

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **New Hope Service Holdings Limited**

### **新希望服務控股有限公司**

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

**(Stock Code: 3658)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

### **ANNUAL RESULTS HIGHLIGHTS**

For the year ended 31 December 2023, the results of the Group were as follows:

1. The revenue of the Group amounted to RMB1,260.7 million, representing an increase of 10.7% as compared to that of RMB1,138.9 million for the corresponding period of 2022.
2. The revenue of the Group by business segments was as follows:
  - 1) The revenue from property management services amounted to RMB647.0 million, accounting for 51.3% of the total revenue, representing an increase of 32.5% as compared to that of RMB488.3 million for the corresponding period of 2022;
  - 2) The revenue from lifestyle services amounted to RMB290.6 million, accounting for 23.1% of the total revenue, representing a decrease of 4.2% as compared to that of RMB303.3 million for the corresponding period of 2022;
  - 3) The revenue from commercial operational services amounted to RMB153.6 million, accounting for 12.2% of the total revenue, representing an increase of 30.1% as compared to that of RMB118.1 million for the corresponding period of 2022;
  - 4) The revenue from value-added services to non-property owners amounted to RMB169.5 million, accounting for 13.4% of the total revenue, representing a decrease of 26.1% as compared to that of RMB229.3 million for the corresponding period of 2022;
3. The gross profit was RMB440.2 million, representing an increase of 2.1% as compared to that of RMB431.1 million for the corresponding period of 2022.

4. The profit attributable to the equity shareholders of the Company for the Reporting Period was RMB215.0 million, representing an increase of 5.9% as compared to that of RMB203.0 million for the corresponding period of 2022.
5. The net cash flow generated from the operating activities of the Group was approximately RMB334.8 million for the year ended 31 December 2023 as compared to that of approximately RMB178.8 million for the corresponding period of 2022.
6. Basic earnings per Share increased by 6% to RMB0.264, and the basic earnings per Share for the same period of 2022 was RMB0.249.
7. For the year ended 31 December 2023, the Group had 253 contracted projects with contracted GFA of 38.2 million sq.m., representing an increase of approximately 5.6% as compared to the corresponding period of 2022. The Group had 230 projects under management with the GFA under management of approximately 32.3 million sq.m., representing an increase of approximately 11.9% as compared to the corresponding period of 2022.
8. The Board recommended to declare a final dividend of RMB0.091 per Share for the year ended 31 December 2023 (for the year ended 31 December 2022: RMB0.12 per Share).

The board (the “**Board**”) of directors (the “**Directors**”) of New Hope Service Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, “**we**”, “**our**”, “**New Hope Service**” or the “**Group**”) for the year ended 31 December 2023 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2022, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

for the year ended 31 December 2023

(Expressed in Renminbi (“RMB”))

	<i>Note</i>	<b>2023</b> <b>RMB’000</b>	2022 <i>RMB’000</i>
<b>Revenue</b>	<i>3</i>	<b>1,260,723</b>	1,138,889
Cost of sales		<u>(820,509)</u>	<u>(707,755)</u>
<b>Gross profit</b>		<b>440,214</b>	431,134
Other net income/(expenses)	<i>4</i>	<b>3,577</b>	(7,148)
Selling expenses		<b>(1,263)</b>	(3,571)
Administrative expenses		<b>(168,472)</b>	(158,442)
Expected credit loss on financial assets		<u>(6,009)</u>	<u>(15,071)</u>
<b>Profit from operations</b>		<u><b>268,047</b></u>	<u>246,902</u>
Finance expenses		<b>(5,259)</b>	(4,941)
Finance income		<u><b>20,929</b></u>	<u>24,446</u>
Finance income, net	<i>5(a)</i>	<u><b>15,670</b></u>	<u>19,505</u>
Share of profits less losses of associates		<u><b>217</b></u>	<u>13</u>
<b>Profit before taxation</b>		<b>283,934</b>	266,420
Income tax	<i>6(a)</i>	<u>(43,300)</u>	<u>(44,141)</u>
<b>Profit and total comprehensive income for the year</b>		<u><b>240,634</b></u>	<u>222,279</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>214,967</b>	203,033
Non-controlling interests		<u><b>25,667</b></u>	<u>19,246</u>
<b>Profit and total comprehensive income for the year</b>		<u><b>240,634</b></u>	<u>222,279</u>
<b>Earnings per share</b>			
Basic and diluted ( <i>RMB</i> )	<i>7</i>	<u><b>0.264</b></u>	<u>0.249</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in RMB)

	31 December 2023	31 December 2022
	<i>Note</i>	
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current assets</b>		
Investment properties	97,129	104,609
Goodwill	133,415	133,415
Property and equipment	15,140	13,962
Intangible assets	137,818	115,330
Interests in associates	4,545	2,148
Investments in equity securities	10,030	30
Deferred tax assets	11,406	6,742
	<u>409,483</u>	<u>376,236</u>
<b>Current assets</b>		
Inventories	366	363
Prepayments, deposits and other receivables	87,992	78,827
Trade receivables	8 317,595	324,759
Cash and cash equivalents	1,145,270	1,039,740
	<u>1,551,223</u>	<u>1,443,689</u>
<b>Current liabilities</b>		
Trade payables	9 194,676	161,864
Other payables and accruals	233,617	223,675
Contract liabilities	194,455	158,298
Amount due to related companies	4,135	4,135
Current taxation	6,126	16,124
Lease liabilities	11,956	4,903
	<u>644,965</u>	<u>568,999</u>
<b>Net current assets</b>	<u>906,258</u>	<u>874,690</u>
<b>Total assets less current liabilities</b>	<u>1,315,741</u>	<u>1,250,926</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)*  
*(Expressed in RMB)*

	31 December 2023	31 December 2022
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	45,342	60,807
Deferred tax liabilities	13,703	16,286
	<u>59,045</u>	<u>77,093</u>
<b>NET ASSETS</b>	<u><b>1,256,696</b></u>	<u><b>1,173,833</b></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	6,741	6,741
Reserves	1,153,928	1,091,406
<b>Total equity attributable to equity shareholders of the Company</b>	<b>1,160,669</b>	1,098,147
<b>Non-controlling interests</b>	<u><b>96,027</b></u>	<u>75,686</u>
<b>TOTAL EQUITY</b>	<u><b>1,256,696</b></u>	<u><b>1,173,833</b></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*(Expressed in RMB unless otherwise indicated)*

### 1 CORPORATION INFORMATION

The Company was incorporated in the Cayman Islands on 5 November 2020 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Group are principally engaged in property management services, lifestyle services, commercial operational services and value-added services to non-property owners in the People's Republic of China (the "PRC").

The immediate parent of the Group is Golden Rose Developments Limited, a company incorporated under the laws of British Virgin Islands ("BVI"). The ultimate controlling parties of the Group are Mr. Liu Yonghao and Ms. Liu Chang (collectively the "Ultimate Owners").

### 2 MATERIAL ACCOUNTING POLICIES

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The IASB has issued certain amendments to IFRSs Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

#### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Investment property, including interests in leasehold buildings held as investment property where the Group is the registered owner of the property interest
- Investment in equity securities

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(c) Changes in accounting policies**

The Group has applied the following new and amended IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 1, *Presentation of financial statements* and IFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: 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.

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

### 3 REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are property management services, lifestyle services, commercial operational services and value-added services to non-property owners.

##### (i) Disaggregation of revenue

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
— Over time	<b>1,027,478</b>	892,197
— A point in time	<b>216,997</b>	225,345
Revenue from other sources		
— Rental income from investment properties	<b>16,248</b>	21,347
<b>Total</b>	<b><u>1,260,723</u></b>	<b><u>1,138,889</u></b>

##### (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

For property management services, commercial operational service and value-added services to non-property owners, the Group recognises revenue when the services are provided on a monthly basis and recognises to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group has elected the practical expedient for not to disclose the remaining performance obligations for this type of contracts.

For lifestyle services, there is no significant unsatisfied performance obligation at the end of respective reporting periods.



