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**SCE Intelligent Commercial Management Holdings Limited**

**中駿商管智慧服務控股有限公司**

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

**(Stock Code: 606)**

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

**FINANCIAL HIGHLIGHTS**

- Revenue increased by approximately 5.5% to approximately RMB1,247.7 million.
- Gross profit margin was approximately 32.8%.
- Profit attributable to owners of the parent increased by approximately 23.5% to approximately RMB257.0 million.
- The total contracted gross floor area (“GFA”) and GFA under management were approximately 48.1 million sq.m. and 29.9 million sq.m., respectively.

The board (the “**Board**”) of directors (the “**Directors**”) of SCE Intelligent Commercial Management Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023 as follows:

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

*Year ended 31 December 2023*

|  | <i>Notes</i> | <b>2023</b><br><i>RMB’000</i> | 2022<br><i>RMB’000</i> |
|--|--------------|-------------------------------|------------------------|
| <b>Revenue</b>   | 5            | <b>1,247,682</b>              | 1,182,371              |
| Cost of sales  |              | <u>(837,943)</u>              | <u>(752,413)</u>       |
| Gross profit   |              | <b>409,739</b>                | 429,958                |
| Other income and gains   | 5            | <b>142,982</b>                | 46,357                 |
| Selling and marketing expenses   |              | <b>(9,818)</b>                | (1,032)                |
| Administrative expenses  |              | <b>(193,022)</b>              | (194,745)              |
| Finance cost   | 6            | <b>(122)</b>                  | (372)                  |
| Share of profit of a joint venture   |              | <u>333</u>                    | <u>271</u>             |
| <b>PROFIT BEFORE TAX</b>   | 7            | <b>350,092</b>                | 280,437                |
| Income tax expense   | 8            | <u>(86,846)</u>               | <u>(67,825)</u>        |
| <b>PROFIT FOR THE YEAR</b>   |              | <u><b>263,246</b></u>         | <u>212,612</u>         |
| <b>OTHER COMPREHENSIVE INCOME</b>  |              |                               |                        |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: |              |                               |                        |
| Exchange differences on translation of foreign operations                                    |              | <u>12,317</u>                 | <u>19,784</u>          |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>   |              | <u><b>12,317</b></u>          | <u>19,784</u>          |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>   |              | <u><b>275,563</b></u>         | <u>232,396</u>         |

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (Continued)**

*Year ended 31 December 2023*

|  | <i>Note</i> | <b>2023</b><br><b>RMB'000</b> | 2022<br><i>RMB'000</i> |
|--|-------------|-------------------------------|------------------------|
| Profit attributable to:                            |             |                               |                        |
| Owners of the parent                               |             | <b>257,048</b>                | 208,069                |
| Non-controlling interests                          |             | <b>6,198</b>                  | 4,543                  |
|  |             | <u><b>263,246</b></u>         | <u>212,612</u>         |
| <b>Total comprehensive income attributable to:</b> |             |                               |                        |
| Owners of the parent                               |             | <b>269,365</b>                | 227,853                |
| Non-controlling interests                          |             | <b>6,198</b>                  | 4,543                  |
|  |             | <u><b>275,563</b></u>         | <u>232,396</u>         |
| <b>EARNINGS PER SHARE</b>                          |             |                               |                        |
| <b>ATTRIBUTABLE TO ORDINARY</b>                    |             |                               |                        |
| <b>EQUITY HOLDERS</b>                              |             |                               |                        |
| <b>OF THE PARENT</b>                               | <i>10</i>   |                               |                        |
| Basic and diluted                                  |             | <u><b>RMB12.9 cents</b></u>   | <u>RMB10.0 cents</u>   |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*31 December 2023*

|   | <i>Notes</i> | <b>2023</b>           | 2022           |
|---|--------------|-----------------------|----------------|
|   |              | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| <b>NON-CURRENT ASSETS</b>                   |              |                       |                |
| Property and equipment                      |              | <b>32,204</b>         | 34,464         |
| Investment properties                       |              | <b>1,026,077</b>      | 341            |
| Goodwill                                    |              | –                     | 748            |
| Intangible asset                            |              | <b>400</b>            | 653            |
| Prepayments                                 |              | <b>6,096</b>          | 8,379          |
| Amount due from a related party             | <i>11</i>    | –                     | 644,445        |
| Investment in a joint venture               |              | <b>2,259</b>          | 1,926          |
| Deferred tax assets                         |              | <b>58,921</b>         | 27,414         |
|   |              | <hr/>                 | <hr/>          |
| Total non-current assets                    |              | <b>1,125,957</b>      | 718,370        |
|   |              | <hr/>                 | <hr/>          |
| <b>CURRENT ASSETS</b>                       |              |                       |                |
| Trade receivables                           | <i>12</i>    | <b>274,428</b>        | 181,784        |
| Prepayments, deposits and other receivables |              | <b>202,729</b>        | 57,500         |
| Amount due from a related party             | <i>11</i>    | <b>635,853</b>        | –              |
| Pledged deposits                            |              | –                     | 1,000,000      |
| Cash and cash equivalents                   |              | <b>1,157,372</b>      | 1,227,290      |
|   |              | <hr/>                 | <hr/>          |
| Total current assets                        |              | <b>2,270,382</b>      | 2,466,574      |
|   |              | <hr/>                 | <hr/>          |
| <b>CURRENT LIABILITIES</b>                  |              |                       |                |
| Trade payables                              | <i>13</i>    | <b>118,377</b>        | 75,058         |
| Other payables and accruals                 |              | <b>306,139</b>        | 270,965        |
| Contract liabilities                        |              | <b>253,312</b>        | 197,808        |
| Tax payable                                 |              | <b>41,958</b>         | 52,325         |
|   |              | <hr/>                 | <hr/>          |
| Total current liabilities                   |              | <b>719,786</b>        | 596,156        |
|   |              | <hr/>                 | <hr/>          |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***31 December 2023*

