



祈福生活服務

CLIFFORD MODERN LIVING

祈福生活服務控股有限公司

CLIFFORD MODERN LIVING HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 3686



2023

INTERIM REPORT



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Throughout this interim report, the names marked with "*" are the English translations of the official Chinese names and are for reference only.





CORPORATE INFORMATION

Executive Directors

Ms. MAN Lai Hung
(Chairman and Chief Executive Officer)
Ms. HO Suk Mee
Mr. LIU Xing

Non-executive Director

Ms. LIANG Yuhua

Independent non-executive Directors

Ms. LAW Elizabeth
Mr. HO Cham
Mr. MAK Ping Leung
(alias Mr. MAK Wah Cheung)

Audit committee

Ms. LAW Elizabeth *(Chairman)*
Mr. HO Cham
Mr. MAK Ping Leung
(alias Mr. MAK Wah Cheung)

Remuneration committee

Mr. MAK Ping Leung
(alias Mr. MAK Wah Cheung)
(Chairman)
Ms. MAN Lai Hung
Ms. LAW Elizabeth

Nomination committee

Ms. MAN Lai Hung *(Chairman)*
Ms. LAW Elizabeth
Mr. HO Cham

Environmental, social and governance committee

Ms. MAN Lai Hung *(Chairman)*
Ms. HO Suk Mee
Ms. LAW Elizabeth
Mr. MAK Ping Leung
(alias Mr. MAK Wah Cheung)
Mr. LAU Kwok Chin

Company secretary

Mr. LAU Chun Pong
(Chief Financial Officer)

Authorised representatives

Ms. MAN Lai Hung
Mr. LAU Chun Pong

Registered office

Cricket Square
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P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands



Headquarters in the PRC Mainland

8 Shiguang Road
Panyu
Guangzhou
Guangdong
PRC Mainland

Principal place of business and headquarters in Hong Kong

7th Floor
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70 Wing Tai Road
Chai Wan
Hong Kong

Principal share registrar

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong branch share registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal bankers

Standard Chartered Bank (Hong Kong)
Limited
Bank of China (Hong Kong) Limited

Legal adviser

As to Hong Kong laws
Chiu & Partners

Auditor

Moore Stephens CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Stock code

3686

Company's website

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Investor enquiry hotline

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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Clifford Modern Living Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) is a service provider with a diversified service portfolio comprising six main service segments: (i) property management services, (ii) renovation and fitting-out services, (iii) retail services, (iv) off-campus training services, (v) information technology services and (vi) Ancillary Living Services (as hereinafter defined).

1. Property Management Services

The Group provided property management services to 16 residential communities and 5 pure commercial properties or projects with an aggregate contracted gross floor area (“**GFA**”) of approximately 9,873,000 sq.m. as at 30 June 2023. The table below sets forth the total contracted GFA and the number of residential communities and pure commercial properties or projects which the Group managed in different regions in the mainland of the People’s Republic of China (the “**PRC Mainland**”) as at the dates indicated below:

	As at 30 June 2023		As at 31 December 2022	
	Approximate total contracted GFA ('000 sq.m.)	Number of communities	Approximate total contracted GFA ('000 sq.m.)	Number of communities
<i>Residential communities</i>				
Panyu district	4,672	6	4,658	6
Huadu district	1,208	7	1,208	7
Zhaoqing city	346	1	346	1
Foshan city	857	2	857	2
Sub-total	7,083	16	7,069	16
<i>Pure commercial properties/projects</i>				
Huadu district	2,659	3	2,659	3
Panyu district	131	2	131	2
Sub-total	2,790	5	2,790	5
Total	9,873	21	9,859	21



2. Renovation and Fitting-out Services

The Group provides renovation and fitting-out services principally for residents, tenants or owners or their principal contractors in their residential units, offices, shops and other properties. To utilise the workforce more efficiently, the Group delegates certain renovation and fitting-out work to third-party sub-contractors. The Group constantly monitors and evaluates third-party sub-contractors on their ability to meet its requirements and standards to ensure the overall quality of the work.

3. Retail Services

The Group operated 21 retail outlets of different scales covering a total GFA of approximately 13,787 sq.m. as at 30 June 2023. These 21 retail outlets consist of a wet market, 3 supermarkets and 17 convenience stores.

The following table sets out the Group's average daily revenue by type of retail outlet in operation during the six months ended 30 June 2023 (the "Reporting Period") and 2022 respectively:

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Average daily revenue by type of retail outlet ^(Note)		
Supermarket	211.57	212.64
Wet market	36.76	33.20
Convenience store	109.56	114.53

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



MANAGEMENT DISCUSSION AND ANALYSIS

4. Off-campus Training Services

The Group had four learning centres in Panyu district as at 30 June 2023 (31 December 2022: four learning centres). Training programmes mainly include interest classes and language classes.

5. Information Technology Services

Engineering services

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

Telecommunication services

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



6. Ancillary Living Services

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

Catering services

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

Property agency services

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

Employment placement services

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

Laundry services

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



MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS AND FUTURE PLANS

Expansion of the property management network through engagements in integrated projects

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

Developing online marketing and building online distribution channels

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

Further exploration for new investment opportunities

Notwithstanding the solid performance of the Group in the first half of 2023, we will remain prudent in monitoring the Group's expenditures, look for new investment opportunities to cope with the existing market environment and constantly review our business strategies.



FINANCIAL REVIEW

Revenue

	For the six months ended 30 June		Variance		Percentage of total revenue	
	2023	2022			2023	2022
	RMB'000	RMB'000	RMB'000	%	%	%
Property management services	40,408	40,438	(30)	-0.1	23.4	20.2
Renovation and fitting-out services	11	97	(86)	-88.7	0.0	0.0
Retail services	64,419	64,867	(448)	-0.7	37.2	32.4
Off-campus training services	15,291	17,688	(2,397)	-13.6	8.8	8.8
Information technology services	9,665	22,441	(12,776)	-56.9	5.6	11.2
Ancillary Living Services	43,305	54,894	(11,589)	-21.1	25.0	27.4
Total	173,099	200,425	(27,326)	-13.6	100.0	100.0

Revenue decreased from RMB200.4 million for the six months ended 30 June 2022 to RMB173.1 million for the six months ended 30 June 2023, representing a decrease of RMB27.3 million or 13.6%. The decrease in revenue was caused by the decrease in revenue from the six main service segments of the Group.



MANAGEMENT DISCUSSION AND ANALYSIS

Property Management Services

	For the six months ended 30 June		Variance	
	2023 RMB'000	2022 RMB'000	RMB'000	%
General property management services	22,841	23,884	(1,043)	-4.4
Resident support services	17,567	16,554	1,013	6.1
Total	40,408	40,438	(30)	-0.1

Revenue from property management services decreased by 0.1% to RMB40.4 million for the six months ended 30 June 2023 from RMB40.4 million for the six months ended 30 June 2022. Revenue from general property management services decreased from RMB23.9 million for the six months ended 30 June 2022 to RMB22.8 million for the six months ended 30 June 2023. The increase in revenue from resident support services from RMB16.6 million for the six months ended 30 June 2022 to RMB17.6 million for the six months ended 30 June 2023 was due to the increase in demand for our household helper services.



Renovation and Fitting-out Services

	For the six months ended 30 June		Variance	
	2023	2022		
	RMB'000	RMB'000	RMB'000	%
Total	11	97	(86)	-88.7

Revenue from renovation and fitting-out services decreased by 88.7%, from RMB97,000 for the six months ended 30 June 2022 to RMB11,000 for the six months ended 30 June 2023. Such decrease was mainly due to the decrease in demand for renovation and fitting-out services.

Retail Services

	For the six months ended 30 June		Variance	
	2023	2022		
	RMB'000	RMB'000	RMB'000	%
Revenue by type of retail outlet				
Supermarket	38,083	38,276	(193)	-0.5
Wet market	6,616	5,976	640	10.7
Convenience store	19,720	20,615	(895)	-4.3
Total	64,419	64,867	(448)	-0.7

Revenue from retail services decreased by 0.7% to RMB64.4 million for the six months ended 30 June 2023 from RMB64.9 million for the six months ended 30 June 2022. The decrease was due to the keen competition in the retail market.



MANAGEMENT DISCUSSION AND ANALYSIS

Off-campus Training Services

	For the six months ended 30 June		Variance	
	2023	2022		
	RMB'000	RMB'000	RMB'000	%
Total	15,291	17,688	(2,397)	-13.6

Revenue from off-campus training services decreased by 13.6% to RMB15.3 million for the six months ended 30 June 2023 from RMB17.7 million for the six months ended 30 June 2022. Revenue from off-campus training services decreased due to the prevention measures and social restrictions of coronavirus disease 2019. Although such restrictions have been lifted, the enrollments have not yet fully recovered.

Information Technology Services

	For the six months ended 30 June		Variance	
	2023	2022		
	RMB'000	RMB'000	RMB'000	%
Information technology services revenue by category				
Engineering	7,741	18,084	(10,343)	-57.2
Telecommunication	1,924	4,357	(2,433)	-55.8
Total	9,665	22,441	(12,776)	-56.9



Revenue from information technology services decreased by 56.9% from RMB22.4 million for the six months ended 30 June 2022 to RMB9.7 million for the six months ended 30 June 2023. The decrease in revenue generated from telecommunication services was approximately RMB2.4 million or approximately 55.8%. As the Group has strengthened its credit control over its trade debtors in response to the delay in settlement of trade and other receivables from certain information technology services customers, revenue generated from information technology services decreased.

