) and net gearing ratio indicated a net cash status (31 December 2022: net cash). Net gearing ratio is calculated by interest-bearing borrowings minus cash and cash equivalents, and then divided by net assets. As at 30 June 2023, the Group did not have any outstanding interest-bearing borrowings.

Financial Guarantee

As at 30 June 2023, the Group did not have any financial guarantee.

Pledge of Assets

As at 30 June 2023, none of the assets of the Group were pledged.

Contingent Liabilities

As at 30 June 2023, 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 any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 30 June 2023, 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

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

SIGNIFICANT EVENTS AFTER THE PERIOD

No other significant events took place after the six months ended 30 June 2023.

INTERIM DIVIDEND

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

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) by way of global offering, raising the total net proceeds (after deducting professional fees, underwriting commissions and other related listing expenses) of approximately HKD786,744,178.

As at 30 June 2023, 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:

				As at 30 June 2023		
	Proposed Use of Proceeds	**Percentage of Total** *%*	**Net Proceeds** *HKD*	**Amount Used (Including the Reserved Amount)** *HKD (%)*	**Remaining Unutilized Proceeds** *HKD (%)*	**Expected Timeline for Use of Remaining Unutilized Proceeds**
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	97,982,485 (12.5)	20,029,142 (2.5)	On or before 31 December 2025*
c)	Further developing a one-stop service platform; and	10	78,674,417	60,882,579 (7.7)	17,791,838 (2.3)	On or before 31 December 2025*
d)	Working capital and general corporate purposes.	10	78,674,417	78,674,417 (10)	–	N/A

* In order to ensure that the funds will be utilized more effectively to enhance the service quality, the Company has decided to further defer 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 2025.

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 30 June 2023, the net 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 30 June 2023			
	Proposed Use of Proceeds	**Percentage of Total** *%*	**Net Proceeds** *HKD*	**Amount Used (Including the Reserved Amount)** *HKD (%)*	**Remaining Unutilized Proceeds** *HKD (%)*	**Expected Timeline for Use of Remaining Unutilized Proceeds**
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 2025*
b)	General working capital of the Group.	10	77,959,695	77,959,695 (10)	–	N/A

* As the Group has become more prudent in selecting and capitalizing on strategic investment and acquisition opportunities that meet the Group's long-term development needs, the Company has decided to further defer 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 2025.

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 30 June 2023, the Group had 7,409 full-time employees (30 June 2022: 10,268 full-time 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 Company's share award scheme, details of which are set out in the Company's announcement dated 13 November 2020 and annual report for the year ended 31 December 2022 (the "**2022 Annual Report**"). 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.

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 the 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 during the six months ended 30 June 2023. 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 six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 June 2023.

AUDIT COMMITTEE

The audit committee of the Company, together with the management of the Company, has reviewed the interim report of the Group and its unaudited condensed consolidated interim results for the six months ended 30 June 2023. The audit committee has also reviewed the effectiveness of risk management and internal control system of the Company, and considered the risk management and internal control system to be effective and adequate.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (http://www.shidaiwuye.com), and the interim report for 2023 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

UPDATES ON OPERATIONAL TARGETS OF SHANGHAI KEJIAN AND CHENGDU HOLYTECH

Reference is made to the section headed "Operational Targets" in the 2022 Annual Report in relation to, among others, the status of the performance guarantees in respect of Shanghai Kejian Property Services Co., Ltd. (上海科箭物業服務有限公司) ("**Shanghai Kejian**") and Chengdu Holytech Technology Co., Ltd. (成都合達聯行科技有限公司) ("**Chengdu Holytech**") for the year ended 31 December 2022. As considerable workload and time were incurred by Chengdu Holytech and Shanghai Kejian to collate the necessary records, documents and materials for the auditor to conduct the audit work, as at the date of this announcement, the auditor is still in the process of finalizing the profit specific audit reports of Shanghai Kejian and Chengdu Holytech for the year ended 31 December 2022 (the "**Relevant Audit Reports**"). When the Relevant Audit Reports are finalized, the Company will update the shareholders of the Company, in the manner as previously set out in the 2022 Annual Report and as and when appropriate, the status of the relevant performance guarantee(s) in compliance with Rule 14.36B of the Listing Rules.

By Order of the Board
Times Neighborhood Holdings Limited
Mr. Bai Xihong
Chairman

Hong Kong, 29 August 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; and Mr. Lui Shing Ming, Brian, Dr. Wong Kong Tin and Dr. Chu Xiaoping as independent non-executive Directors.