**(b) Segment reporting**

The Group manages its businesses by divisions, which are organised by a mixture of business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment. The accounting policies applied in determining segment revenue and segment results of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of central administrative costs. The chief operating decision maker ("CODM") considers the Group has four operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

The Group's operating and reportable segments are as follows:

- Property management services: this segment provides property management services to residential properties, commercial properties and other types of non-residential properties.
- Lifestyle services: this segment provides community operation services and community asset management services and online and offline retail services and catering services and marketing consultancy services and community space operational services.
- Commercial operational services: this segment provides market research and positioning and tenant sourcing services and commercial operation services and commercial properties leasing.
- Value-added services to non-property owners: this segment provides value-added services to non-property owners, including preliminary planning, design consultancy and pre-delivery services and sales office management.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Central administrative expenses or assistance provided by one segment to the other, including sharing of assets and technical know-how, is not measure in respective operating segment.

The measure used for reporting segment profit is gross profit.

No analysis of segment assets and segment liabilities is presented as these information are not regularly provided to the CODM for review.

The following is an analysis of the Group's revenue and results by operating and reportable segment:

	<b>Property management services <i>RMB'000</i></b>	<b>Lifestyle services <i>RMB'000</i></b>	<b>Commercial operational services <i>RMB'000</i></b>	<b>Value-added services to non-property owners <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
<b>Year ended 31 December 2023</b>					
Segment revenue	<u>647,030</u>	<u>290,567</u>	<u>153,637</u>	<u>169,489</u>	<u>1,260,723</u>
Segment gross profits	<u>174,990</u>	<u>111,837</u>	<u>92,445</u>	<u>60,942</u>	440,214
Unallocated corporate expenses					<u>(156,280)</u>
Profit before taxation					<u><u>283,934</u></u>
	<b>Property management services <i>RMB'000</i></b>	<b>Lifestyle services <i>RMB'000</i></b>	<b>Commercial operational services <i>RMB'000</i></b>	<b>Value-added services to non-property owners <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
<b>Year ended 31 December 2022</b>					
Segment revenue	<u>488,277</u>	<u>303,284</u>	<u>118,058</u>	<u>229,270</u>	<u>1,138,889</u>
Segment gross profits	<u>142,390</u>	<u>116,319</u>	<u>74,879</u>	<u>97,546</u>	431,134
Unallocated corporate expenses					<u>(164,714)</u>
Profit before taxation					<u><u>266,420</u></u>

#### 4 OTHER NET INCOME/(EXPENSES)

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Government grants ( <i>Note</i> )	13,770	2,260
Valuation losses on investment properties	(17,231)	(17,659)
Net losses on disposal of property, plant and equipment	(25)	(227)
Others	7,063	8,478
	<u>3,577</u>	<u>(7,148)</u>

*Note:* The government grants represent subsidies from various PRC authorities. There are no unfulfilled conditions or future obligations attached to these subsidies.

#### 5 PROFIT BEFORE TAXATION

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

##### (a) Finance income, net

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest income	(20,929)	(24,446)
Interest on lease liabilities	3,353	3,352
Net foreign exchange loss	1,506	538
Others	400	1,051
	<u>(15,670)</u>	<u>(19,505)</u>

##### (b) Staff costs

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Salaries, wages and other benefits	348,217	388,820
Contributions to defined contribution retirement plan	23,716	22,798
	<u>371,933</u>	<u>411,618</u>

(c) Other items

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Amortisation of intangible assets	14,917	8,862
Depreciation charge		
— Owned property, plant and equipment	6,820	7,652
— Right-of-use assets	1,429	3,291
Expected credit loss on financial assets		
— Trade receivables ( <i>Note 8</i> )	5,334	13,760
— Prepayments, deposits and other receivables	675	1,941
Net foreign exchange loss	1,506	538
Auditor's remuneration-audit and review services	2,550	2,950
Auditor's remuneration-other services	140	287
Rentals income from investment properties less direct outgoings of RMB6,940,000 (2022: RMB6,710,000)	9,308	14,637
Expenses relating to short-term leases	2,602	2,788
	<u>          </u>	<u>          </u>

**6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Current tax — PRC Corporate Income Tax</b>		
Provision for the year	50,547	49,573
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>(7,247)</u>	<u>(5,432)</u>
	<u>43,300</u>	<u>44,141</u>

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit before taxation	<u>283,934</u>	<u>266,420</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned ( <i>Note (i)</i> )	70,983	66,605
Effect of PRC preferential tax ( <i>Notes (ii) and (iii)</i> )	(31,004)	(23,593)
Effect of non-deductible expenses	354	595
Effect of utilisation of tax losses previously not recognised	—	(581)
Effect of unrecognised tax losses	2,112	448
Others	<u>855</u>	<u>667</u>
Actual tax expense	<u>43,300</u>	<u>44,141</u>

*Notes:*

- (i) Pursuant to the tax rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax in 2023 (2022: nil).

The provision for PRC current income tax is based on a statutory rate of 25% of the assessable profit as determined in accordance with the relevant income tax rules and regulations of the PRC.

- (ii) Pursuant to Caishui [2011] No. 58 Notice on Issues Concerning Relevant Tax Policies to In-depth Implementation of the Western Development Strategy (關於深入實施西部大開發戰略有關稅收政策問題的通知) and Announcement [2012] No. 12 Public Announcement on Corporate Income Tax Issues Relating to In-depth Implementation of the Western Development Strategy (關於深入實施西部大開發戰略有關企業所得稅問題的公告) and Caishui [2020] No. 23 Announcement on Continuation of Corporate Income Tax Policies for the Western Development Strategy (關於延續西部大開發企業所得稅政策的公告), certain subsidiaries of the Group, being enterprises engaged in state encouraged industries established in the specified western regions, are taxed at a preferential income tax rate of 15% till 31 December 2030.
- (iii) Certain subsidiaries have been approved as Small Low-profit Enterprises (“SLE”). The entitled subsidiaries are subject to a preferential income tax rate of 5% in certain years.

## 7 EARNINGS PER SHARE

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Profits</b>		
Profit attributable to equity shareholders of the Company	<u>214,967</u>	<u>203,033</u>

	2023 <i>'000</i>	2022 <i>'000</i>
--	---------------------	---------------------

### Number of shares

Weighted average number of ordinary shares	<u>814,126</u>	<u>814,126</u>
--	----------------	----------------

Diluted earnings per share were the same as the basic earnings per share as the Group had no dilutive potential shares in 2023 (2022: nil).

## 8 TRADE RECEIVABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables from related companies	119,953	106,678
Trade receivables from external customers	221,355	236,460
Less: Allowance for trade receivables	<u>(23,713)</u>	<u>(18,379)</u>
	<u>317,595</u>	<u>324,759</u>

### (a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables based on the date of revenue recognition and net of allowance for impairment of trade receivables is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	292,687	303,785
1 to 2 years	22,888	19,087
2 to 3 years	1,978	1,832
3 to 4 years	<u>42</u>	<u>55</u>
	<u>317,595</u>	<u>324,759</u>

Trade receivables are due when the receivables are recognised.

**(b) Impairment of trade receivables**

The movements in the loss allowance in respect of trade receivables during the year are as follows:

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
At 1 January	<b>18,379</b>	4,619
Expected credit loss recognised	<b>5,334</b>	13,760
	<hr/>	<hr/>
At 31 December	<b>23,713</b>	18,379
	<hr/> <hr/>	<hr/> <hr/>

**9 TRADE PAYABLES**

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

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Amounts due to the companies controlled by the Ultimate Owners	<b>3,551</b>	5,425
Amounts due to third parties	<b>191,125</b>	156,439
	<hr/>	<hr/>
	<b>194,676</b>	161,864
	<hr/> <hr/>	<hr/> <hr/>

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	<b>181,311</b>	137,450
1 to 2 years	<b>3,344</b>	22,532
2 to 3 years	<b>9,860</b>	1,466
Over 3 years	<b>161</b>	416
	<hr/>	<hr/>
	<b>194,676</b>	161,864
	<hr/> <hr/>	<hr/> <hr/>

All the trade payables (including amounts due to the companies controlled by the Ultimate Owners) are expected to be settled on demand.