|  | <b>2023</b>                    | 2022                    |
|--|--------------------------------|-------------------------|
|  | <b><i>RMB'000</i></b>          | <i>RMB'000</i>          |
| <b>NET CURRENT ASSETS</b>                          | <b><u>1,550,596</u></b>        | <u>1,870,418</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>       | <b><u>2,676,553</u></b>        | <u>2,588,788</u>        |
| <b>NON-CURRENT LIABILITIES</b>                     |                                |                         |
| Lease liabilities                                  | –                              | 665                     |
| Deferred tax liabilities                           | <b><u>100</u></b>              | <u>163</u>              |
| Total non-current liabilities                      | <b><u>100</u></b>              | <u>828</u>              |
| Net assets   | <b><u><u>2,676,453</u></u></b> | <u><u>2,587,960</u></u> |
| <b>EQUITY</b>                                      |                                |                         |
| <b>Equity attributable to owners of the parent</b> |                                |                         |
| Issued capital                                     | <b>16,024</b>                  | 17,292                  |
| Reserves   | <b><u>2,639,721</u></b>        | <u>2,556,158</u>        |
|  | <b>2,655,745</b>               | 2,573,450               |
| <b>Non-controlling interests</b>                   | <b><u>20,708</u></b>           | <u>14,510</u>           |
| Total equity                                       | <b><u><u>2,676,453</u></u></b> | <u><u>2,587,960</u></u> |

## NOTES:

### 1. CORPORATE INFORMATION

SCE Intelligent Commercial Management Holdings Limited is a limited liability company incorporated in the Cayman Islands on 20 August 2019. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The addresses of the principal place of business of the Company in the People's Republic of China (the "PRC") and Hong Kong are 5/F, SCE Tower, No. 2, Lane 1688, Shenchang Road, Hongqiao Business District, Shanghai, China and Room 2801, Hysan Place, 500 Hennessy Road, Causeway Bay, Hong Kong, respectively. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 2 July 2021.

The Company and its subsidiaries (collectively referred to as the "Group") were involved in the provision of property management services and commercial operational services in the PRC during the year.

In the opinion of the directors of the Company, Happy Scene Global Limited, a company incorporated in the British Virgin Islands (the "BVI"), is the immediate holding company of the Company, and China SCE Group Holdings Limited (together with its subsidiaries but excluding the Group, the "China SCE Group"), a company incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange, is the controlling shareholder of the Company.

### 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2023.

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

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

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

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

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

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

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) HKFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. HKFRS 17 replaces HKFRS 4 *Insurance Contracts*. The standard applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions apply. The overall objective of the standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. The core of the standard is the general model, supplemented by:
- a specific adaptation for contracts with direct participation features (the variable fee approach); and
  - a simplified approach (the premium allocation approach) mainly for short-duration contracts.

As the Group did not have contracts within the scope of HKFRS 17, the new standard had no impact on the Group's financial statements.

Amendments to HKFRS 17 include changes to simplify certain requirements in the standard and make financial performance easier to explain. The amendments also provide additional reliefs to reduce the effort required for the transition to HKFRS 17. In addition, the amendments defer the effective date of HKFRS 17 to annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. As a result of the deferral, the HKICPA issued the amendments to HKFRS 4 *Extension of the Temporary Exemption from HKFRS 9* to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023. The amendments had no impact on the Group's financial statements as the Group did not have contracts within the scope of HKFRS 17.

Amendment to HKFRS 17 is a transition option relating to comparative information about financial assets presented on initial application of HKFRS 17, which helps to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and improve the usefulness of comparative information for users of financial statements. An entity that chooses to apply the transition option set out in this amendment shall apply it on initial application of HKFRS 17. The amendments had no impact on the Group's financial statements as the Group did not have contracts within the scope of HKFRS 17.