Ancillary Living Services

	For the six months ended 30 June		Variance	
	2023	2022		
	RMB'000	RMB'000	RMB'000	%
Ancillary Living Services revenue by category				
Catering services	32,965	26,742	6,223	23.3
Property agency services	2,929	19,977	(17,048)	-85.3
Employment placement services	6,372	5,787	585	10.1
Laundry services	1,039	2,388	(1,349)	-56.5
Total	43,305	54,894	(11,589)	-21.1

Revenue from Ancillary Living Services decreased by 21.1% from RMB54.9 million for the six months ended 30 June 2022 to RMB43.3 million for the six months ended 30 June 2023. Such decrease was primarily due to the decrease in commission income received from sales of new residential units during the Reporting Period.



MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit and Gross Profit Margin

Gross profit decreased from approximately RMB94.0 million for the six months ended 30 June 2022 to approximately RMB84.1 million for the six months ended 30 June 2023, representing a decrease of approximately RMB10.0 million or 10.6%. Meanwhile, the Group's gross profit margin increased from approximately 46.9% for the six months ended 30 June 2022 to approximately 48.6% for the six months ended 30 June 2023. The decrease in gross profit was in line with the decrease in revenue.

Selling and Marketing Expenses

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

Selling and marketing expenses decreased from RMB17.9 million for the six months ended 30 June 2022 to RMB17.0 million for the six months ended 30 June 2023, representing a decrease of 5.1%, which was mainly due to the decrease in sales and marketing staff expenses and depreciation on right-of-use assets.

Administrative Expenses

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

Administrative expenses decreased from RMB12.9 million for the six months ended 30 June 2022 to RMB10.7 million for the six months ended 30 June 2023, representing a decrease of 16.6%. The decrease was mainly due to the decrease in administrative staff costs and depreciation expenses.



Other Gains/(Losses) and Other Income, Net

Other gains and other income, net amounted to RMB14.3 million and RMB17.2 million for the six months ended 30 June 2023 and 2022 respectively. Such decrease was primarily due to (i) fair value loss on investment in unallocated silver bullion of RMB1.4 million (for the six months ended 30 June 2022: fair value gain of RMB3.0 million), and (ii) the gains on foreign exchanges, net of RMB7.3 million and RMB9.3 million recorded during the six months ended 30 June 2023 and 2022 respectively.

Finance Costs

Finance costs amounted to RMB1.2 million for the six months ended 30 June 2023 (for the six months ended 30 June 2022: RMB1.3 million), which represented the interest expense on lease liabilities.

Income Tax Expense

The effective tax rate was 20.8% for the six months ended 30 June 2023 (for the six months ended 30 June 2022: 30.2%).

Net Profit for the Period

For the six months ended 30 June 2023, as a result of the foregoing, the Group's net profit was RMB59.4 million (for the six months ended 30 June 2022: RMB54.9 million) and its net profit margin was 34.3% (for the six months ended 30 June 2022: 27.4%).

Property, Plant and Equipment

Property, plant and equipment mainly consist of machinery, vehicles, office equipment and leasehold improvements. As at 31 December 2022 and 30 June 2023, the net book values of the property, plant and equipment of the Group were RMB9.6 million and RMB8.7 million respectively.

Investment Properties

Investment properties amounted to RMB19.6 million and RMB17.5 million as at 31 December 2022 and 30 June 2023 respectively, representing principally right-of-use assets, which are held for long-term rental yields, not occupied by the Group and recognised due to operating leases. More details are set out in Note 12 to the condensed consolidated financial statements.



MANAGEMENT DISCUSSION AND ANALYSIS

Investment in Unallocated Silver Bullion

The Group, utilising its internal resources, purchased a total of 800,000 ounces of unallocated silver bullion through a licensed bank, during the year ended 31 December 2020 with the aggregate cost of investment amounted to approximately RMB102.5 million. On 22 February 2022, 3 March 2022 and 7 March 2022, the Group disposed of 200,000 ounces, 100,000 ounces and 200,000 ounces of unallocated silver bullion with gross proceeds (excluding transaction costs) of approximately RMB30,371,000, RMB15,838,000 and RMB32,842,000 respectively. As at 30 June 2023, the remaining amount of unallocated silver bullion held by the Group was 300,000 ounces with an estimated fair value of approximately RMB48.7 million with reference to the market prices of unallocated silver bullion quoted by Standard Chartered Bank (Hong Kong) Limited on 30 June 2023. The Group recorded a loss in fair value of approximately RMB1.4 million during the Reporting Period. The investment in unallocated silver bullion is considered as the diversification of the Group's asset structure. For further details, please refer to the announcements of the Company dated 26 February 2020, 28 February 2020, 22 February 2022, 7 March 2022 and 9 March 2022 respectively.

Inventories

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

Inventories decreased from approximately RMB17.3 million as at 31 December 2022 to approximately RMB10.7 million as at 30 June 2023. It was primarily due to the decrease in raw materials for information technology services, which was in line with the decrease in revenue.

During the six months ended 30 June 2023, the Group did not recognise any provision or write-down for our inventories.

Trade and Other Receivables

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



Trade receivables

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

Trade receivables decreased by 20.4% from RMB51.1 million as at 31 December 2022 to RMB40.7 million as at 30 June 2023.

Other receivables

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

Other receivables decreased by 11.5% from RMB20.9 million as at 31 December 2022 to RMB18.5 million as at 30 June 2023.

Trade and Other Payables

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

Trade payables

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

Trade payables decreased by 28.0% from RMB47.2 million as at 31 December 2022 to RMB34.0 million as at 30 June 2023 as a result of the decrease in the procurement of the raw materials for the information technology services segment.



MANAGEMENT DISCUSSION AND ANALYSIS

Other payables

Other payables primarily consist of amounts due to third parties amounted to RMB25.3 million and RMB29.6 million as at 31 December 2022 and 30 June 2023 respectively, which mainly included the deposits received from the stall tenants in the retail business.

Interim Dividend

The board of the Company (the “**Board**”) resolved not to declare any interim dividend in respect of the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

Risks of Foreign Exchange Rate Fluctuation

The Group’s functional currency is Renminbi (“**RMB**”), except for bank deposits denominated in Hong Kong dollars. The Group is not exposed to significant foreign exchange rate risks and has not implemented any foreign currency hedging policy at the moment. However, the continuous monitoring on the foreign exchange rate exposure is carried out by the management.

Liquidity and Capital Resources

As at 30 June 2023, the Group’s material sources of liquidity were cash and cash equivalents of RMB561.0 million (31 December 2022: RMB567.2 million).

During the six months ended 30 June 2023, the Group had not obtained any loans or borrowings.

Gearing Ratio

Gearing ratio is calculated based on the Group’s total debts (being cash advances due to the related parties) divided by the Group’s total equity as of the end of each period. The Group’s gearing ratio was nil as at 30 June 2023 and 31 December 2022.

Pledge of Assets

The Group had no pledged assets as at 30 June 2023 (31 December 2022: Nil).



Contingent Liabilities

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

Employees and Remuneration Policies

As at 30 June 2023, excluding the labour costs borne by the properties that were managed on commission basis, the Group had 617 employees (31 December 2022: 630 employees). Remuneration is determined with reference to the performance, skills, qualifications and experience of the staff concerned and the prevailing industry practice.

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

In addition, the Company adopted a pre-initial public offering share option scheme (the **"Pre-IPO Share Option Scheme"**) and a share option scheme (the **"Share Option Scheme"**) (collectively, the **"Schemes"**) in October 2016 which allow the directors of the Company (the **"Directors"**) to grant share options to employees of the Group in order to retain elite personnel and to provide incentives for their contribution to the Group. Details of the Schemes are set out in the paragraph headed "Share Option Schemes" in this report.

Significant Investment Held, Material Acquisitions and Disposals of Subsidiaries or Associated Companies

Save as disclosed in the paragraph headed "Investment in Unallocated Silver Bullion" in this report, the Group had no significant investment held, material acquisition or disposal of subsidiaries or associated companies during the six months ended 30 June 2023.

Future Plans for Capital Assets

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

Significant Events after the Reporting Period

There was no material subsequent event affecting the Group after 30 June 2023 and up to the date of this report.



CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board is committed to achieving high corporate governance standards.

The Board believes that the high corporate governance standards are essential for providing a framework for the Company to safeguard the interests of shareholders of the Company (the “**Shareholders**”), enhancing its corporate value, formulating its business strategies and policies, and enhancing its transparency and accountability.

Corporate Governance Code

The Company has applied the principles as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Board is of the view that during the six months ended 30 June 2023, save for the following deviation, the Company had complied with all the code provisions as set out in Part 2 of the CG Code.

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

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

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



Dividend Policy

The Board aims at providing sustainable returns to the Shareholders whilst retaining adequate reserves for the Group's future development. Under a dividend policy adopted by the Board on 22 March 2019 (the "**Dividend Policy**"), the declaration, payment and amount of dividends will be subjected to the Board's discretion and the approval of the Shareholders. Subject to the factors set out below, the Group targets to distribute no less than 25% of the Company's audited consolidated profit attributable to the owners of the Company in any financial year as dividends to the Shareholders.