## 10 CAPITAL, RESERVES AND DIVIDENDS

### (a) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the year:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interim dividend declared and paid of HKD0.073 (equivalent to RMB0.067) per share (2022: nil)	54,750	—
Final dividend proposed after the end of the reporting period of RMB0.091 (2022: RMB0.12) per ordinary share	<u>74,230</u>	<u>97,695</u>
	<u><b>128,980</b></u>	<u><b>97,695</b></u>

The final dividend proposed for shareholders' approval after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of RMB0.120 per share (2022: RMB0.071 per share)	<u>97,695</u>	<u>58,058</u>

### (b) Share capital

#### *Authorised share capital*

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 November 2020.

	<i>No. of shares</i>	<i>RMB</i>
Ordinary shares, issued and fully paid at 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	<u><b>814,126,000</b></u>	<u><b>6,740,976</b></u>



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Overview

New Hope Property Service Group Co., Ltd.\* (新希望物業服務集團有限公司), the principal subsidiary of the Company, is a local Sichuan integrated property management enterprise engaging in the provision of lifestyle service solutions with a leading position in the Western China region and strategic cultivation in Chengdu. Backed by New Hope Group Co., Ltd.\* (新希望集團有限公司) and its subsidiaries (the “**New Hope Group**”), a member of Fortune Global 500, the Group placed emphasis on adhering to “asset value appreciation and maintenance” and “care-free and wonderful life”, and provided building block services such as property management services, lifestyle services and commercial operational services for middle-to-high-end residences, corporate headquarters, medical institutions, commercial office buildings, government public facilities, financial institutions and various types of properties.

As a company that values sustainable development, New Hope Service further improved its service quality by leveraging continuously refined service system, and managed sustainable, steady and sound development amid the increasingly competitive property management industry with an ever-improving customer reputation. The Group has been rated as one of the “TOP 100 Property Management Companies in China (中國物業服務百強企業)” by China Index Academy (“CIA”) for four consecutive years, with the ranking of the Company rising up to the 25th (30th in 2022) in terms of comprehensive corporate strength, and the 6th (10th in 2022) in terms of the market influence in Western China. Meanwhile, by virtue of the brand influence of “New Hope” and the definite strategic cultivation of the Group in Chengdu, we won the honors including “Top 1 Chengdu Enterprise with Excellent Service Capacity in China Property Service Industry in 2023 (2023年中國物業服務成都市服務力優質企業TOP1)” and “Top 5 of the Top 50 Chengdu Property Services Enterprises in terms of Comprehensive Strength in 2023 (2023成都市物業服務企業綜合實力 50 強TOP5)”.

2023 was a critical year for the capital market to comprehensively deepen the reform and opening up initiative, and a year witnessing the in-depth adjustments in the property service sector, with returning to the cash flow model, focusing on the essence of service, and achieving quality growth becoming a consensus among industry players. New Hope Service resolutely chose to focus on high-tier cities and penetrate into core cities, providing customers with comprehensive solutions covering property services, catering services, conference services, procurement services and asset management, while continuing to focus on advantageous areas, highlight service quality, and take various measures and solid efforts to achieve high-quality growth in core performance indicators. During the Reporting Period, the Group recorded revenue of approximately RMB1,260.7 million, representing an increase of 10.7% as compared to the same period last year. It achieved a net profit attributable to the equity shareholders of the Company of RMB215.0 million, representing an increase of 5.9% as compared to the same period last year. The Group continued to optimize its operational management, further reducing the management fee rate by 0.5 percentage points to 13.4% during the Reporting Period. The Company recorded a net profit margin attributable to the equity shareholders of 17.1% during the period.

As a property management enterprise rooted in Chengdu and with solid presence in the Southwestern and Eastern China regions, New Hope Service continued to follow the strategic goal of deep regional penetration. As at 31 December 2023, the Group had projects in 33 cities in 14 provinces, autonomous regions and municipalities across China, with the gross floor area (“GFA”) under management of 32,258,000 square meters (“sq. m.”), representing an increase of 11.9% as compared to the same period last year, and the contracted area of 38,172,000 sq.m., representing an increase of 5.6% as compared to the same period last year. Among them, the GFA under management by the Group in the Southwestern China region was 16,918,000 sq.m. (representing an increase of 6.1% as compared to that for last year), accounting for 52.4% of the total GFA under management, while the GFA under management in the Eastern China region was 10,628,000 sq.m. (representing an increase of 15.4% as compared to that for last year), accounting for 32.9% of the total GFA under management. As the national central city in the Western China region, Chengdu presents vast market space conducive to the performance growth of the Group. Of the GFA under management, there was 10,642,000 sq.m. in Chengdu, accounting for 33% of the total GFA under management. Meanwhile, the Group continued to strengthen its market-oriented expansion capabilities, with the GFA under management from the independent third parties accounting for 44.7% on average in the top three regions in terms of the GFA under management. During the Reporting Period, the contracted GFA under management by independent third-party developers accounted for approximately 40% of the total GFA, representing an increase of 6.2% as compared to the same period last year. Based on the strategy of deepening regional development and sticking to maintain the quality of middle-to-high-end projects, the Group recorded the average management fee per sq.m. of RMB2.95 during the Reporting Period.

Currently, China has entered a critical period of time for urban renewal, with urban renewal work such as the renovation of old communities and the transformation and upgrading of stock industrial land promoting the continuous optimization of the functions and layout of urban space. Meanwhile, small-scale commercial properties have become a hot spot again, and various existing commercial properties are undergoing renovation everywhere, presenting new opportunities for commercial operation. In order to meet the needs of business development, the Group established a commercial operation company with its organization developed around “financing, investment, management and exit”. During the Reporting Period, the Group deployed commercial operational projects in cities such as Chengdu and Kunming, covering consumption scenarios such as professional markets, commercial streets, industrial parks and office buildings, and with service offering mainly including market research and positioning and tenant recruitment services, commercial operational services and commercial property leasing. The GFA from operating commercial projects under management by the Group was approximately 539,000 sq.m., with an average occupancy rate of 87.8%, a gross profit margin of 60.2%, and 1,270 merchants under management. Through the “property + commerce” model, the Group took advantage of its operational service capabilities to promote asset appreciation and preservation. On the one hand, it improved the transaction value of assets by virtue of asset rental and sales capabilities, thereby promoting the premium of approximately 27% for pre-owned properties, and achieving a customer satisfaction rate of 100%. On the other hand, through property services and the improvement of property and landscape quality, it contributed to the value preservation and even the appreciation of the assets. Besides, the lifestyle service business can not only provide property owners with greater convenience, but also create single-project income and profit for the Group.

### **Business Model of the Group**

During the Reporting Period, the Group generated revenue primarily from four business segments: (i) property management services; (ii) lifestyle services; (iii) commercial operational services; and (iv) value-added services to non-property owners.

## Property Management Services

The property management services is the basic and core business of the Group. Focusing on the corporate vision of “Happiness, make it everyday”, the Group adhered to the strategy of deep regional development by focusing on the Southwestern China region, rooting in Chengdu, penetrating into Kunming and consolidating the presence in Wenzhou. The table below sets forth a breakdown of the growth in total GFA under management and total contracted GFA of the Group:

	<b>As at 31 December 2023</b>	As at 31 December 2022	<b>Growth rate</b>
Number of properties under management	<b>230</b>	191	20.4%
Number of properties the Group was contracted to manage	<b>253</b>	235	7.7%
GFA under management ( <i>0'000 sq.m.</i> )	<b>3,225.8</b>	2,882.6	11.9%
Contracted GFA ( <i>0'000 sq.m.</i> )	<b>3,817.2</b>	3,614.9	5.6%

## Regional Cultivation

Deep regional cultivation and exploration of local needs, penetration into key areas by virtue of quality services, and improvement of competitiveness in regional markets have become the common choices of most peers in the industry. In view of this, New Hope Service continued to step up its efforts in high-tier cities in the Southwestern and Eastern China regions, with Chengdu-Chongqing metropolitan area and the Yangtze River Delta as the core. As at 31 December 2023, the Group had projects in 33 cities in 14 provinces, autonomous regions and municipalities across China. In terms of the revenue from property management, the revenue from property management in the Southwestern China region was RMB306,654,000, accounting for 47.4% of the total revenue from property management, and representing a year-on-year increase of 17.7%. The revenue from property management in the Eastern China region was RMB245,052,000, accounting for 37.9% of the total revenue from property management, and representing a year-on-year increase of 60.2%. Total property management revenue in these two regions accounted for 85.3% of the total revenue from property management. The GFA under management by the Group in the Southwestern and Eastern China regions was 27,545,000 sq.m., representing a year-on-year increase of approximately 10%, and accounting for 85.3% of the total GFA under management, which continued to show the advantage of regional intensity.