- (b) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.



- (c) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (d) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.

- (e) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective.

#### 4. OPERATING SEGMENT INFORMATION

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

##### Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operations in Chinese Mainland for the years ended 31 December 2023 and 2022 and the non-current assets of the Group were substantially located in the PRC as at 31 December 2023 and 2022.

##### Information about major customers

Revenue from the China SCE Group contributed 12% (2022: 22%) of the Group's revenue during the year. Other than the revenue from the China SCE Group, no revenue derived from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue during the year (2022: Nil).

#### 5. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue, other income and gains is as follows:

|  | 2023<br><i>RMB'000</i> | 2022<br><i>RMB'000</i> |
|--|------------------------|------------------------|
| <b>Revenue from contracts with customers</b>             |                        |                        |
| Property management services                             | 883,447                | 771,836                |
| Value-added services                                     | 349,106                | 365,491                |
| Commercial operational services                          | 15,129                 | 45,044                 |
|  | <u>1,247,682</u>       | <u>1,182,371</u>       |
|  | 2023<br><i>RMB'000</i> | 2022<br><i>RMB'000</i> |
| <b>Other income and gains</b>                            |                        |                        |
| Bank interest income                                     | 40,065                 | 32,882                 |
| Interest income from a related party                     | 45,451                 | –                      |
| Gain on bargain purchase                                 | 44,051                 | –                      |
| Gain on disposal of items of property and equipment, net | 5                      | 7                      |
| Forfeiture income on deposits received                   | 480                    | 1,091                  |
| Government grants  | 12,212                 | 9,125                  |
| Foreign exchange gain, net                               | 124                    | 1,926                  |
| Gain on termination of leases                            | –                      | 188                    |
| Others   | 594                    | 1,138                  |
|  | <u>142,982</u>         | <u>46,357</u>          |

## 6. FINANCE COST

|                                | 2023<br><i>RMB'000</i> | 2022<br><i>RMB'000</i> |
|--------------------------------|------------------------|------------------------|
| Interests on lease liabilities | <u>122</u>             | <u>372</u>             |

## 7. PROFIT BEFORE TAX

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

|   | 2023<br><i>RMB'000</i> | 2022<br><i>RMB'000</i> |
|---|------------------------|------------------------|
| Cost of services provided   | 837,943                | 752,413                |
| Depreciation of property and equipment                                    | 15,708                 | 13,198                 |
| Depreciation of right-of-use assets                                       | 3,973                  | 4,437                  |
| Depreciation of investment properties                                     | 264                    | 343                    |
| Amortisation of an intangible asset                                       | 253                    | 253                    |
| Gain on bargain purchase  | (44,051)               | –                      |
| Gain on disposal of property and equipment, net                           | (5)                    | (7)                    |
| Gain on termination of leases   | –                      | (188)                  |
| Lease payments not included in the measurement of lease liabilities       | 13,558                 | 11,185                 |
| Auditor's remuneration  | 1,580                  | 1,900                  |
| Employee benefit expense (including directors' remuneration):             |                        |                        |
| Salaries, bonuses and benefits in kind                                    | 466,167                | 471,359                |
| Share-based payment expenses  | 1,693                  | 1,614                  |
| Pension scheme contributions  | <u>81,700</u>          | <u>100,822</u>         |
|   | <u>549,560</u>         | <u>573,795</u>         |
| Impairment of trade receivables   | 1,242                  | 3,929                  |
| Impairment/(reversal of impairment) of amount due<br>from a related party | (406)                  | 4,731                  |
| Impairment of goodwill  | 748                    | –                      |
| Foreign exchange gain, net  | <u>(124)</u>           | <u>(1,926)</u>         |

## 8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which the Group's subsidiaries are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the BVI, the entities within the Group incorporated in the Cayman Islands and the BVI are not subject to any income tax. No provision for Hong Kong profits tax has been made during the year as the Group did not generate any assessable profits arising in Hong Kong during the year (2022: Nil).

Subsidiaries of the Group operating in Chinese Mainland are subject to the PRC corporate income tax ("CIT") at a rate of 25% for the years. Certain subsidiaries of the Group in Chinese Mainland satisfied the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises. For a small low-profit enterprise, the portion of annual taxable income which does not exceed RMB3,000,000 shall be calculated at a reduced rate of 25% as taxable income and be subject to CIT at a rate of 20%.

|  | 2023<br><i>RMB'000</i> | 2022<br><i>RMB'000</i> |
|--|------------------------|------------------------|
| Current charge for the year:           |                        |                        |
| PRC corporate income tax               | 83,264                 | 86,791                 |
| Under/(over)-provision in prior years: |                        |                        |
| Chinese Mainland                       | <u>2,657</u>           | <u>(652)</u>           |
|  | <b>85,921</b>          | 86,139                 |
| Deferred                               | <u>925</u>             | <u>(18,314)</u>        |
| Total tax charge for the year          | <u><b>86,846</b></u>   | <u>67,825</u>          |

## 9. DIVIDENDS

The Board does not recommend the payment of a final dividend in respect of the year ended 31 December 2023 (2022: Nil). No interim dividend was declared in respect of the current year (2022: Nil).