Dividends may be recommended, declared and paid to the Shareholders from time to time. In summary, the declaration of dividends and the dividend amount shall be determined at the sole and absolute discretion of the Board taking into account the following factors:

- results of operation;
- cash flows;
- financial position;
- statutory and regulatory restrictions on the dividends paid by the Group;
- future prospects; and
- others factors which the Board considers relevant.

The Board will review the Dividend Policy from time to time.



CORPORATE GOVERNANCE AND OTHER INFORMATION

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the Group’s code of conduct regarding the Directors’ securities transactions.

A specific enquiry has been made by the Company of all Directors and the Directors confirmed that they had complied with the required standard set out in the Model Code, which is also the code of conduct regarding directors’ securities transactions of the Company during the six months ended 30 June 2023.

Board Composition

The Board currently comprises seven Directors, including three executive Directors, a non-executive Director and three independent non-executive Directors.

Audit Committee

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. As at the date of this report, the Audit Committee consists of three independent non-executive Directors, namely Ms. LAW Elizabeth (Chairman), Mr. HO Cham and Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung) (with Ms. LAW Elizabeth possessing the appropriate professional qualifications and accounting and related financial management expertise). The main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group’s operations and internal controls. The unaudited interim financial information for the six months ended 30 June 2023 has been reviewed with no disagreement by the Audit Committee.



In addition, the independent auditor of the Company, Moore Stephens CPA Limited, has reviewed the unaudited consolidated results for the six months ended 30 June 2023 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The work performed by Moore Stephens CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Moore Stephens CPA Limited on this report.

Remuneration Committee

The remuneration committee of the Company (the “**Remuneration Committee**”) consists of two independent non-executive Directors, namely Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung) (Chairman) and Ms. LAW Elizabeth and an executive Director, Ms. MAN Lai Hung.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of the individual executive Directors and the senior management, the remuneration policy and structure for all Directors and the senior management, and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.



CORPORATE GOVERNANCE AND OTHER INFORMATION

During the six months ended 30 June 2023, a meeting of the Remuneration Committee was held on 31 March 2023 to review and make recommendations to the Board on (i) the remuneration policy and structure of the Company; (ii) the remuneration packages of the executive, non-executive and independent non-executive Directors and the senior management; and (iii) other related matters.

Nomination Committee

The nomination committee of the Company (the “**Nomination Committee**”) consists of an executive Director, Ms. MAN Lai Hung (Chairman), and two independent non-executive Directors, namely Ms. LAW Elizabeth and Mr. HO Cham.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company’s Board diversity policy, including but not limited to the skills, regional and industry experience, educational background, knowledge, expertise, culture, independence, age, gender and other qualities. The Nomination Committee would discuss and agree on the measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

During the six months ended 30 June 2023, a meeting of the Nomination Committee was held on 31 March 2023 to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for re-election at the annual general meeting of the Company. The Board diversity policy was also reviewed at the meeting.



Environmental, Social and Governance Committee

The ESG Committee consists of two executive Directors, namely Ms. MAN Lai Hung (Chairman) and Ms. HO Suk Mee, two independent non-executive Directors, namely Ms. LAW Elizabeth and Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung), and one of the Group's senior staff, Mr. LAU Kwok Chin.

The principal duties of the ESG Committee include, among other things, (i) formulating and reviewing the Group's environmental, social and governance ("ESG") responsibilities, vision, strategies, framework, principles and policies; (ii) monitoring the channels and means of communication with the Group's stakeholders; (iii) reviewing key ESG trends and related risks and opportunities and assessing the adequacy and effectiveness of the Group's ESG framework and business model; (iv) overseeing the Group's sustainability performance; (v) overseeing the funding of the initiatives on corporate social responsibilities; and (vi) reviewing the annual sustainability report of the Company and recommending to the Board for approval.

The ESG Committee may seek necessary information from employees within its terms of reference. It is authorised by the Board to obtain external legal or other independent professional advice and to invite outsiders with relevant experience and expertise to attend its meetings if required.

Disclosure of Directors' Information Pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules

The change in information of Directors since the date of publication of the Company's annual report for the financial year ended 31 December 2022 ("**2022 Annual Report**") is set out below:

Ms. MAN Lai Hung was appointed as the vice president of the First Council of the Federation of Hong Kong Beijing Organisations* (香港北京社團總會) with effect from 28 June 2023.



CORPORATE GOVERNANCE AND OTHER INFORMATION

Ms. LAW Elizabeth was appointed as an independent non-executive director of Wise Ally International Holdings Limited (listed on the Stock Exchange with stock code 9918) with effect from 1 June 2023.

Save as disclosed above, there are no other changes in the Directors' biographical details since the date of publication of the 2022 Annual Report, which are required to be disclosed pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules.

Share Option Schemes

The Company adopted a pre-initial public offering share option scheme (the "**Pre-IPO Share Option Scheme**") and a share option scheme (the "**Share Option Scheme**") (collectively, the "**Schemes**") in October 2016, for the purpose of recognising and rewarding the contribution of certain eligible participants to the growth and development of the Group and its listing, to strengthen the corporate governance mechanism, to improve the employee incentive system, to align the interests of the Company, the Shareholders and its management, and to encourage continuing development of the eligible employees with a view to promoting the long-term stability and interest of the Group.

Eligible participants of the Schemes include the Directors, the employees of the Group and other selected groups of participants. The Schemes were adopted by the Company on 21 October 2016 and became effective on the same day. Unless otherwise cancelled or amended, the Pre-IPO Share Option Scheme will remain in force for five years and six months from the listing date on 8 November 2016 (the "**Listing Date**"), and the Share Option Scheme will remain in force for 10 years from the adoption date.

Under the amended Chapter 17 of the Listing Rules, which has come into effect on 1 January 2023, the Company will rely on the transitional arrangements provided for the existing share schemes and will only grant share options in compliance with the amended Chapter 17 of the Listing Rules (to the extent applicable). The following is a summary of the principal terms of the Schemes.



The maximum number of shares of the Company in respect of which options may be granted under the Schemes and any other schemes by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the Listing Date unless the Shareholders' approval has been obtained.

The maximum number of shares of the Company issuable under the share options granted to each eligible participant in the Schemes within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of the share options in excess of this limit is subject to the Shareholders' approval in advance in a general meeting.

Share options granted to a Director, chief executive or substantial Shareholder, or to any of their associates, are subject to the approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial Shareholder or an independent non-executive Director, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to the Shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon the payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors, and may commence from the date of the offer of grant of the share options and end on a date which is not later than 10 years from the date of grant of the offer of the share options or the date on which such options lapse, if earlier.



CORPORATE GOVERNANCE AND OTHER INFORMATION

(A) Pre-IPO Share Option Scheme

Pursuant to the Pre-IPO Share Option Scheme, the Company granted 21,175,000 options to the eligible Directors, senior management and employees of the Group at the time to subscribe for the ordinary shares of the Company subject to the terms stipulated under the Pre-IPO Share Option Scheme. The exercise price is 90% of the final offer price of the Company's shares issued in connection with the listing (HK\$0.414). All of the share options granted under the Pre-IPO Share Option Scheme expired on 9 May 2022. Under the Pre-IPO Share Option Scheme, no further options can be granted thereunder, and as such, there were no outstanding share options under the Pre-IPO Share Option Scheme as at 1 January 2023 and 30 June 2023.

Further details of the Pre-IPO Share Option Scheme are set out in Note 23(c) to the condensed consolidated financial statements.

(B) Share Option Scheme

Pursuant to the Share Option Scheme, the Directors may invite participants to take up options at a price determined by the Board but in any event not less than the highest of (i) the nominal value of a Company's share; (ii) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; and (iii) the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date. The options may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which may be determined and notified by the Board to the grantee at the time of making an offer. As at the date of this interim report, no options have been granted or agreed to be granted pursuant to the Share Option Scheme. The number of options available for grant under the scheme mandate limit of the Share Option Scheme shall not exceed 100,000,000 as at 1 January 2023 and 30 June 2023.



Purchase, Sale or Redemption of the Company's Listed Securities

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

Disclosure of Interests

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") of the Company, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix 10 to the Listing Rules were as follows:

Name of Director	Nature of interest/Capacity	Number of shares ⁽²⁾	Approximate percentage of shareholding in the Company
Ms. MAN Lai Hung ⁽¹⁾	Interest in a controlled corporation ⁽¹⁾	735,840,000	72.44%
Ms. MAN Lai Hung	Beneficial owner	5,000,000	0.49%
Mr. HO Cham	Interest of spouse	20,000	0.01%



CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) Elland Holdings Limited, which owns 735,840,000 shares of the Company, is wholly owned by Ms. MAN Lai Hung. By virtue of the SFO, Ms. MAN Lai Hung is deemed or taken to be interested in all the shares which are beneficially owned by Elland Holdings Limited.
- (2) All the shares are held in long position.