Region distribution	For the year ended/as at 31 December 2023				For the year ended/as at 31 December 2022				GFA growth (%)	Revenue growth (%)
	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)		
Southwestern China	30,665.4	47.4	1,691.8	52.5	26,062.8	53.4	1,594.3	55.3	6.1	17.7
Eastern China region	24,505.2	37.9	1,062.8	32.9	15,292.7	31.3	921.2	32.0	15.4	60.2
Southern China region	4,754.7	7.3	257.1	8.0	4,250.0	8.7	199.7	6.9	28.8	11.9
Northern China region	4,375.5	6.8	180.3	5.6	3,203.3	6.6	131.0	4.5	37.7	36.6
Central China region	402.2	0.6	33.8	1.0	18.9	0.0	36.4	1.3	-7.1	2,028.0
<b>Total</b>	<b>64,703.0</b>	<b>100.0</b>	<b>3,225.8</b>	<b>100.0</b>	<b>48,827.7</b>	<b>100.0</b>	<b>2,882.6</b>	<b>100.0</b>	<b>11.9</b>	<b>32.5</b>

## Focusing on High-Tier Cities

As at 31 December 2023, 95.1% of the Group's property management projects were in first-tier, new first-tier and second-tier cities in China, while 93.8% of revenue from property management was from the Group's projects under management in first-tier, new first-tier and second-tier cities in China.

The table below sets forth a breakdown of our total GFA under management and revenue by city tier as at the dates indicated:

Tier of city	For the year ended/as at 31 December 2023				For the year ended/as at 31 December 2022				GFA growth (%)	Revenue growth (%)
	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)		
First-tier	1,331.8	2.1	18.0	0.6	1,108.3	2.3	23.1	0.8	-22.1	20.2
New first-tier	29,231.2	45.2	1,625.8	50.4	21,139.3	43.3	1,253.0	43.5	29.8	38.3
Second-tier	30,104.6	46.5	1,423.0	44.1	23,542.7	48.2	1,319.7	45.8	7.8	27.9
Others	4,035.4	6.2	159.0	4.9	3,037.4	6.2	286.8	9.9	-44.6	32.9
<b>Total</b>	<b>64,703.0</b>	<b>100.0</b>	<b>3,225.8</b>	<b>100.0</b>	<b>48,827.7</b>	<b>100.0</b>	<b>2,882.6</b>	<b>100.0</b>	<b>11.9</b>	<b>32.5</b>

- (1) First-tier cities in which we provide property management services include Shanghai.
- (2) New first-tier cities in which we provide property management services include Chengdu, Chongqing, Hangzhou, Suzhou, Shenyang, Qingdao and Nanjing.
- (3) Second-tier cities in which we provide property management services include Dalian, Nanning, Kunming, Ningbo, Jiaxing, Wenzhou, Wuxi and Changchun.
- (4) Others in which we provide property management services include Nanchong.

## Continuing to Enhance the Advantages in Independent Expansion

The Group focused on market expansion in terms of quality and size, and upheld a flexible and open market-oriented cooperation manner. During the Reporting Period, the Group continued to conduct multi-channel market expansion via, among other means, bidding, establishing joint ventures and strategic partnership, and recorded an increase of over 20 new expansion projects in 2023, including high-end residential projects such as Sunshine City Tan Yue\* (陽光城檀悅) and Binjiangjiuli\* (濱江九里), financial industry projects such as China Guangfa Bank Kunming Branch\* (廣發銀行昆明分行) and China Construction Bank Sichuan Branch Xinjin and Dayi Sub-branch\* (建設銀行四川分行新津、大邑支行), and industrial park projects such as Chantou Jiangnan Industrial Park\* (產投江南產業園) and Vipshop Guangxi Headquarters\* (唯品會廣西總部). Among the Group's new contracted projects in 2023, the number of projects acquired through market expansion was greater than the number of projects acquired from related parties. The contracted GFA under management by independent third-party developers accounted for approximately 40% of the total contracted GFA, representing an increase of 6.2% as compared to the same period last year, while the percentage of contracted GFA from related parties decreased by 0.2% as compared to the same period last year.

In 2023, New Hope Service signed strategic cooperation agreements with each of Chengdu Wuhou State-owned Capital Investment and Operation Group Co., Ltd.\* (成都市武侯國有資本投資運營集團有限責任公司) and Chengdu Economic Development Park Investment Co., Ltd.\* (成都經開園區投資有限公司) to establish joint ventures, respectively, and successfully signed contracts for projects such as Shuanghua Digital Industrial Park\* (雙華數字產業園) and Tiefo Park\* (鐵佛公園).

Benefitted from the continuous growth of various business segments of New Hope Group, particularly the stable development of New Hope Wuxin Industrial Group Co., Ltd.\* (新希望五新實業集團有限公司) (“**New Hope Wuxin Industrial**”) (together with its subsidiaries, associates and joint ventures, “**New Hope Wuxin Industrial Group**”), during the Reporting Period, New Hope Wuxin Industrial delivered 40 projects as scheduled in 16 cities nationwide, amounting to nearly 37,000 units in total, of which over 11,000 units were delivered earlier than scheduled, scoring nearly 90 points for customer satisfaction. This indicated New Hope Wuxin Industrial's relatively strong performance capability, and brought the Group concrete support for continuous growth in terms of GFA under management.

The table below sets forth the breakdown of the Group's GFA under management and revenue by the type of property developer:

Type of developer	For the year ended/as at 31 December 2023				For the year ended/as at 31 December 2022				GFA growth (%)	Revenue growth (%)
	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)	Revenue (RMB0'000)	Percentage (%)	GFA under management (0'000 sq.m.)	Percentage (%)		
New Hope Wuxin Industrial <sup>(1)</sup>	26,380.4	40.8	1,238.1	38.3	23,378.1	47.8	1,092.2	37.9	13.4	12.8
Associates or joint ventures of New Hope Wuxin Industrial <sup>(2)</sup>	10,770.2	16.6	676.6	21.0	5,303.5	10.9	412.8	14.3	63.9	103.1
Ultimate controlling shareholders and their associates <sup>(3)</sup>	2,651.1	4.1	33.9	1.1	2,539.3	5.2	36.8	1.3	-7.9	4.4
Independent third parties	24,901.3	38.5	1,277.2	39.6	17,506.8	36.1	1,340.8	46.5	-4.7	42.2
<b>Total</b>	<b>64,703.0</b>	<b>100.0</b>	<b>3,225.8</b>	<b>100.0</b>	<b>48,827.7</b>	<b>100.0</b>	<b>2,882.6</b>	<b>100</b>	<b>11.9</b>	<b>32.5</b>

Notes:

- (1) Refer to properties solely developed by New Hope Wuxin Industrial Group, as well as properties jointly developed by New Hope Wuxin Industrial Group and other property developers in which New Hope Wuxin Industrial Group held a controlling interest.
- (2) Refer to properties developed by joint ventures or associates of New Hope Wuxin Industrial Group (New Hope Wuxin Industrial Group does not hold a controlling interest in these properties).
- (3) Refer to properties developed by other associates of our ultimate controlling shareholders, namely Mr. Liu Yonghao (劉永好) and Ms. Liu Chang (劉暢).