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

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent of RMB257,048,000 (2022: RMB208,069,000), and the weighted average number of ordinary shares of 1,998,945,000 (2022: 2,075,000,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2023 and 2022 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

## 11. AMOUNT DUE FROM A RELATED PARTY

The non-trade amount due from a related party is secured, bears fixed interest at 7% per annum and repayable (2022: not repayable) within the next twelve months.

## 12. TRADE RECEIVABLES

|  | 2023<br><i>RMB'000</i> | 2022<br><i>RMB'000</i> |
|--|------------------------|------------------------|
| Trade receivables from related companies         | 152,694                | 98,050                 |
| Trade receivables from independent third parties | <u>127,992</u>         | <u>88,750</u>          |
|  | 280,686                | 186,800                |
| Less: Impairment of trade receivables            | <u>(6,258)</u>         | <u>(5,016)</u>         |
|  | <u><u>274,428</u></u>  | <u><u>181,784</u></u>  |

Trade receivables represented receivables arising from property management services, commercial operational services and other related services. For trade receivables from property management services, the Group charges property management fees on a quarterly or monthly basis and the payment is generally due upon the issuance of demand notes. For trade receivables from other services, the Group's trading terms with its customers are mainly on credit and the credit period is generally within six months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. Except for the balances with the China SCE Group and joint ventures and associates of the China SCE Group, the Group's trade receivables relate to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are interest-free.

The amounts due from the China SCE Group and joint ventures and associates of the China SCE Group are repayable on credit terms similar to those offered to the major customers of the Group.

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

|                    | <b>2023</b><br><i>RMB'000</i> | 2022<br><i>RMB'000</i> |
|--------------------|-------------------------------|------------------------|
| Current to 90 days | <b>125,250</b>                | 145,221                |
| 91 to 180 days     | <b>67,012</b>                 | 22,039                 |
| 181 to 365 days    | <b>39,068</b>                 | 7,385                  |
| Over 365 days      | <b>43,098</b>                 | 7,139                  |
|                    | <u><b>274,428</b></u>         | <u>181,784</u>         |

### 13. TRADE PAYABLES

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

|                    | <b>2023</b><br><i>RMB'000</i> | 2022<br><i>RMB'000</i> |
|--------------------|-------------------------------|------------------------|
| Current to 90 days | <b>92,469</b>                 | 64,605                 |
| 91 to 365 days     | <b>23,347</b>                 | 5,689                  |
| Over 365 days      | <b>2,561</b>                  | 4,764                  |
|                    | <u><b>118,377</b></u>         | <u>75,058</u>          |

Trade payables are unsecured and interest-free and are normally settled based on 10 to 90 days' term.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group is a service provider focusing on property management services with operations in the West Taiwan Strait Economic Zone, the Yangtze River Delta Economic Zone, the Bohai Rim Economic Zone, the Guangdong-Hong Kong-Macao Greater Bay Area and the Central Western Region. As at 31 December 2023, there were 39 contracted commercial properties (including shopping malls and offices) with a total contracted GFA of approximately 5.0 million sq.m. and 19 commercial properties under management with a total GFA under management of approximately 2.0 million sq.m..

The Group provides professional commercial property management and operational services to property owners, tenants and consumers through the “SCE Funworld” brand. “SCE Funworld” has three different product lines: “Urban Fashion”, “Quality Life” and “Urban Outlets”, focusing on the young urban middle class and families, all types of urban families, urban white-collar workers and customers pursuing quality of life, providing them with tailor-made products and services and becoming the initiator and leader of a new lifestyle.

The Group also provides property management services to residential properties. As at 31 December 2023, there were 223 contracted residential projects with a total contracted GFA of approximately 43.1 million sq.m. and 173 residential projects under management with a total GFA under management of approximately 27.9 million sq.m..

### BUSINESS REVIEW

During the year ended 31 December 2023 (the “Year”), the Group conducted business activities in the following major business segments, namely (i) commercial property management and operational services; and (ii) residential property management services.

During the Year, the Group’s revenue by business segment is as follows:

|   | <b>Year ended 31 December</b> |                         |
|---|-------------------------------|-------------------------|
|   | <b>2023</b>                   | <b>2022</b>             |
|   | <b><i>RMB’000</i></b>         | <b><i>RMB’000</i></b>   |
| Commercial property management and operational services | <b>415,909</b>                | 395,812                 |
| Residential property management services                | <b>831,773</b>                | 786,559                 |
| Total   | <b><u>1,247,682</u></b>       | <b><u>1,182,371</u></b> |

## Commercial property management and operational services

During the Year, the Group's commercial property management and operational services segment recorded total revenue of approximately RMB415.9 million, representing a year-on-year increase of approximately 5.1%; GFA under management of approximately 2.0 million sq.m., representing a year-on-year increase of approximately 19.1%; the number of projects under management of 19 projects, representing a year-on-year increase of two projects; and contracted GFA of approximately 5.0 million sq.m., representing a year-on-year slight decrease of approximately 0.2%.