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2023, so far as the Directors were aware, the following substantial Shareholders (other than the Directors and the chief executive of the Company) or institutions had interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name	Capacity/Nature of interest	Number of shares ⁽²⁾	Approximate percentage of shareholding in the Company
Elland Holdings Limited	Beneficial owner	735,840,000	72.44%
Mr. PANG Lun Kee Clifford ⁽¹⁾	Interest of spouse	740,840,000	72.94%



Notes:

- (1) Mr. PANG Lun Kee Clifford is the spouse of Ms. MAN Lai Hung. By virtue of the SFO, Mr. PANG Lun Kee Clifford is deemed to be interested in the shares of the Company which Ms. MAN Lai Hung is interested in.
- (2) All the shares are held in long position.

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which would be required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Interim Dividend

The Board resolved not to declare any interim dividend in respect of the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Clifford Modern Living Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Clifford Modern Living Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 34 to 96, which comprise the condensed consolidated statement of financial position as of 30 June 2023, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The directors of the Company are responsible for the preparation and presentation of the condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of the condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material aspects, in accordance with HKAS 34.

Moore Stephens CPA Limited

Certified Public Accountants

Leung Yu Ngong

Practising Certificate Number: P06734

Hong Kong, 30 August 2023



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	6	173,099	200,425
Cost of sales		(89,011)	(106,376)
Gross profit		84,088	94,049
Other gains/(losses) and other income, net	7	14,301	17,227
Selling and marketing expenses		(16,968)	(17,874)
Administrative expenses		(10,728)	(12,858)
Reversal of/(provision for) expected credit losses on trade and other receivables, net	9	5,482	(1,904)
Finance costs	8	(1,246)	(1,305)
Profit before income tax	9	74,929	77,335
Income tax expense	10	(15,572)	(22,449)
Profit and total comprehensive income for the period		59,357	54,886
Profit and total comprehensive income for the period attributable to the owners of the Company		59,357	54,886
Earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share):			
– Basic and diluted	11	0.058	0.054

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



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		As at	
		30 June	31 December
		2023	2022
Notes		RMB'000	RMB'000
		(Unaudited)	(Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	8,714	9,627
Investment properties	12	17,493	19,602
Intangible assets	12	1,144	1,262
Right-of-use assets	13(a)	32,169	39,072
Investment in unallocated silver bullion	14	48,705	50,129
Trade and other receivables	15	5,758	3,851
Deferred tax assets	21(a)	1,589	1,517
		115,572	125,060
Current assets			
Inventories	16	10,733	17,257
Trade and other receivables	15	54,484	73,222
Contract assets	17	3,873	4,767
Time deposits	18(a)	130,000	55,000
Restricted cash	18(b)	645	561
Cash and cash equivalents	18(c)	561,023	567,235
		760,758	718,042



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		As at	
		30 June	31 December
		2023	2022
	Notes	RMB'000	RMB'000
		(Unaudited)	(Audited)
Current liabilities			
Trade and other payables	19	98,260	86,557
Contract liabilities	20	25,066	32,902
Lease liabilities	13(b)	13,274	15,208
Tax payables		9,806	9,040
		146,406	143,707
Net current assets		614,352	574,335
Total assets less current liabilities		729,924	699,395
Non-current liabilities			
Lease liabilities	13(b)	45,380	52,236
Deferred tax liabilities	21(b)	9,791	8,562
		55,171	60,798
Net assets		674,753	638,597



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		As at	
		30 June	31 December
		2023	2022
	Notes	RMB'000	RMB'000
		(Unaudited)	(Audited)
EQUITY			
Equity attributable to the owners of the Company			
Share capital	22	8,876	8,876
Share premium	22	179,333	179,333
Other reserves	23	(99,151)	(99,151)
Retained earnings		585,695	549,539
Total equity		674,753	638,597

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

The condensed consolidated financial statements on pages 34 to 97 were approved by the Board on 30 August 2023 and are signed on its behalf by:

Ms. MAN Lai Hung

*Chairman & Chief Executive Officer &
Executive Director*

Ms. HO Suk Mee

Executive Director



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Notes	Attributable to the owners of the Company				
		Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2022 (audited)		8,876	179,333	(99,283)	473,601	562,527
Profit and total comprehensive income for the period		-	-	-	54,886	54,886
Transactions with owners of the Company						
Dividends declared by the Company	24	-	-	-	(19,070)	(19,070)
Appropriation to statutory reserves	23(a)	-	-	240	(240)	-
Employee's share option scheme - Lapse of share options	22, 23(c)	-	-	(456)	456	-
		-	-	(216)	(18,854)	(19,070)
Balance at 30 June 2022 (unaudited)		8,876	179,333	(99,499)	509,633	598,343
Balance at 1 January 2023 (audited)		8,876	179,333	(99,151)	549,539	638,597
Profit and total comprehensive income for the period		-	-	-	59,357	59,357
Transactions with owners of the Company						
Dividends declared by the Company	24	-	-	-	(23,201)	(23,201)
Balance at 30 June 2023 (unaudited)		8,876	179,333	(99,151)	585,695	674,753

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



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		86,263	102,786
Income tax paid		(13,649)	(18,746)
Net cash generated from operating activities		72,614	84,040
Cash flows from investing activities			
Purchases of property, plant and equipment	12	(1,120)	(640)
Purchases of intangible assets	12	(70)	(17)
Proceeds from sales of unallocated silver bullion	14	–	79,051
Proceeds from disposal of property, plant and equipment		273	1
Increase in time deposits		(75,000)	(116,004)
Interest received		5,750	3,278
Net cash used in investing activities		(70,167)	(34,331)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows from financing activities			
Repayment of lease liabilities – principal		(7,413)	(7,126)
Repayment of lease liabilities – interest	13(c)	(1,246)	(1,305)
Net cash used in financing activities		(8,659)	(8,431)
Net (decrease)/increase in cash and cash equivalents		(6,212)	41,278
Cash and cash equivalents at beginning of period		567,235	351,877
Cash and cash equivalents at end of period	18(c)	561,023	393,155

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. General information

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

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

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

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

These condensed consolidated financial statements have not been audited.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

2. Basis of preparation

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

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

These condensed consolidated financial statements do not include all the notes of the type normally included in an annual consolidated financial statements. Accordingly, this information is to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”), and any public announcement made by the Company during the current interim reporting period.



3. Principal accounting policies

Except for the adoption of new and amended HKFRSs as set out below, the accounting policies and methods of computation adopted in the preparation of these condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

(a) New and amendments to HKFRSs adopted by the Group

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

- HKFRS 17, *Insurance Contract*
- Amendments to HKAS 1 and HKFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendment to HKAS 8, *Definition of Accounting Estimates*
- Amendment to HKAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendment to HKAS 12, *International Tax Reform – Pillar Two Model Rules*

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

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4. Critical accounting estimates and judgements

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

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2022.

5. Segment information

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

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

5. Segment information (continued)

Segment revenue and results

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

For the six months ended 30 June 2023 (unaudited)

	Retail services RMB'000	Information technology services RMB'000	Property management services RMB'000	Off-campus training services RMB'000	Property agency services RMB'000	Renovation and fitting-out services RMB'000	Catering services RMB'000	Others RMB'000	Total RMB'000
Gross segment revenue	64,554	10,047	42,340	15,620	2,929	11	33,223	7,411	176,135
Inter-segment revenue	(135)	(382)	(1,932)	(329)	-	-	(258)	-	(3,036)
Revenue	64,419	9,665	40,408	15,291	2,929	11	32,965	7,411	173,099
Timing of revenue recognition									
At a point in time	50,814	732	-	-	2,838	-	32,399	2,502	89,285
Over time	13,605	8,933	40,408	15,291	91	11	566	4,909	83,814
	64,419	9,665	40,408	15,291	2,929	11	32,965	7,411	173,099
Segment results	8,513	7,082	30,628	7,320	895	(24)	7,849	3,636	65,899
Other losses and other income, net									14,301
Finance costs									(1,246)
Unallocated expenses									(4,025)
Income tax expense									(15,572)
Profit for the period									59,357
Segment results include:									
Depreciation and amortisation	(4,872)	(354)	(1,431)	(1,382)	(174)	(5)	(568)	(156)	(8,942)
Loss on disposal of property, plant and equipment	(1)	(4)	-	-	-	-	-	(178)	(183)
Reversal of expected credit losses on trade and other receivables	718	3,418	4	-	-	-	233	1,109	5,482



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

5. Segment information (continued) Segment revenue and results (continued) For the six months ended 30 June 2022 (unaudited)

	Retail services RMB'000	Information technology services RMB'000	Property management services RMB'000	Off-campus training services RMB'000	Property agency services RMB'000	Renovation and fitting-out services RMB'000	Catering services RMB'000	Others RMB'000	Total RMB'000
Gross segment revenue	64,948	23,171	41,210	17,688	19,977	97	27,515	8,404	203,010
Inter-segment revenue	(81)	(730)	(772)	-	-	-	(773)	(229)	(2,585)
Revenue	64,867	22,441	40,438	17,688	19,977	97	26,742	8,175	200,425
Timing of revenue recognition									
At a point in time	51,788	748	-	-	19,868	-	24,761	3,733	100,898
Over time	13,079	21,693	40,438	17,688	109	97	1,981	4,442	99,527
	64,867	22,441	40,438	17,688	19,977	97	26,742	8,175	200,425
Segment results	10,762	5,096	28,431	8,839	5,231	(44)	3,711	2,737	64,763
Other losses and other income, net									17,227
Finance costs									(1,305)
Unallocated expenses									(3,350)
Income tax expense									(22,449)
Profit for the period									54,886
Segment results include:									
Depreciation and amortisation	(4,995)	(511)	(1,310)	(1,670)	(172)	(10)	(552)	(540)	(9,760)
Loss on disposal of property, plant and equipment	(6)	-	-	-	-	-	-	-	(6)
Provision for expected credit losses on trade and other receivables	176	337	(75)	-	-	(33)	(3,150)	841	(1,904)