## Lifestyle Services

During the Reporting Period, New Hope Service adhered to the concept of “new lifestyle services deriving from livable Chengdu (民生新服，始於煙火成都)” and was committed to providing customers with reassuring services centered around daily life. The Group’s lifestyle services comprise (i) community living services; (ii) community asset management services, including carpark related services and property agency services; and (iii) online and offline retail services and catering services. Lifestyle services business, as one of the important sources of the Group’s revenue, has been developing rapidly and becoming one of the key growth drivers for the development of the Company. During the Reporting Period, the Group recorded revenue of RMB290.6 million from the lifestyle services segment, representing a decrease of 4.2% as compared to that for last year. The following table sets forth a breakdown of our revenue from lifestyle services:

	For the year ended 31 December 2023		For the year ended 31 December 2022		Growth rate %
	Revenue (RMB'000)	Percentage	Revenue (RMB'000)	Percentage	
Community living services	145,188.5	50.0%	156,661.0	51.7%	-7.3
Community asset management services	33,879.3	11.7%	40,281.0	13.3%	-15.9
Online and offline retail services and catering services	<u>111,499.2</u>	<u>38.3%</u>	<u>106,342.0</u>	<u>35.0%</u>	<u>4.8</u>
Total	<u><u>290,567.0</u></u>	<u><u>100.0%</u></u>	<u><u>303,284.0</u></u>	<u><u>100.0%</u></u>	<u><u>-4.2</u></u>

### *Steady growth of non-cyclical businesses*

During the Reporting Period, affected by the structural adjustment of the real estate industry, as well as the factors such as the downturn in the economic environment and consumption downgrade, the market demand for real estate development-related businesses such as property management services and asset services had contracted. By virtue of the industrial background of New Hope Group and relying on the customer-access attributes of property services, the Group developed a close connection between this segment and the food, dairy products, condiments and fast-moving consumer goods segments of the Group, and managed to achieve a stable performance growth in the retail group-on meal segment through non-cyclical businesses such as group-on meals and online and offline retail services.



### ***Online and offline new retail services***

Backed by the Fortune Global 500 New Hope Group and based on its advantages in supply chain system, brand reputation and product categories, the Group deeply integrated its products from various segments with New Hope Service according to the needs of residents for “food, housing, transportation, travel and shopping”. During the Reporting Period, the Group further connected with Grass Green Group, New Hope Dairy, New Hope Flavors, Huiji Food under New Hope Group, and continued to focus on product creative design, contract fulfillment and delivery, quality control and other aspects, accumulating relatively mature experience in the procurement of standard products and continuing to meet the needs of B-end corporate customers. In 2023, New Hope Service achieved B-end retail revenue of RMB47.35 million with a B-end repurchase rate of 66.1%, and provided corporate customers with more than 110,000 customized gift boxes in total, and customized, developed and designed 24 products, with the revenue from gift boxes increasing by 56.4% as compared with the same period last year.

For C-end customers, the Group selected hot-selling products (such as milk) and seasonal hot-selling products (such as hairy crabs) to carry out activities such as customized milk and periodic shopping events to provide customers with more high-quality and affordable products. Meanwhile, centering on the Group’s strategic label of “Livable Chengdu”, it launched a community fair called “Hope Station” to organise normalized displays (displays of floats) and regular exhibitions and sales activities in the mature communities/commercial blocks within the projects managed by the Group to provide customers with milk, condiments, fruits, dishes and other products needed during the daily life of the residents, which were well received by customers, and achieved monthly sales of 10,000 boxes of milk during the period (with unit price lower than 38% of e-commerce merchants). The community fair covered 14,000 households, and achieved a gross profit margin of 19%.

### ***New foodism***

Relying on New Hope Group’s RMB100-billion worth of food safety system and supply chain system, the Group, on the one hand, deeply explored the customer needs, made business recommendations for group-on meal services, and provided “property + group-on meal” building block services in the B-end property service projects for which it had won the bid. On the other hand, supported by a mature group-on meal marketing team, the Group continued to expand its business scope and develop new high-quality customers. During the Reporting Period, the Group successfully acquired the property + group-on meal projects such as the canteen service for China Life Guangxi Branch\* (中國人壽廣西分公司) and the canteen service for Guilin University of Electronic Science and Technology Nanning Research Institute in Chantou Jiangnan Industrial Park\* (產投江南產業園桂林電子科技大學南寧研究院).

The Group provided a full range of services including “full-commissioning services, labor services, meal preparation services and ingredient delivery services” for medical institutions, schools, office buildings and sizable industrial parks. As at 31 December 2023, the Company had 22 group-on meal business projects in operation (2022: 14), of which 50% fell within the comprehensive logistics services of “property + group-on meal”, achieving a bid winning rate of 42%.

### Commercial operational services

Amid the downturn cycle of the real estate industry, the number and progress of new development projects dropped significantly, and the increment in the industry slowed down. The ever-changing market has urged us to take the initiative in iteratively upgrading the product planning and design, upgrading scenes and consumer experience and improving our operational strength. In order to meet the needs of business development, the Group established a commercial operation company with its organization developed around “financing, investment, management and exit”. The Group provides commercial operational services to commercial properties, covering specialty markets, commercial blocks, industrial parks, office buildings and other consumption scenarios, with service contents mainly including market research and positioning and tenant sourcing services, commercial operational services and commercial properties leasing.

During the Reporting Period, the Group deployed commercial operational projects in cities such as Chengdu and Kunming, covering consumption scenarios such as professional markets, commercial streets, industrial parks and office buildings, and with service offering mainly including market research and positioning and tenant recruitment services, commercial operational services and commercial property leasing. The GFA from operating commercial projects under management by the Group was approximately 539,000 sq.m., with an average occupancy rate of 87.8%, a gross profit margin of 60.2%, and 1,270 merchants under management.

The table below sets forth a breakdown of our total revenue from commercial operational services by service category for the years indicated:

	For the year ended 31 December 2023		For the year ended 31 December 2022		Growth rate %
	Revenue (RMB'000)	Percentage	Revenue (RMB'000)	Percentage	
Market research and positioning and opening preparation services	9,313.3	6.1%	2,170	1.8%	329.2
Commercial operational services	<u>144,324.1</u>	<u>93.9%</u>	<u>115,888</u>	<u>98.2%</u>	<u>24.5</u>
Total	<u><u>153,637.4</u></u>	<u><u>100.0%</u></u>	<u><u>118,058</u></u>	<u><u>100%</u></u>	<u><u>30.1</u></u>

Among the new projects, the Zhongding 316 Block project had a GFA of approximately 20,000 sq.m., where New Hope Service participated in full-life-cycle commercial operational services from preliminary preparations, opening operations, and post-management. It was one of the few projects with industrial property rights that completed the licensing process within two years, and became another benchmark project for the Group's commercial operational service capabilities in terms of brand introduction, investment operation, business incubation and operation analysis.