During the Year, the contracted GFA, GFA under management and revenue under the Group's commercial property management and operational services segment by geographical area are as follows:

|                                   | Year ended 31 December     |   |                |                            |   |                |
|-----------------------------------|----------------------------|---|----------------|----------------------------|---|----------------|
|                                   | 2023                       |   |                | 2022                       |   |                |
|                                   | Contracted<br>GFA<br>sq.m. | GFA<br>under<br>Management<br>sq.m.<br>(in thousands) | Revenue<br>RMB | Contracted<br>GFA<br>sq.m. | GFA<br>under<br>Management<br>sq.m.<br>(in thousands) | Revenue<br>RMB |
| Yangtze River Delta Economic Zone | 2,098                      | 698   | 148,032        | 2,098                      | 698   | 168,191        |
| West Taiwan Strait Economic Zone  | 879                        | 571   | 141,197        | 891                        | 583   | 133,245        |
| Bohai Rim Economic Zone           | 739                        | 379   | 92,102         | 739                        | 197   | 54,357         |
| Guangdong-Hong Kong-Macao         |                            |   |                |                            |   |                |
| Greater Bay Area                  | 611                        | 266   | 12,980         | 611                        | 111   | 19,013         |
| Central Western Region            | 623                        | 112   | 21,598         | 623                        | 112   | 21,006         |
| Total                             | <u>4,950</u>               | <u>2,026</u>  | <u>415,909</u> | <u>4,962</u>               | <u>1,701</u>  | <u>395,812</u> |



Certain information of the Group's commercial properties under management as at 31 December 2023 and 2022 is set out below:

| Project                            | Opening Date   | Property Type   | Location | Geographic Region                 | Occupancy Rate    |       | GFA under Management |         |
|------------------------------------|----------------|-----------------|----------|-----------------------------------|-------------------|-------|----------------------|---------|
|                                    |                |                 |          |                                   | As at 31 December |       | 2023                 | 2022    |
|                                    |                |                 |          |                                   | 2023              | 2022  | 2023                 | 2022    |
|                                    |                |                 |          |                                   | %                 | %     | sq.m.                | sq.m.   |
| Xiamen SCE Building                | January 2007   | Office building | Xiamen   | West Taiwan Strait Economic Zone  | <b>88.8</b>       | 90.5  | <b>50,309</b>        | 50,309  |
| Beijing CBD SCE Funworld           | September 2009 | Shopping street | Beijing  | Bohai Rim Economic Zone           | <b>87.8</b>       | 88.5  | <b>54,484</b>        | 54,484  |
| Quanzhou SCE Funworld              | May 2014       | Shopping mall   | Quanzhou | West Taiwan Strait Economic Zone  | <b>92.6</b>       | 89.1  | <b>180,929</b>       | 180,929 |
| Gala Fun                           | December 2014  | Shopping street | Quanzhou | West Taiwan Strait Economic Zone  | N/A               | 75.0  | N/A                  | 11,729  |
| Shanghai SCE Plaza Phase One       | June 2017      | Office building | Shanghai | Yangtze River Delta Economic Zone | <b>100.0</b>      | 100.0 | <b>218,471</b>       | 218,471 |
| Shanghai SCE Plaza Phase Two       | July 2018      | Office building | Shanghai | Yangtze River Delta Economic Zone | <b>70.0</b>       | 75.6  | <b>126,525</b>       | 126,525 |
| Quanzhou SCE Plaza Office Building | August 2018    | Office building | Quanzhou | West Taiwan Strait Economic Zone  | <b>86.2</b>       | 87.0  | <b>45,972</b>        | 45,972  |
| Shishi Fortune Center              | September 2018 | Office building | Quanzhou | West Taiwan Strait Economic Zone  | <b>79.7</b>       | 69.9  | <b>33,380</b>        | 33,380  |
| Nan'an SCE Funworld                | December 2018  | Shopping mall   | Quanzhou | West Taiwan Strait Economic Zone  | <b>99.4</b>       | 97.1  | <b>72,618</b>        | 72,618  |
| Tianyue                            | October 2020   | Office building | Shanghai | Yangtze River Delta Economic Zone | <b>80.7</b>       | 75.2  | <b>52,499</b>        | 52,499  |
| Shuitou SCE Funworld               | December 2020  | Shopping mall   | Quanzhou | West Taiwan Strait Economic Zone  | <b>86.0</b>       | 92.3  | <b>105,290</b>       | 105,290 |
| Xianyou SCE Funworld               | December 2020  | Shopping mall   | Putian   | West Taiwan Strait Economic Zone  | <b>92.5</b>       | 91.1  | <b>82,678</b>        | 82,678  |