5. Segment Information (continued)

The segment assets and liabilities and the reconciliation with total assets and liabilities of the Group as at 30 June 2023 and 31 December 2022 are as follows:

Segment assets

	As at	
	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Retail services	58,939	60,476
Information technology services	32,598	52,959
Property management services	5,279	8,582
Off-campus training services	18,051	21,401
Property agency services	609	1,521
Renovation and fitting-out services	25	34
Catering services	16,291	21,070
Others	2,576	2,617
Total segment assets	134,368	168,660
Investment in unallocated silver bullion	48,705	50,129
Time deposits	130,000	55,000
Restricted cash	645	561
Cash and cash equivalents	561,023	567,235
Deferred tax assets	1,589	1,517
Total assets	876,330	843,102



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

5. Segment Information (continued) Segment liabilities

	As at	
	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Retail services	69,922	84,505
Information technology services	15,236	17,561
Property management services	23,195	22,407
Off-campus training services	32,493	29,811
Property agency services	355	2,064
Renovation and fitting-out services	4,993	5,122
Catering services	18,166	29,409
Others	4,225	5,064
Total segment liabilities	168,585	195,943
Dividend payable	23,201	–
Deferred tax liabilities	9,791	8,562
Total liabilities	201,577	204,505

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



5. Segment Information (continued)

As at 30 June 2023, more than 90% (31 December 2022: more than 90%) of the Group's non-current assets other than financial assets, investment in unallocated silver bullion and deferred tax assets, are situated in the PRC Mainland.

During the six months ended 30 June 2023, more than 90% (six months ended 30 June 2022: more than 90%) of the Group's revenue were derived from activities carried out and from customers located in the PRC Mainland and no geographical segment analysis is prepared.

Clifford Estates (Panyu) Limited* (廣州市番禺祈福新邨房地產有限公司), a company under significant influence of the spouse of Ms. Man, contributes 5% (six months ended 30 June 2022: 10%) of the Group's revenue on the segments of retail services, information technology services, property management services, property agency services, off-campus training services, catering services and others (the six months ended 30 June 2022: retail services, information technology services, property management services, property agency services and off-campus training services, catering services and others) for the six months ended 30 June 2023.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

6. Revenue

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers within the scope of HKFRS 15, analysed by types of goods or services:</i>		
Sales of goods	51,002	50,162
Engineering work income	6,045	16,212
Property management service income	29,430	30,153
Off-campus training service income	14,157	15,879
Property agency service income	2,840	19,869
Renovation work income	11	97
Resident support services income	5,773	5,239
Catering service income	32,965	26,742
Household cleaning income	3,400	3,960
Laundry service income	1,039	2,388
Concessionaire services income	7,493	8,501
Employment placement income	5,496	5,438
Engineering maintenance income	3,902	5,115
Telecommunication service income	1,164	1,453
Procurement service fee income	–	797
After-rental service income	89	107
Others	685	906
<i>Revenue from other sources</i>		
Sub-leasing income	7,608	7,407
	173,099	200,425



7. Other gains/(losses) and other income, net

	Note	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Interest income on cash and cash equivalents		4,531	1,867
Interest income on time deposits and wealth management products		1,054	1,213
Interest income on long term receivables		165	198
Gain on derecognition of right-of-use assets and investment properties upon entering into finance lease as lessor		2,189	480
Loss on disposal of property, plant and equipment		(183)	(6)
Gains on foreign exchanges		7,337	9,307
Fair value (loss)/gain on investment in unallocated silver bullion	14	1,424	3,017
Government grants (Note)		164	589
Compensation from tenants		306	11
Gain on early termination of leases		82	–
Others		80	551
		14,301	17,227

Note: Government grants represented the subsidies received from the local government support of the business operation. There was no unfulfilled condition in relation to the subsidies.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

8. Finance costs

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expenses on lease liabilities (Note 13(c))	1,246	1,305



9. Profit before income tax

Profit before income tax is arrived at after charging/(crediting):

	Notes	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Auditor's remuneration			
– Non-audit services (Note a)		636	430
Depreciation and amortisation on			
– property, plant and equipment	12	1,577	1,994
– investment properties	12	3,232	2,694
– intangible assets	12	188	204
– right-of-use assets	13	3,945	4,868
Employee benefits expenses (including directors' remunerations) (Note b)			
– Salaries, allowance and benefits in kind		28,446	30,881
– Retirement benefit scheme contributions (Note c)		5,290	4,848
Direct operating expenses arising from investment properties that generated rental income		838	903
Cost of raw materials in relation to catering services		17,446	13,611
Cost of raw materials and consumables		900	1,221
Cost of inventories recognised as expenses		38,632	36,624
Minimum lease payments under short-term operating lease	13(c)	371	1,270
(Reversal of)/provision for expected credit loss on trade and other receivables, net		(5,482)	1,904



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

9. Profit before income tax (continued)

Notes:

- (a) The non-audit services are related to the interim review of the Company's condensed consolidated financial statements for the six months ended 30 June 2023 (2022: for the six months ended 30 June 2022).
- (b) Total employee benefits expenses of approximately RMB19,891,000 (six months ended 30 June 2022: RMB19,503,000), RMB8,864,000 (six months ended 30 June 2022: RMB8,713,000) and RMB4,981,000 (six months ended 30 June 2022: RMB7,513,000) have been charged to cost of sales, selling and marketing expenses and administrative expenses, respectively for the six months ended 30 June 2023.
- (c) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated based on certain percentages of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2023

10. Income tax expense

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
– PRC Mainland corporate income tax	13,735	15,999
– PRC Mainland withholding income tax	680	1,800
Total current tax	14,415	17,799
Deferred tax:		
– PRC Mainland corporate income tax	157	1,150
– PRC Mainland withholding income tax	1,000	3,500
Total deferred tax	1,157	4,650
Income tax expense	15,572	22,449



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

10. Income tax expense (continued)

PRC Mainland Corporate Income Tax

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

The general corporate income tax rate applicable to the Group entities located in the PRC Mainland ("**PRC Mainland entities**") is 25% according to the Corporate Income Tax Law of the PRC Mainland effective on 1 January 2008. During the year ended 31 December 2017, a subsidiary of the Company obtained the Certificate of "High and New Technology Enterprise" (the "**Certificate**") with valid period from 2017 to 2019 which was extended to 2023 in December 2020. According to the Corporate Income Tax Law of the PRC Mainland, corporations which obtain the Certificate are entitled to enjoy a preferential corporate income rate of 15%.

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



10. Income tax expense (continued)

PRC Mainland Withholding Income Tax

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

During the six months ended 30 June 2023, a provision of deferred tax for the distribution of earnings of the certain profitable PRC Mainland subsidiaries to other overseas group entities has been made at withholding income tax rate of 5% (the six months ended 30 June 2022: 5%).

Hong Kong Profits Tax

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

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% (the six months ended 30 June 2022: 16.5%) of the estimated assessable profit for the period.

No provision for Hong Kong Profit Tax has been provided as the Group had no assessable profits for the six months ended 30 June 2023 and 30 June 2022.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

10. Income tax expense (continued)

Overseas Corporate Income Tax

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

11. Earnings per share

(a) Basic

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

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Profit attributable to the owners of the Company (RMB)	59,357,000	54,886,000
Weighted average number of ordinary shares in issue	1,015,750,000	1,015,750,000
Basic earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share)	0.058	0.054



11. Earnings per share (continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares arising from the employees' share options. For the employees' share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

11. Earnings per share (continued)

(b) Diluted (continued)

As stated in Note 23(c), the Employees' Share Option Scheme was adopted on 8 November 2016 and became effective on the same day, and had been all expired in May 2022. Diluted earnings per share for the six months ended 30 June 2023 was calculated as below:

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Profit attributable to the owners of the Company (RMB)	59,357,000	54,886,000
Weighted average number of ordinary shares in issue	1,015,750,000	1,015,750,000
Adjustment for:		
– Employees' share options	–	667,273
Weighted average number of ordinary shares for diluted earnings per share	1,015,750,000	1,016,417,273
Diluted earnings per share for profit attributable to the owners of the Company during the period (expressed in RMB per share)	0.058	0.054



12. Property, plant and equipment, investment properties and intangible assets

	Property, plant and equipment RMB'000	Investment properties RMB'000 (Note)	Intangible assets RMB'000
As at 1 January 2023			
Cost	35,200	29,777	3,313
Accumulated depreciation and amortisation	(25,573)	(10,175)	(2,051)
Net book amount (audited)	9,627	19,602	1,262
Six months ended 30 June 2023			
Opening net book amount	9,627	19,602	1,262
Additions	1,120	1,082	70
Disposal	(456)	-	-
Depreciation and amortisation charge (Note 9)	(1,577)	(3,232)	(188)
Exchange adjustment	-	41	-
Closing net book amount (unaudited)	8,714	17,493	1,144
As at 30 June 2023			
Cost	29,144	31,022	3,382
Accumulated depreciation and amortisation	(20,430)	(13,529)	(2,238)
Net book amount (unaudited)	8,714	17,493	1,144