### Value-added services to non-property owners

We also provide a series of value-added services to non-property owners, mainly for development projects of New Hope Wuxin Industrial Group. Our value-added services to non-property owners include (i) on-site management services; (ii) preliminary planning and design consultation, pre-delivery and repair and maintenance services; and (iii) other services, such as construction site management services. Affected by the downturn cycle of the real estate industry, during the Reporting Period, the Group's revenue from value-added services to non-property owners amounted to RMB169.5 million, decreased by 26.1% compared with the same period of last year. Meanwhile, thanks to the continuous optimization of the Group's revenue structure, the percentage of value-added services to non-property owners in the total revenue of the Group decreased by 6.7 percentage points compared with the same period of last year, which further enhanced the Group's independence. The following table sets forth a breakdown of our revenue from value-added services to non-property owners during the periods indicated:

	For the year ended 31 December 2023		For the year ended 31 December 2022		Growth rate %
	Revenue (RMB'000)	Percentage	Revenue (RMB'000)	Percentage	
On-site management services	64,438.2	38.0%	94,926.0	41.4%	-32.12%
Preliminary planning and design consultation, pre-delivery and repair and maintenance services	102,045.8	60.2%	100,939.0	44.0%	1.10%
Other services	3,004.8	1.8%	33,405.0	14.6%	-91.00%
Total	<u>169,488.8</u>	<u>100.0%</u>	<u>229,270.0</u>	<u>100.0%</u>	<u>-26.07%</u>

## **PROSPECTS**

### **Maintain service quality and achieve sustained profitability through digital empowerment**

For a property management company, as its environment evolves, the industry has shifted development goal from scale-guided expansion to high-quality-guided growth. The Company believes that the high-quality development of a company is based on service capabilities, and to achieve outstanding service capabilities, it shall have high collection ratio, high renewal ratio, and high satisfaction. During the Reporting Period, the Group empowered high-quality services through digital construction, developed full-cycle online project operation, and achieved the directive-based execution of quality tasks as well as AI analysis and quality inspection pre-warning to ensure the improvement of the service quality during the full-cycle operation of projects, allowing it to earn 90 points for overall satisfaction during the period. Meanwhile, by empowering operation management through digitalization, the Group managed to streamline its management, precisely downsize and improve business efficiency. At the operation management level, the completion ratio of operation services increased by 98%, the approval efficiency across whole process increased by 59.6%, the non-compliance ratio on post dropped by 55%, and the overdue complaint ratio decreased by 24%, further reducing the management expense ratio of the Company and further optimizing the structure of the projects under management.

Going forward, we will continue to strengthen digital construction to empower high-quality services and the improvement of management efficiency, and enhance the project-based evaluation of performance indicators through digital empowerment, thereby achieving the sustained profitability of the Company. In addition, the Group will further improve its service quality, consolidate its position as a benchmark for high-end residential projects, and empower other projects with high service standards, laying a solid foundation for market-oriented expansion. In terms of non-residential business, based on the all-round planning of the Company for corporate services, we provide B-end customers with extensive corporate services, precisely covering the needs of various companies at different stages of development.

### **Consolidate market competitiveness through regional penetration**

By 2023, Chengdu, as a new first-tier city and a national central city in Western China, had a permanent resident population of over 21 million, a property management market of over 593 million sq.m., a full-scale property management coverage rate of 72.7%, and an average unit price of RMB2.34 per sq.m. per month for star-rated properties. As the only group corporation in Chengdu equipped with the service capabilities of “property + commerce + life-style services and group-on meals”, we will take full advantage of the opportunities arising from the new urbanization development in Chengdu in the future, and take various initiatives, including “structure adjustment — enhancing the capability to revitalize commercial operational assets”, “weak link improvement — upgrading group-on meals to the next level and expedite the growth of life-style services”,

“foundation consolidation — cultivating high-end services to stand out from the highly competitive market”, and “searching for merger and acquisition opportunities — exploring for the opportunities for external expansion during downturn”, and follow the market competition strategies of “Chengdu — 1+5+2+2 integration”, “Wenzhou — focusing on middle-to-high-end residential projects” and “Kunming — giving full play to the advantages in finance”, to deepen market penetration and consolidate core resources to establish the focus for regional and business development. Meanwhile, we will stick to the development direction of market expansion on one hand and investment and mergers and acquisitions on the other hand, and refine the access standards for market expansion, personnel appraisal standards, and the standards for strategic partners, strategic cooperation models as well as investments and mergers and acquisitions, so as to expedite the development of the Company.

### **Establish further connection with the Group to give full play to the Group’s advantages**

In recent years, with the continuous introduction of property-related policies, on one hand, property’s lifestyle attribute was emphasized from the policy side, and on the other hand, property management companies were offered more standardized development guidelines. For property management companies, their property management work shall start from and end at giving residents a happy experience. As a member of New Hope Group with strong lifestyle attribute, the Company further deepened its connection with New Hope Group during the period, with the revenue from the centralized procurement supply chain with New Hope Group up by 1,122.4% as compared with the same period last year, among which, the number of participating companies of New Hope Group increased by 146.1% from last year, the proportion of non-property connected transactions further rose to 14.6%, representing an increase of 6.5 percentage points from last year, and the revenue from non-property connected transactions amounted to RMB41.97 million, representing an increase of 59.6% from last year. In the future, while guaranteeing service quality and refining and furthering property management services, we will facilitate our connection with New Hope Group, drill down into New Hope’s brand strengths in lifestyle, and explore product supply and cooperation opportunities with companies including New Hope Liuhe Co., Ltd.\* (新希望六和股份有限公司), New Hope Dairy Co., Ltd.\* (新希望乳業股份有限公司) and Grass Green Group (草根知本集團) in order to offer our clients diversified comprehensive solutions for lifestyle services such as “property + group-on meal, property + retail, property + centralized purchase” and effectively provide “property services + living services”.

## FINANCIAL REVIEW

### Revenue

The Group's revenue primarily generated from four business lines: (i) property management services; (ii) lifestyle services; (iii) commercial operational services; and (iv) value-added services to non-property owners. The Group's revenue increased by RMB121.8 million or approximately 10.7% to RMB1,260.7 million for the year ended 31 December 2023 from RMB1,138.9 million for the year ended 31 December 2022, which was primarily attributable to (i) the increase in the revenue from property management services resulting from the increase in the GFA and the number of projects under management by the Group; and (ii) the increase in the revenue from commercial operational services.

The following table sets forth a breakdown of our total revenue by business line during the periods indicated:

	For the year ended 31 December			
	2023		2022	
	<i>(RMB'000)</i>	<i>Percentage of total revenue%</i>	<i>(RMB'000)</i>	<i>Percentage of total revenue%</i>
Property management services	<b>647,029.8</b>	<b>51.3</b>	488,277.0	42.9
Lifestyle services	<b>290,567.0</b>	<b>23.1</b>	303,284.0	26.6
Commercial operational services	<b>153,637.3</b>	<b>12.2</b>	118,058.0	10.4
Value-added services to non-property owners	<b>169,488.8</b>	<b>13.4</b>	229,270.0	20.1
Total	<b><u>1,260,722.9</u></b>	<b><u>100</u></b>	<b><u>1,138,889.0</u></b>	<b><u>100</u></b>

The property management services are our largest source of revenue. For the year ended 31 December 2023, the revenue from property management services was RMB647.0 million, accounting for 51.3% of the Group's total revenue. The increase in the number and GFA of projects under management was mainly due to (i) the continuous delivery of properties developed by New Hope Wuxin Industrial Group to us for management during the Reporting Period; and (ii) the Group's expansion in the independent third-party markets.



The revenue from lifestyle services decreased by 4.2% from approximately RMB303.3 million, representing 26.6% of total revenue of the Group for the year ended 31 December 2022 to approximately RMB290.6 million, representing 23.1% of total revenue of the Group for the year ended 31 December 2023. Among that:

- (1) The revenue from community living services decreased by 7.3% from RMB156.7 million for the year ended 31 December 2022 to RMB145.2 million for the year ended 31 December 2023, which was mainly due to the contraction of the Group's brokerage business and marketing business given the economic downturn.
- (2) The revenue from community asset management services decreased by 15.9% from RMB40.3 million for the year ended 31 December 2022 to RMB33.9 million for the year ended 31 December 2023, which was mainly due to the decrease in community space services and venue usage business.
- (3) The revenue from online and offline retail services and catering services increased by 4.9% from RMB106.3 million for the year ended 31 December 2022 to RMB111.5 million for the year ended 31 December 2023, which was mainly due to the increase in the number of the Group's projects and the continuous expansion of lifestyle services business during the Reporting Period.

The revenue from value-added services to non-property owners decreased by 26.1% from approximately RMB229.3 million for year ended 31 December 2022 to approximately RMB169.5 million for the year ended 31 December 2023, which was mainly due to the decrease in the on-site and other service business undertaken during the Reporting Period because of the downturn of real estate business.

The revenue from commercial operational services increased by 30.1% from RMB118.1 million for the year ended 31 December 2022 to RMB153.6 million for the year ended 31 December 2023, which was mainly due to the new undertaking and active expansion of commercial operational service business during the Reporting Period.