| Project                            | Opening Date  | Property Type | Location     | Geographic Region                          | Occupancy Rate    |             | GFA under Management |                  |
|------------------------------------|---------------|---------------|--------------|--|-------------------|-------------|----------------------|------------------|
|                                    |               |               |              |  | As at 31 December |             | 2023                 | 2022             |
|                                    |               |               |              |  | 2023              | 2022        | 2023                 | 2022             |
|                                    |               |               |              |  | %                 | %           | sq.m.                | sq.m.            |
| Taizhou SCE Funworld               | December 2021 | Shopping mall | Taizhou      | Yangtze River Delta Economic Zone          | 90.8              | 84.2        | 199,625              | 199,625          |
| Heyuan SCE Funworld                | December 2021 | Shopping mall | Heyuan       | Guangdong-Hong Kong-Macao Greater Bay Area | 75.5              | 80.8        | 111,084              | 111,084          |
| Pingdingshan SCE Funworld          | December 2021 | Shopping mall | Pingdingshan | Central Western Region                     | 99.2              | 97.3        | 111,142              | 111,142          |
| Zhangjiagang SCE Funworld          | December 2021 | Shopping mall | Suzhou       | Yangtze River Delta Economic Zone          | 97.2              | 99.5        | 100,825              | 100,825          |
| Gaomi SCE Funworld                 | December 2022 | Shopping mall | Weifang      | Bohai Rim Economic Zone                    | 96.9              | 92.6        | 143,634              | 143,634          |
| Tangshan SCE Funworld              | March 2023    | Shopping mall | Tangshan     | Bohai Rim Economic Zone                    | 92.2              | N/A         | 78,048               | N/A              |
| Beijing West Chang'an SCE Funworld | March 2023    | Shopping mall | Beijing      | Bohai Rim Economic Zone                    | 99.5              | N/A         | 103,453              | N/A              |
| Shantou SCE Funworld               | December 2023 | Shopping mall | Shantou      | Guangdong-Hong Kong-Macao Greater Bay Area | 92.6              | N/A         | 154,710              | N/A              |
| Total                              |               |               |              |  | <u>90.2</u>       | <u>88.8</u> | <u>2,025,676</u>     | <u>1,701,194</u> |

In 2023, the commercial property sector presented a dynamic landscape characterised by both opportunities and challenges. In response to evolving new market trends and consumption, the Group takes a proactive approach to studying the market, consumers, and the projects it manages. This involves identifying the market positioning and product content advantages necessary for the future growth of each project, as well as conducting in-depth analyses of operational challenges to ensure effective business management. Operational issues within the project were diagnosed and resolved, with the principle of “Classified Management” implemented in the projects. For instance, projects in the incubation phase should persevere in identifying operational breakthroughs and strengthening the product base. Projects in the market stabilisation phase should focus on refining commercial content and enhancing merchant performance through professional operations. Projects in the preparation stage should precisely define market positioning and consumer awareness, establishing a distinctive label and setting industry standards.

In adherence to the urban commercial vision of “A Funworld Makes Every City Wonderful”, the Group consistently strives to deliver tailored commercial content that aligns with the varying city tiers and needs of customers across different levels. Remaining attuned to emerging trends, the Group introduces highly adaptable business content and diversified industry portfolios. Through this strategic approach, the Group successfully updates the local consumption concept and positions its shopping malls as top-tier destinations within the city.

The year 2023 marked the inaugural launch of the Group’s latest innovative production line. This innovative outlet-based Beijing West Chang’an SCE Funworld was positioned as the “24-hour Non-closing Beijing West New Outlet”. It signifies the Group’s proactive adaptation to emerging consumer trends, showcasing a novel business model amalgamating “Shopping Mall Content Selection” and “Outlet Retail Selection” set as a benchmark for industry peers. This achievement underscores the depth of expertise within the Group’s management team, ensuring sustained delivery of high-quality services and fostering a culture of ongoing innovation amidst market challenges. Additionally, the inauguration of Shantou SCE Funworld as the region’s premier commercial complex, alongside the opening of the Group’s second shopping mall in Guangdong, sets a robust foundation for future business ventures of the Group in Guangdong. Furthermore, the launch of Tangshan SCE Funworld represents a pivotal step in the Group’s business cooperation model, further enhancing its brand influence within the industry.