Note: As at 30 June 2023 and 31 December 2022, the Group leases certain office premises under operating leases with certain related parties (Note 25(b)) and independent third parties. Certain of the Group's right-of-use assets which are used in the sub-leasing business, meet the definition of investment properties.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

13. Right-of-use asset and lease liabilities

(a) Right-of-use assets

	Premises RMB'000
As at 1 January 2023	
Cost	57,654
Accumulated depreciation	(18,582)
Net book amount (audited)	39,072
Six months ended 30 June 2023	
Opening net book amount	39,072
Addition	1,505
Transferred to investment properties (Note 12)	(1,082)
Derecognised due to entering into finance lease as lessor	(3,384)
Depreciation charge (Note 9)	(3,945)
Exchange adjustment	3
Closing net book amount (unaudited)	32,169
As at 30 June 2023	
Cost	54,265
Accumulated depreciation	(22,096)
Net book amount (unaudited)	32,169



13. Right-of-use asset and lease liabilities (continued)

(a) Right-of-use assets (continued)

	Premises RMB'000
As at 1 January 2022	
Cost	69,147
Accumulated depreciation	(13,811)
Net book amount (audited)	55,336
Six months ended 30 June 2022	
Opening net book amount	55,336
Addition	7,787
Transferred to investment properties (Note 12)	(14,786)
Derecognised due to entering into finance lease as lessor	(127)
Depreciation charge (Note 9)	(4,868)
Closing net book amount (unaudited)	43,342
As at 30 June 2022	
Cost	61,241
Accumulated depreciation	(17,899)
Net book amount (unaudited)	43,342



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

13. Right-of-use asset and lease liabilities (continued)

(b) Lease liabilities

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Analysed into:		
Current portion	13,274	15,208
Non-current portions	45,380	52,236
	58,654	67,444

(c) The amounts recognised in the profit or loss are as follows:

		Six months ended 30 June	
		2023	2022
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Interest expenses on lease liabilities	8	1,246	1,305
Depreciation charged on right-of-use assets	9	3,945	4,868
Expense relating to short-term lease	9	371	1,270

The total cash outflow for leases for the six months ended 30 June 2023 was approximately RMB9,030,000 (the six months ended 30 June 2022: RMB9,701,000).



13. Right-of-use asset and lease liabilities (continued)

- (d) The Group entered certain leases in respect of properties from related parties to the Group. The amount of lease payments by the Group under the leases are approximately RMB1,236,000 (31 December 2022: RMB1,151,000) per month with the lease terms ranging from 2 to 10 years (31 December 2022: 2 to 10 years).

As at 30 June 2023, included in the Group's current and non-current lease liabilities, approximately RMB9,896,000 and RMB35,435,000 (31 December 2022: RMB10,416,000 and RMB28,468,000) respectively were the amounts due to related parties. The short-term lease expenses, interest expenses on lease liabilities and payment of lease liabilities during the six months ended 30 June 2023 and 2022 are disclosed in Note 25(b).

- (e) The Group leases various properties which the lease agreements are typically made for fixed periods ranging from 1 to 16 years (31 December 2022: 1 to 16 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

14. Investment in unallocated silver bullion

During the year ended 31 December 2020, the Group invested in a total of 800,000 ounces of unallocated silver bullion through a licensed bank at a total consideration of approximately RMB102,489,000. Such investment is held for long-term capital appreciation, and the management of the Company has decided to use the fair value model, with the changes in fair value to be recognised in the profit or loss in the period of changes.

During the six months ended 30 June 2022, the Group disposed of 500,000 ounces, in aggregate, of unallocated silver bullion with gross proceeds (excluding transaction cost) of approximately RMB79,051,000, in aggregate. Upon completion of the disposal and as at 30 June 2022, the remaining unallocated silver bullion held by the Group was 300,000 ounces (31 December 2022: 300,000 ounces). For details, please refer to the Company's announcements dated 22 February 2022, 7 March 2022 and 9 March 2022 respectively.

During the six months ended 30 June 2023, the fair value loss in respect of the re-measurement at 30 June 2023 on unallocated silver bullion of approximately RMB1,424,000 (six months ended 30 June 2022: fair value gain of approximately RMB3,017,000) is recognised in other gains/(losses) and other income, net (Note 7).

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

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

15. Trade and other receivables

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables (Note (a)):		
– Related parties (Note 25(d))	19,633	34,437
– Third parties	30,675	31,551
Total trade receivables	50,308	65,988
Less: allowance for expected credit losses of trade receivables	(9,596)	(14,865)
	40,712	51,123
Other receivables:		
– Related parties (Note 25(d))	3,801	3,333
– Third parties (Note (b))	15,008	18,096
Total other receivables	18,809	21,429
Less: allowance for expected credit losses of other receivables	(300)	(513)
	18,509	20,916



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

15. Trade and other receivables (continued)

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Prepayments:		
– Third parties	1,021	5,034
Total trade and other receivables	60,242	77,073
Analysed into:		
Non-current	5,758	3,851
Current	54,484	73,222
	60,242	77,073



15. Trade and other receivables (continued)

Notes:

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

During the six months ended 30 June 2023, the credit period granted to trade customers of information technology services and renovation and fitting-out services varies from one month to one year (the six months ended 30 June 2022: one month to one year); the trading of retail services, catering services, off-campus training services, property agency services, employment placement services and laundry services are mainly carried out on a cash basis (the six months ended 30 June 2022: cash basis).

As at 30 June 2023 and 31 December 2022, the ageing analysis of the trade receivables, net of expected credit losses based on invoice date, were as follows:

	As at	
	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Less than 1 year	26,799	37,762
1 to 2 year(s)	10,095	12,916
Over 2 years	3,818	445
	40,712	51,123



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

15. Trade and other receivables (continued)

Notes: (continued)

- (b) Included in the other receivables balance are the finance lease receivables with aggregate carrying amount of approximately RMB8,574,000 (31 December 2022: RMB7,715,000). Certain leased properties under subleases were classified as finance leases as the terms of the sublease transfer substantially all the risks and rewards incidental to ownership of head lease to the lessee. Amounts due from lessees under finance leases are recognised as finance lease receivables which included in the non-current and current other receivables amounting to approximately RMB5,758,000 and RMB2,816,000 (31 December 2022: RMB3,851,000 and RMB3,864,000), respectively and have remaining lease terms ranging from 2 to 10 years (31 December 2022: 2 to 5 years) as at 30 June 2023.

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

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2023, a provision of approximately RMB9,896,000 (31 December 2022: RMB15,378,000) was made against the gross amounts of trade and other receivables.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2023

16. Inventories

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Merchandise goods	9,184	13,528
Raw materials and consumables	1,549	3,729
	10,733	17,257

17. Contract assets

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Amounts due from customers for contract works		
– Related parties (Note 25(d))	2,746	3,578
– Third parties	1,127	1,189
	3,873	4,767



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

18. Cash and bank balances

(a) Time deposits

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Maturity over 3 months, from the date of acquisition	130,000	55,000

As at 30 June 2023, the time deposits in banks carried interest at prevailing deposit rates which range from 2.00% to 3.10% (31 December 2022: 1.90% to 2.10%) per annum. The fair value of the Group's time deposits approximates their carrying amounts. All time deposits are denominated in RMB.

(b) Restricted cash

Restricted cash represents cash deposits in the banks as security for issuance of cash cards and carrying out training services according to the relevant regulations in the PRC Mainland.



18. Cash and bank balances (continued)

(c) Cash and cash equivalents

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash at banks and on hand	375,515	389,662
Short-term bank deposits	185,508	177,573
	561,023	567,235

As at 30 June 2023, there is no short-term bank deposit made for varying periods of not more than three months (31 December 2022: Nil).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

18. Cash and bank balances (continued) (c) Cash and cash equivalents (continued)

	As at	
	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Cash and cash equivalents denominated in:		
– RMB	449,576	457,637
– Hong Kong Dollar (“HK\$”)	111,435	109,587
– United States Dollar	12	11
	561,023	567,235

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies out of the PRC Mainland are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC Mainland government.