## Cost of Sales

Our cost of sales represents costs directly attributable to the provision of our services and consist primarily of (i) staff costs; (ii) outsourced labor costs; (iii) maintenance costs; (iv) material and cost of goods sold; (v) energy and resources expenses; (vi) cleaning expenses; (vii) depreciation and amortization charges; and (viii) all other costs of sales, mainly including business consultation expenses, transport expenses, and costs of low value consumption goods such as office supplies and stationery. For the year ended 31 December 2023, the total cost of sales of the Group was approximately RMB820.5 million, which increased by approximately RMB112.7 million or approximately 15.9% as compared to approximately RMB707.8 million for the same period of 2022. The growth rate of our cost of sales was higher than that of our revenue, primarily due to the increase in the proportion of revenue contribution from the property management services over the total revenue of the Group, which have a relatively lower gross profit margin compared to other business lines.

## Gross Profit and Gross Profit Margin

The gross profit of the Group increased by RMB9.1 million or 2.1% to RMB440.2 million for the year ended 31 December 2023 from RMB431.1 million for the year ended 31 December 2022.

The following table sets forth a breakdown of our gross profit and gross profit margin by business line during the periods indicated:

Type	For the year ended 31 December 2023		2022	
	<i>(RMB'000)</i>	<i>Gross profit margin %</i>	<i>(RMB'000)</i>	<i>Gross profit margin %</i>
Property management services	<b>174,990</b>	<b>27.0</b>	142,390	29.2
Lifestyle services	<b>111,837</b>	<b>38.5</b>	116,319	38.4
Commercial operational services	<b>92,445</b>	<b>60.2</b>	74,879	63.4
Value-added services to non- property owners	<b>60,942</b>	<b>36.0</b>	97,546	42.5
Total	<b>440,214</b>	<b>34.9</b>	431,134	37.9

For the year ended 31 December 2023, the gross profit margin of the Group decreased by 3 percentage points as compared with the corresponding period last year.



Our gross profit margin of property management services decreased by 2.2%, primarily due to the increase in the revenue contribution from third-party property management services led by the active external expansion during the Reporting Period.

Our gross profit margin of value-added services to non-property owners decreased by 6.5%, primarily due to the downturn of the real estate industry in Mainland China.

Our gross profit margin of commercial operational services decreased by 3.2%, primarily due to the decrease in the occupancy rate of some projects caused by the economic downturn.

Our gross profit margin of lifestyle services increased by 0.1%, primarily due to the active adjustment of business model to downsize certain businesses with low gross profit margin.

### **Other Net Income/Expenses**

The other net income of the Group increased by RMB10.7 million or 150.7% to RMB3.6 million for the year ended 31 December 2023 from RMB-7.1 million for the year ended 31 December 2022, which was primarily attributable to the increase in government subsidy during the Reporting Period.

### **Administrative Expenses**

Our administrative expenses include (i) staff costs; (ii) professional fees, (iii) office and business entertainment expenses; (iv) depreciation and amortization; (v) tax expenses; and (vi) all other administrative expenses, which primarily consist of office expenses, tax expenses, hiring and training expenses, and cleaning expenses. Total administrative expenses of the Group were approximately RMB168.5 million for the year ended 31 December 2023, which increased by approximately RMB10.1 million or approximately 6.4% as compared to approximately RMB158.4 million for the year ended 31 December 2022, which was mainly attributable to the increase in depreciation and amortization and system maintenance expenses resulting from the continuous advancement of informatization.

### **Selling Expenses**

The selling expenses of the Group decreased by RMB2.3 million or 63.9% to RMB1.3 million for the year ended 31 December 2023 from RMB3.6 million for the year ended 31 December 2022, which was primarily attributable to the decrease in expenses resulting from continuous cost reduction and efficiency enhancement.

## **Finance Income, Net**

The net financial income of the Group decreased by RMB3.8 million or 19.5% to RMB15.7 million for the year ended 31 December 2023 from RMB19.5 million for the year ended 31 December 2022, mainly due to the reduction of bank base interest rates.

## **Income Tax Expense**

For the year ended 31 December 2023, the income tax of the Group was approximately RMB43.3 million (for the year ended 31 December 2022: RMB44.1 million).

## **Profit for the Reporting Period**

The net profit of the Group increased by approximately RMB18.3 million or approximately 8.2% to approximately RMB240.6 million for the year ended 31 December 2023 from approximately RMB222.3 million for the year ended 31 December 2022.

## **Net Profit Attributable to Owners of the Parent**

The profit attributable to shareholders of the Company increased by approximately 5.9% to approximately RMB215.0 million for the year ended 31 December 2023 from approximately RMB203.0 million for the year ended 31 December 2022.

## **Property and Equipment**

Property and equipment of the Group mainly consist of machinery, vehicles, electronic equipment, office and other equipment, furniture and fixtures. As at 31 December 2023, the Group's property and equipment was approximately RMB15.1 million, an increase by approximately RMB1.1 million from approximately RMB14.0 million as at 31 December 2022, which was basically the same with that of the same period last year.

## **Trade Receivables**

Trade receivables primarily arise from the provision of property management services, value-added services to non-property owners, commercial operational services and lifestyle services. The Group's trade receivables as at 31 December 2023 amounted to approximately RMB317.6 million, representing a decrease of approximately RMB7.2 million or 2.2% as compared to approximately RMB324.8 million as at 31 December 2022, which was mainly due to the greater efforts on the recovery management of trade receivables during the Reporting Period.

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

Prepayment, deposits and other receivables increased by 11.7% from RMB78.8 million as at 31 December 2022 to RMB88.0 million as at 31 December 2023, which was basically the same with that of the same period last year.

### **Trade Payables**

The Group's trade payables as at 31 December 2023 amounted to approximately RMB194.7 million, representing an increase of approximately RMB32.8 million or 20.3% as compared to approximately RMB161.9 million as at 31 December 2022, mainly due to the business expansion.

### **Other Payables and Accruals**

Other payables and accruals increased by 4.4% from RMB223.7 million as at 31 December 2022 to RMB233.6 million as at 31 December 2023, which was in line with the business growth.

### **Financial Position and Capital Structure**

For the year ended 31 December 2023, the Group maintained a sound financial position.

As at 31 December 2023, the Group's current ratio (current assets/current liabilities) was 2.4 times (31 December 2022: 2.5 times). Net gearing ratio is calculated by interest-bearing borrowings minus cash and cash equivalents, and then divided by net assets. As at 31 December 2023 and 31 December 2022, the Group did not have any outstanding interest-bearing borrowings.

### **Pledge of Assets**

As at 31 December 2023, none of the assets of the Group were pledged (31 December 2022: nil).

### **Contingent Liabilities**

As at 31 December 2023, the Group did not have any material contingent liabilities (31 December 2022: nil).

## **Interest Rate Risk**

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

## **Foreign Exchange Risk**

The Group mainly operates its business in the PRC, and substantially all of its revenue and expenses are denominated in Renminbi. As at 31 December 2023, among the Group's cash and bank balances, RMB0.83 million was denominated in Hong Kong dollars, which was subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

## **SIGNIFICANT INVESTMENTS HELD BY THE GROUP**

The Company had no significant investments as at 31 December 2023.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

On 3 November 2023, the Group entered into an equity purchase and sale agreement to purchase 80% of the equity interests in Chengdu Jinguan Xincheng Property Management Co., Ltd.\* (成都錦官新城物業管理有限責任公司) at the consideration of RMB8,233,940, with an aim to expand the business scale and scope of the Group. Please refer to the announcement of the Company dated 3 November 2023 for further details.

Save as disclosed above, the Company had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OF CAPITAL ASSETS**

The Group did not have any immediate plans for material investments and capital assets as at 31 December 2023.

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

Save as disclosed for the proposed final dividend for the year ended 31 December 2023, as at the date of this announcement, the Group did not have any other significant event subsequent to 31 December 2023.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2023, the Group had approximately 4,309 employees (31 December 2022: 4,031 employees). During the Reporting Period, the total staff costs were approximately RMB371.9 million (for the year ended 31 December 2022: approximately RMB411.6 million).