As at the end of 2023, the total brand annual adjustment of SCE Funworld amounted to 30%. Expanding its reach into high-end beauty and luxury watches, the Group continued its strategic pursuit of “First Store Matrix + High-traffic Internet Celebrities + Exclusive and High-quality” this year to elevate consumption content, cultivate a robust brand lineup, and enhance project differentiation competitiveness. Notably, Quanzhou SCE Funworld achieved a significant milestone in its brand revitalisation efforts by introducing international affordable luxury brands. This move signifies a pivotal step towards embracing international affordable luxury and reinforces its positioning as the premier shopping destination in Greater Quanzhou. Guided by the strategic concept of “Collaborative Symbiosis”, the Group reaffirmed its commitment to its core business principles. It established a “Co-creation” mechanism and introduced a “Commodity Hierarchical Management Model” to seamlessly connect renowned domestic and foreign brands, curate its own supplier brand library, and facilitate more efficient resource integration in collaboration with merchants to boost up the financial performance of the brand. Currently, the Group has over 2,000 strategic cooperation brands, embodying its ethos of “Altruistic and Win-win” business philosophy and fostering symbiotic relationships with partners to achieve mutual success.

### Residential Property Management Services

During the Year, the Group’s residential property management services segment recorded total revenue of approximately RMB831.8 million, representing a year-on-year increase of approximately 5.7%; GFA under management was approximately 27.9 million sq.m., representing a year-on-year increase of approximately 16.2%; the number of projects under management was 173 projects, representing an increase of 24 projects; and contracted GFA was approximately 43.1 million sq.m., representing a year-on-year slight decrease of approximately 0.1%.

During the Year, the contracted GFA, GFA under management and revenue under the Group’s residential property management services segment by geographical area are as follows:

|                           | Year ended 31 December            |  |                       |                                   |  |                       |
|---------------------------|-----------------------------------|--|-----------------------|-----------------------------------|--|-----------------------|
|                           | 2023                              |  |                       | 2022                              |  |                       |
|                           | Contracted<br>GFA<br><i>sq.m.</i> | GFA<br>under<br>Management<br><i>sq.m.</i> | Revenue<br><i>RMB</i> | Contracted<br>GFA<br><i>sq.m.</i> | GFA<br>under<br>Management<br><i>sq.m.</i> | Revenue<br><i>RMB</i> |
|                           | (in thousands)                    |  |                       | (in thousands)                    |  |                       |
| Yangtze River Delta       |                                   |  |                       |                                   |  |                       |
| Economic Zone             | 8,963                             | 5,169                                      | 158,317               | 8,998                             | 4,529                                      | 176,061               |
| West Taiwan Strait        |                                   |  |                       |                                   |  |                       |
| Economic Zone             | 16,167                            | 13,149                                     | 375,851               | 16,167                            | 11,595                                     | 325,075               |
| Bohai Rim Economic Zone   | 6,281                             | 3,968                                      | 133,749               | 6,281                             | 3,532                                      | 135,968               |
| Guangdong-Hong Kong-Macao |                                   |  |                       |                                   |  |                       |
| Greater Bay Area          | 4,244                             | 1,651                                      | 56,701                | 4,244                             | 1,003                                      | 56,143                |
| Central Western Region    | 7,489                             | 3,966                                      | 107,155               | 7,489                             | 3,353                                      | 93,312                |
| Total                     | <u>43,144</u>                     | <u>27,903</u>                              | <u>831,773</u>        | <u>43,179</u>                     | <u>24,012</u>                              | <u>786,559</u>        |

## **OUTLOOK**

In 2023, the Group remained steadfast in its commitment to its original business vision, persistently generating operational value for merchants. Guided by the strategic pillars of “Regional Focus, Synergy and Coexistence, and Digital Empowerment”, the Group maintained a focus on refined operations, cultivating a consumer-preferred and highly cost-effective commercial content. The Group consistently executed its strategic imperative of “Scaling up with Quality Development”, thereby offering enriched, trendsetting consumption experiences across multiple cities and consumers. As the industry landscape continues to evolve amidst shifting consumption patterns, the essence of business competition has progressively shifted from “Scale Management” to “Quality Management”. Looking ahead, the Group is poised to seize upon prevailing market trends, embedding itself within emerging consumer paradigms, and intensifying efforts towards departmental store within shopping mall management, dedicating to enhance rate of return of investment projects. Through benchmarking against excellent players in the industry, the Group builds and enhances its differentiated operational capabilities while maintaining a steadfast commitment to high-quality project delivery. The Group strives to establish benchmark projects and augments the Group’s competitiveness and influence within the industry.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue increased by 5.5% from approximately RMB1,182.4 million in 2022 to approximately RMB1,247.7 million in 2023. This was due to the combined effect of increase in the GFA under management and the decrease in the revenue recorded from the provision of value-added services.