19. Trade and other payables

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade payables (Note):		
– Related parties (Note 25(d))	1,631	628
– Third parties	32,386	46,594
	34,017	47,222
Other payables:		
– Related parties (Note 25(d))	3,568	4,882
– Third parties	29,572	25,327
	33,140	30,209
Accrued payroll	7,683	7,856
Dividend payable (Note 24)	23,201	–
Other tax payables	219	1,270
	98,260	86,557



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

19. Trade and other payables (continued)

Note: As at 30 June 2023 and 31 December 2022, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date were as follows:

	As at	
	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Less than 1 year	26,341	37,796
1 to 2 year(s)	2,100	2,837
2 to 3 years	296	3,123
Over 3 years	5,280	3,466
	34,017	47,222



20. Contract liabilities

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Receipt in advance in off-campus training services	15,182	12,818
Receipt in advance in relation to construction contracts	4,018	2,618
Cash vouchers in relation to retail services	103	24
Receipt in advance in relation to property management services	1,414	2,433
Catering services	4,111	14,913
Others	238	96
	25,066	32,902
Contract liabilities		
– Related parties (Note 25(d))	3,200	1,572
– Third parties	21,866	31,330
	25,066	32,902



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

21. Deferred tax

The movement in deferred tax assets and liabilities during the period are as follows:

(a) Deferred tax assets

	Temporary difference relating to leases and rental expenses RMB'000
As at 1 January 2023 (Audited)	1,517
Credited to the profit or loss	125
Charged to the profit or loss	(53)
As at 30 June 2023 (Unaudited)	1,589
As at 1 January 2022 (Audited)	2,496
Credited to the profit or loss	202
Charged to the profit or loss	(1,469)
As at 30 June 2022 (Unaudited)	1,229



21. Deferred tax (continued)

(b) Deferred tax liabilities

	Finance lease receivables RMB'000	Withholding taxes RMB'000	Total RMB'000
As at 1 January 2023 (Audited)	1,262	7,300	8,562
Credited to the profit or loss	(325)	(600)	(925)
Charged to the profit or loss	554	1,600	2,154
As at 30 June 2023 (Unaudited)	1,491	8,300	9,791
As at 1 January 2022 (Audited)	1,197	2,150	3,347
Credited to the profit or loss	(224)	(1,800)	(2,024)
Charged to the profit or loss	107	5,300	5,407
As at 30 June 2022 (Unaudited)	1,080	5,650	6,730



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

21. Deferred tax (continued)

(b) Deferred tax liabilities (continued)

As at 30 June 2023, the Group has tax losses arising in Hong Kong of approximately RMB1,400,000 (31 December 2022: RMB863,000) that are available for offsetting against future taxable profits. Such unused tax losses are subjected to approval of the Hong Kong Inland Revenue Department. No deferred tax assets have been recognised due to unpredictability of further profit streams. Tax losses may be carried forward indefinitely.

As at 30 June 2023, the Group has not recognised the provision of PRC Mainland withholding income tax of approximately RMB9,160,000 (31 December 2022: RMB8,318,000) in relation to the undistributed profits of certain PRC Mainland group entities totalling approximately RMB183,192,000 (31 December 2022: RMB166,359,000) as the Group does not have a plan to distribute these profits out of the PRC Mainland in the foreseeable future.

22. Share capital and share premium

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

	Number of ordinary shares	Share capital		Share	Total
		Translated to		premium	
		HK\$	RMB'000	RMB'000	RMB'000
Authorised:					
At 31 December 2022 and 30 June 2023	10,000,000,000	100,000,000		87,440	
Issued and fully paid:					
As at 31 December 2022 and 30 June 2023	1,015,750,000	10,157,500	8,876	179,333	188,209



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2023

23. Other reserves

	Statutory reserve	Capital reserve	Share-based compensation reserve	Reserves for transactions with non- controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note (a))	(Note (b))	(Note (c))		
As at 1 January 2023 (audited) and 30 June 2023 (unaudited)	36,279	(121,099)	-	(14,331)	(99,151)
As at 1 January 2022 (audited)	35,691	(121,099)	456	(14,331)	(99,283)
Appropriation of statutory reserves	588	-	-	-	588
Employees' Share Option Scheme (Note (c))	-	-	(456)	-	(456)
As at 31 December 2022 (audited)	36,279	(121,099)	-	(14,331)	(99,151)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

23. Other reserves (continued)

(a) Statutory reserve

In accordance with relevant rules and regulations in the PRC Mainland, except for sino-foreign equity joint venture enterprises, all PRC Mainland companies are required to transfer 10% of their profit after income tax calculated under PRC Mainland accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

(b) Capital reserve

The amounts consisted of RMB111,305,000 which represented the difference between the carrying value of the listing business and the par value of shares issued by the Company to the then shareholders of the Group in exchange of the listing business during the reorganisation for the listing and the remaining balance of RMB9,794,000 represented paid-in capital of the acquired subsidiary in a business combination under common control in 2017.

(c) Share based compensation reserve

On 21 October 2016, the Company granted share options to certain directors, senior management and employees of the Group (the “**Recipients**”) under a share option scheme (the “**Employees’ Share Option Scheme**”), under which the option holders are entitled to acquire an aggregate of 21,175,000 shares of the Company at 10% discount to the offer price of HK\$0.46 per share upon the listing date on 8 November 2016 (“**Listing Date**”).

The employees’ share options shall be exercisable at any time during the period (i) commencing on the business day immediately after the expiry of the six-month period after the Listing Date and (ii) ending on the date falling in five years and six months of the Listing Date.



23. Other reserves (continued)

(c) Share based compensation reserve (continued)

During the six months ended 30 June 2023, no share option was exercised (the six months ended 30 June 2022: Nil), and there were no remaining share options (31 December 2022: Nil).

The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

24. Dividend

Pursuant to the approval at the annual general meeting of shareholders of the Company on 27 June 2023, a final dividend of HK2.50 cents per ordinary share for the year ended 31 December 2022 (31 December 2021: HK2.20 cents) was approved and to be distributed out of the Company's retained earnings. The final dividend amounting to approximately HK\$25,394,000 (equivalent to approximately to RMB23,201,000) (30 June 2022: HK\$22,347,000 (equivalent to approximately to RMB19,070,000)) based on the total number of issued shares of the Company of 1,015,750,000 ordinary shares as at 30 June 2023 (31 December 2022: 1,015,750,000 ordinary shares) was recognised as a liability in the condensed consolidated statement of financial position as at 30 June 2023 (Note 19).

No interim dividend for the six months ended 30 June 2023 (the six months ended 30 June 2022: Nil) has been proposed by the Board of the Company.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

25. Related party transactions

(a) Name and relationship with related parties:

Name	Relationship
Ms. Man Lai Hung	Ultimate shareholder of the Company
Mr. Pang Lun Kee	The spouse of Ms. Man
Maliton Services Limited	Company under control of the spouse of Ms. Man
Tango Trading Limited	Company under control of the spouse of Ms. Man
Clifford Estates (Panyu) Limited* 廣州市番禺祈福新邨房地產有限公司	Under significant influence of the spouse of Ms. Man
Guangzhou Clifford Wonderland Service Apartment Company Limited* 廣州市祈福繽紛世界國際公寓有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Property Limited* 廣州市祈福物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Crown Property Company Limited* 廣州市冠都物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Lakeside Property Company Limited* 廣州市倚湖物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Property Management Company Limited* 廣州市祈福地產經營管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Anhua Property Co., Ltd.* 廣州市安華物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Guangli Property Company Limited* 廣州市廣利物業有限公司	Under control of the spouse of Ms. Man



25. Related party transactions (continued)

(a) Name and relationship with related parties: (continued)

Name	Relationship
Guangzhou Huadu Xin Hua Clifford Property Development Company Limited* 廣州市花都新華祈福房地產有限公司	Under control of the spouse of Ms. Man
Guangdong Clifford Hospital Company Limited* 廣東祈福醫院有限公司	Under control of the spouse of Ms. Man
Guangzhou Panyu Clifford Estates Resort Club Company Limited* 廣州市番禺祈福新邨度假俱樂部有限公司	Under significant influence of the spouse of Ms. Man
Guangzhou Clifford Wonderland Commercial Property Management Company Limited* 廣州市祈福繽紛世界商業地產經營管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Panyu Clifford English Experimental School* 廣州市番禺區祈福英語實驗學校	Under significant influence of the spouse of Ms. Man
Guangzhou Huadu Clifford Property Development Company Limited* 廣州市花都祈福房地產有限公司	Under control of the spouse of Ms. Man
Guangzhou Qifu Medical Company Limited* 廣州市祈福醫藥有限公司	Under control of the spouse of Ms. Man
Guangzhou Panyu CZ Clifford Lakeside Kindergarten* 廣州市番禺區鍾村街祈福倚湖灣幼兒園	Under control of Ms. Man
Guangzhou Clifford Property Management Limited* 廣州祈福物業管理有限公司	Under control of the spouse of Ms. Man



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

25. Related party transactions (continued)

(a) Name and relationship with related parties: (continued)

Name	Relationship
Guangzhou Clifford Postnatal Care Company Limited* 廣州市祈福母嬰護理服務有限公司	Under control of the spouse of Ms. Man
Guangzhou Panyu Clifford English Experimental Primary School* 廣州市番禺區祈福英語實驗小學	Under significant influence of the spouse of Ms. Man
Guangzhou Clifford Medical Equipment Limited* 廣州市祈福醫療器械有限公司	Under control of the spouse of Ms. Man
Clifford Aged Home Company Limited* 廣州市祈福護老公寓有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Estates School* 廣州市番禺區祈福新邨學校	Under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford English Experimental Kindergarten* 廣州市番禺區祈福英語實驗幼兒園	Under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford Elite Kindergarten* 廣州市番禺區祈福精英幼兒園	Under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford Estates Kindergarten* 廣州市番禺區祈福新邨幼兒園	Under control of the spouse of Ms. Man
Guangzhou Clifford Business Centre Management Company Limited* 廣州市祈福商務中心經營管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Qifu Dental Clinic Co., Ltd.* 廣州市祈福口腔門診部有限公司	Under control of the spouse of Ms. Man