In order to attract and retain high quality staff to enable smooth operation within the Group, the remuneration policy of the Group's employees are being reviewed periodically to ensure that the salary and benefit levels of the employees of the Group are competitive. The salaries and allowances of employees were determined based on their performance, experience and the then prevailing market rates. Discretionary performance bonus and share option scheme after assessments is in place for employees to reward their contributions. The Group is subject to social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees, a monthly social insurance funds covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, and the housing provident fund, or to contribute regularly to mandatory provident fund schemes on behalf of its employees.

The Group continues to provide adequate job training to employees to equip them with practical knowledge and skills. The employee training programs primarily cover key areas in the Group's business operations, which provide continuous training to its existing employees at different levels to specialize and strengthen their skill sets.

## **USE OF NET PROCEEDS FROM THE LISTING**

The shares of the Company (the “**Shares**”) were listed (the “**Listing**”) on the Stock Exchange on 25 May 2021 (the “**Listing Date**”) and the over-allotment option (the “**Over-allotment Option**”) was partially exercised on 11 June 2021. For details, please refer to the prospectus (the “**Prospectus**”) of the Company dated 11 May 2021 and the Company's announcement dated 15 June 2021. The Company intends to utilise the net proceeds from the listing and over-allotment in accordance with the plans set out in the section headed “**Future Plans and Use of Proceeds**” in the Prospectus. Net proceeds from the Listing (including the partial exercise of the Over-allotment Option), after deducting the underwriting commission and other estimated expenses in connection with the Listing, amounted to approximately HK\$790.0 million (equivalent to approximately RMB648.7 million). The Group continues to expand its business in the metropolitan areas and urban agglomerations in China, especially the first-tier, new first-tier and second-tier cities in the Chengdu-Chongqing urban agglomeration and the Eastern China region, and continue to consolidate our market position in these areas through market expansion, persisting in seeking investment opportunities and developing its lifestyle services. Given the above considerations and the following reasons, in order to enhance the use efficiency of the funds raised, capture market opportunities for business development in a timely manner, and strike a more reasonable balance in the use of funds, the Board resolved to change

the proposed use of such proceeds on 25 May 2022. As set out in the announcement of the Company dated 25 May 2022, the sub-categories under “strategic acquisition and investment” were consolidated and HK\$79 million and HK\$39.5 million originally allocated for “strategic acquisition and investment” were re-allocated to a new category of “development of lifestyle services” and an existing category of “working capital”, respectively. As at 31 December 2023, an analysis of the utilisation of net proceeds from the Listing is as follows:

Major categories	Sub-categories	Amount (HK\$ in million)	% of total proceeds	Unutilised	Actual	Unutilised	Estimated utilisation plan
				amount as at 1 January 2023 (HK\$ in million)	utilised amount as at 31 December 2023 (HK\$ in million)	amount as at 31 December 2023 (HK\$ in million)	
Strategic acquisition and investment		434.5	55%	429.0	0.0	429.0	On or before 31 December 2024
Upgrade information system and equipment	Middleground system	23.7	3%	17.1	7.3	9.8	On or before 31 December 2024
	Property management support system	2.37	0%	1.0	1.0	0.0	—
	Lifestyle service support system	15.01	2%	8.1	8.1	0.0	—
	Corporate infrastructural operation system	11.06	1%	2.3	2.3	0.0	—
	Intelligent community pilot projects	42.66	5%	30.2	0.6	29.6	On or before 31 December 2024
	Human resources to support information technology upgrades	23.7	3%	11.2	11.2	0.0	—
Talent recruitment and team building		39.5	5%	1.5	1.5	0.0	—
Development of lifestyle services		79.0	10%	37.4	36.7	0.7	On or before 31 December 2024
Working capital		118.5	15%	23.9	14.2	9.7	On or before 31 December 2024
Total		<u>790.0</u>	<u>100%</u>	<u>561.7</u>	<u>82.9</u>	<u>478.8</u>	

The remaining net proceeds raised from the Listing which had not been utilized were deposited with well-established and licensed commercial banks and authorized financial institutions. As the Group (i) is more prudent on the selection of targets for acquisition with the economic downturn; (ii) is slowing down the utilisation of working capital; and (iii) postponed the upgrade on information system on the need basis, the utilisation plan of certain proceeds from the Listing during the Reporting Period has been delayed. The expected timeframe for the unutilised net proceeds is based on the Directors’ best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group’s business and the market conditions.

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

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company from 1 January 2023 up to the date of this announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of our shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance.

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the CG Code during the year ended of 31 December 2023. The Company will continue to review and monitor its corporate governance practice to ensure the compliance of the CG Code.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions conducted by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own Code of Conduct for securities transactions conducted by relevant Directors and employees. After making specific enquiries to all the Directors, each of them has confirmed that they have complied with the required standards set out in the Model Code for the year ended 31 December 2023.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the number of shares held by the public in the Company for the year ended 31 December 2023 and up to the date of this announcement has been in compliance with the minimum percentage of public float prescribed by the Stock Exchange.

## **ANNUAL GENERAL MEETING**

The annual general meeting (the “**Annual General Meeting**”) of the Company for the year of 2023 is scheduled to be convened and held on Monday, 13 May 2024. A notice convening the Annual General Meeting will be published in the manner as required by the Listing Rules in due course.



## **FINAL DIVIDEND**

The Board proposes the payment of the Company's final dividend of RMB0.091 (for the year ended 31 December 2022: RMB0.12) per Share for the year ended 31 December 2023 in cash (the "**Final Dividend**"), which shall be subject to approval of the shareholders of the Company (the "**Shareholders**") at the Annual General Meeting. If the resolution for the proposed Final Dividend is passed at the Annual General Meeting, the Final Dividend is expected to be paid on or before Thursday, 30 May 2024 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 22 May 2024. The Final Dividend will be declared in Renminbi and paid in Hong Kong dollars, the exchange rate of which will be calculated based on the average exchange rate of Renminbi against Hong Kong dollars published by the People's Bank of China five business days prior to the Annual General Meeting.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of ascertaining Shareholders' entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 8 May 2024 to Monday, 13 May 2024 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates (together the "**Share Transfer Documents**") must be lodged with the Company's Hong Kong share registrar (the "**Hong Kong Share Registrar**"), Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 7 May 2024.

For the purpose of ascertaining Shareholders' entitlement to the Final Dividend, the register of members of the Company will be closed from Monday, 20 May 2024 to Wednesday, 22 May 2024 (both days inclusive) during which period no transfer of the Shares will be registered. In order to qualify for the Final Dividend, the Share Transfer Documents must be lodged with the Hong Kong Share Registrar at the address specified above not later than 4:30 p.m. on Friday, 17 May 2024.

## **AUDIT COMMITTEE**

The Board has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the CG Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.newhopeservice.com.cn](http://www.newhopeservice.com.cn)).

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.



The Audit Committee has discussed with the management and the external auditor of the Company and has reviewed the annual results of the Group for the year ended 31 December 2023 together with the accounting standards and practices adopted by the Group. The Audit Committee has agreed with the management of the Company on the annual results of the Group for the year ended 31 December 2023.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) as well as the Company's website at [www.newhopeservice.com.cn](http://www.newhopeservice.com.cn). The Company's annual report for the year ended 31 December 2023 will be published on the aforementioned websites in due course.

By order of the Board  
**New Hope Service Holdings Limited**  
**Jiang Mengjun**  
*Chairman*

Hong Kong, 25 March 2024

*As at the date of this announcement, the Board comprises Mr. Liu Xu and Ms. Chen Jing as executive directors, Mr. Jiang Mengjun (Chairman of the Board), Ms. Wu Min (Co-chairman of the Board), Ms. Li Wei and Ms. Zhang Wei as non-executive directors, and Mr. Cao Qilin, Mr. Kong Chi Mo and Mr. Li Zhengguo as independent non-executive directors.*

*\* for identification purpose only*