25. Related party transactions (continued)

(a) Name and relationship with related parties: (continued)

Name	Relationship
Guangzhou Fuchang Termite Control Co., Ltd.* 廣州市福昌白蟻防治有限公司	Under control of the spouse of Ms. Man
Guangzhou Qinle Property Management Co., Ltd.* 廣州市勤樂物業管理有限公司	Under control of relatives of senior executive
Guangzhou Hongyun Hospital Logistics Service Management Co., Ltd.* 廣州市鴻運醫院後勤服務管理有限公司	Under control of senior executive
Guangzhou 10000s Information & Technology Co., Ltd.* 廣州市壹萬響信息科技有限公司	Under control of senior executive
Guangzhou Guanhan Properties Company Limited* 廣州市冠環物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Mountain Lake Hotel Limited* 廣州市花都祈福山中湖酒店有限公司	Under control of the spouse of Ms. Man
Guangzhou Panyu Clifford Property Company Limited* 廣州市番禺祈福房產有限公司	Under control of the spouse of Ms. Man
Guangdong Qifu Group Co., Ltd.* 廣東祈福集團有限公司	Under control of the spouse of Ms. Man
Guangzhou Fortune Software Limited* 廣州市科進計算機技術有限公司	Under control of the spouse of Ms. Man



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

25. Related party transactions (continued)

(a) Name and relationship with related parties: (continued)

Name	Relationship
Guangzhou Qifu Health Consulting Co., Ltd.* 廣州市祈福健康諮詢有限公司	Under control of the spouse of Ms. Man
Guangzhou Qifu Biotechnology Co., Ltd.* 廣州市祈福生物科技有限公司	Under control of the spouse of Ms. Man
Guangzhou Qifu Pharmaceutical Co., Ltd.* 廣州市祈福藥業有限公司	Under control of Ms. Man
Guangzhou Qifuxin Pharmacy Company Limited* 廣州市祈福新大藥房有限公司	Under control of Ms. Man
Guangzhou Qifu Enterprise Management Co., Ltd.* 廣州市祈福企業管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Qifu Medical Management Co., Ltd.* 廣州市祈福醫療管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Qifu Business Hotel Management Co., Ltd.* 廣州市祈福商務酒店管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Qile Real Estate Co., Ltd.* 廣州市祈樂置業有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland World Property Co., Ltd.* 廣州市祈福繽紛世界物業有限公司	Under control of the spouse of Ms. Man
Lushan Dingye Development Co., Ltd.* 廬山鼎業發展有限公司	Under control of the spouse of Ms. Man



25. Related party transactions (continued)

(a) Name and relationship with related parties: (continued)

Name	Relationship
Zhaoqing Clifford Coast Property Development Company Limited* 肇慶祈福海岸房地產有限公司	Under control of the spouse of Ms. Man
Guangzhou Lingye Business Development Co., Ltd.* 廣州市領業商務發展有限公司	Under control of the spouse of Ms. Man
Guangzhou Zhan Sheng Commercial Property Management Company Limited* 廣州市展盛商業地產經營管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland Company Limited* 廣州市祈福繽紛樂園有限公司	Under control of the spouse of Ms. Man
Guangzhou Xianneng Trading Co., Ltd.* 廣州市顯能貿易有限公司	Under control of senior executive
Guangzhou Huadu Xin Hua Clifford Property Development Company Limited* 廣州市花都新華祈福房地產有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland Commercial Property Management Company Limited* 廣州市祈福繽紛世界商業地產經營管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Clifford Business Centre Management Company Limited* 廣州市祈福商務中心經營管理有限公司	Under control of the spouse of Ms. Man
Foshan Nanhai Clifford Property Development Company Limited* 佛山市南海祈福房地產有限公司	Under control of the spouse of Ms. Man



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

25. Related party transactions (continued)

(a) Name and relationship with related parties: (continued)

Name	Relationship
Guangdong Clifford Hospital Company Limited* 廣東祈福醫院有限公司	Under control of Ms. Man
Guangzhou Huadu Clifford Mountain Lake Hotel Limited* 廣州市花都祈福山中湖酒店有限公司	Under control of the spouse of Ms. Man
Guangzhou Crown Property Company Limited* 廣州市冠都物業有限公司	Under control of the spouse of Ms. Man
Guangzhou Zhan Sheng Commercial Property Management Company Limited* 廣州市展盛商業地產經營管理有限公司	Under control of the spouse of Ms. Man
Guangzhou Panyu District Zhongcun Qinnuo Office Service Department* 廣州市番禺區鍾村勤諾辦公服務部	Under control of senior executive
Foshan Nanhai District Danzao Prayer Experimental Kindergarten* 佛山市南海區丹灶祈福實驗幼兒園	Under control of the spouse of Ms. Man
Lushan Zilu Hotel Co., Ltd.* 盧山市紫盧酒店有限公司	Under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Estates Property Development Company Limited* 廣州市花都祈福花園房產有限公司	Under control of the spouse of Ms. Man

- * The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.



25. Related party transactions (continued)

(b) The following transactions were carried out with related parties:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of goods to:		
Companies under control of Ms. Man	–	2
Companies under control of the spouse of Ms. Man	15	131
Companies under significant influence of the spouse of Ms. Man	1	104
A company under joint control of the spouse of Ms. Man and independent third parties		
Companies under control of senior executive	439	11
	455	248
Provision of services to:		
Companies under control of Ms. Man	51	37
Companies under control of the spouse of Ms. Man	9,240	19,510
Companies under significant influence of the spouse of Ms. Man	10,382	20,419
A company under joint control of the spouse of Ms. Man and independent third parties	–	4
Companies under control of relatives of senior executive	1,638	–
Companies under control of senior executive	1,077	–
	22,388	39,970



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

25. Related party transactions (continued)

(b) The following transactions were carried out with related parties: (continued)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term lease expenses and management fee:		
Companies under control of the spouse of Ms. Man	481	325
Companies under significant influence of the spouse of Ms. Man	8	495
Companies under control of relatives of senior executive	60	–
	549	820
Interest expenses for lease liabilities:		
Companies under control of Ms. Man	9	–
Companies under control of the spouse of Ms. Man	436	345
Companies under significant influence of the spouse of Ms. Man	281	292
Companies under control of relatives of senior executive	254	–
	980	637
Payment of lease liabilities:		
Companies under control of Ms. Man	29	–
Companies under control of the spouse of Ms. Man	3,628	2,493
Companies under significant influence of the spouse of Ms. Man	1,801	3,006
Companies under control of relatives of senior executive	198	–
	5,656	5,499



25. Related party transactions (continued)

(c) Key management compensation

Compensation for key management other than those for directors of the Company is set out below:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	1,888	2,029
Post-employment benefits	165	118
Salaries and other employee benefits	2,053	2,147

(d) Balances with related parties

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Receivables from related parties		
Trade receivables (Note 15) (Note (i))		
Companies under control of Ms. Man	17	685
Companies under control of the spouse of Ms. Man	3,830	2,949
Companies under significant influence of the spouse of Ms. Man	15,122	30,803
Companies under control of senior executive	492	-
Companies under control of relatives of senior executive	172	-
	19,633	34,437



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

25. Related party transactions (continued)
(d) Balances with related parties (continued)

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Other receivables (Note 15) (Note (ii))		
Companies under control of Ms. Man	-	25
Companies under control of the spouse of Ms. Man	1,509	1,267
Companies under significant influence of the spouse of Ms. Man	2,106	2,041
Companies under control of relatives of senior executive	186	-
	3,801	3,333
Contract assets (Note 17)		
Companies under control of Ms. Man	2	168
Companies under control of the spouse of Ms. Man	630	539
Companies under significant influence of the spouse of Ms. Man	2,114	2,871
Companies under control of senior executive	-	-
	2,746	3,578
Total receivables from related parties	26,180	41,348



25. Related party transactions (continued)

(d) Balances with related parties (continued)

	As at	
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Payables to related parties		
Trade payables (Note 19) (Note (i))		
Companies under control of		
Ms. Man	–	230
Companies under control of the		
spouse of Ms. Man	274	40
Companies under significant		
influence of the spouse of		
Ms. Man	234	358
Companies under control of senior		
executive	1,123	–
	1,631	628
Other payables (Note 19) (Note (ii))		
Companies under control of		
Ms. Man	–	10
Companies under control of the		
spouse of Ms. Man	3,565	3,658
Companies under significant		
influence of the spouse of		
Ms. Man	3	1,214
	3,568	4,882



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

25. Related party transactions (continued) (d) Balances with related parties (continued)

	As at	
	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Contract liabilities (Note 20)		
Companies under control of Ms. Man	–	200
Companies under control of the spouse of Ms. Man	65	106
Companies under significant influence of the spouse of Ms. Man	3,135	1,266
	3,200	1,572
Total payables to related parties	8,399	7,082

- (i) Trade receivables and payables with related parties are unsecured and interest-free. These balances are with credit period varying from one to three months (31 December 2022: one to three months).
- (ii) Other receivables and payables with related parties are unsecured and interest-free. Except for the balances paid as rental deposits, which are repayable upon maturity of rental period according to the respective contracts, the remaining balances are repayable on demand.