A breakdown of the Group's revenue by service category for the years indicated is set out below:

|  | <b>Year ended 31 December</b>    |                        |                                  |                        |
|--|----------------------------------|------------------------|----------------------------------|------------------------|
|  | <b>2023</b>                      |                        | <b>2022</b>                      |                        |
|  | <b>Revenue</b><br><i>RMB'000</i> | <b>Percentage</b><br>% | <b>Revenue</b><br><i>RMB'000</i> | <b>Percentage</b><br>% |
| <b>Commercial property management and operational services</b> |                                  |                        |                                  |                        |
| Basic commercial property management services                  | <b>262,482</b>                   | <b>21.0</b>            | 242,762                          | 20.5                   |
| Pre-opening management services                                | <b>15,129</b>                    | <b>1.2</b>             | 45,044                           | 3.8                    |
| Other value-added services                                     | <b>138,298</b>                   | <b>11.1</b>            | 108,006                          | 9.2                    |
| Subtotal   | <b>415,909</b>                   | <b>33.3</b>            | 395,812                          | 33.5                   |
| <b>Residential property management services</b>                |                                  |                        |                                  |                        |
| Basic residential property management services                 | <b>620,965</b>                   | <b>49.8</b>            | 529,074                          | 44.8                   |
| Value-added services to non-property owners                    | <b>105,484</b>                   | <b>8.5</b>             | 195,574                          | 16.5                   |
| Community value-added services                                 | <b>105,324</b>                   | <b>8.4</b>             | 61,911                           | 5.2                    |
| Subtotal   | <b>831,773</b>                   | <b>66.7</b>            | 786,559                          | 66.5                   |
| Total  | <b>1,247,682</b>                 | <b>100.0</b>           | 1,182,371                        | 100.0                  |

### *Basic Commercial Property Management Services*

The Group's basic commercial property management services mainly include cleaning, security, repair and maintenance, tenant assistance, marketing and promotion services provided to property developers, property owners and tenants. The Group's revenue from basic commercial property management services increased by approximately 8.1% from approximately RMB242.8 million in 2022 to approximately RMB262.5 million in 2023, accounting for approximately 21.0% of its total revenue. This was due to the increase in GFA under management.

### *Pre-opening Management Services*

The Group's pre-opening management services mainly include market research and positioning, preliminary consultation and planning, architectural design consultation, tenant acquisition and opening preparation services provided to property developers prior to the opening of commercial properties. The Group's revenue from pre-opening management services decreased significantly by approximately 66.4% from approximately RMB45.0 million in 2022 to approximately RMB15.1 million in 2023, accounting for approximately 1.2% of its total revenue. This was due to the temporary suspension of land acquisition by the China SCE Group starting from 2022. The number of shopping malls for which the Group provided pre-opening management services decreased significantly from seven in 2022 to three in 2023.

### *Other Value-added Services*

The Group's other value-added services mainly include tenant management, rental collection, parking lot management, advertising space and other common area management services provided after the opening of commercial properties. The Group's revenue from other value-added services increased by approximately 28.0% from approximately RMB108.0 million in 2022 to approximately RMB138.3 million in 2023, accounting for approximately 11.1% of its total revenue. This was due to the increase in GFA under management and the impact of the COVID-19 pandemic on the operations in 2022.

### *Basic Residential Property Management Services*

The Group's basic residential property management services mainly include cleaning, security, landscaping and repair and maintenance services provided to property owners, property owners' committees or property developers. The Group's revenue from basic residential property management services increased by approximately 17.4% from approximately RMB529.1 million in 2022 to approximately RMB621.0 million in 2023, accounting for approximately 49.8% of its total revenue. This was due to the increase in GFA under management.

### *Value-added Services to Non-property Owners*

The Group's value-added services to non-property owner mainly include the provision of pre-sale management services to property developers during pre-sale activities, such as cleaning, security and repair and maintenance services for pre-sale display units and sales offices, pre-delivery inspection services and car park sales services for car parks that remained unsold after the pre-sale period. The Group's revenue from value-added services to non-property owners decreased significantly by approximately 46.1% from approximately RMB195.6 million in 2022 to approximately RMB105.5 million in 2023, accounting for approximately 8.5% of its total revenue. This was due to the significant decrease in the revenue from the provision of sales office management services and pre-delivery inspection services.

### *Community Value-added Services*

The Group's community value-added services mainly include housekeeping and cleaning services, residential property agency services, exquisite residence services, car park management, clubhouse operation and common area management value-added services. The Group's revenue from community value-added services increased significantly by approximately 70.1% from approximately RMB61.9 million in 2022 to approximately RMB105.3 million in 2023, accounting for approximately 8.4% of its total revenue. This was due to the significant increase in the revenue from the provision of exquisite residence services.



## **Gross Profit**

Gross profit decreased by approximately 4.7% from approximately RMB430.0 million in 2022 to approximately RMB409.7 million in 2023.

The overall gross profit margin decreased from approximately 36.4% in 2022 to approximately 32.8% in 2023. The decrease in gross profit margin was mainly due to the decrease in the revenue recorded from the provision of value-added services which had higher gross profit margins.

## **Other Income and Gains**

The Group's other income and gains mainly comprised bank and other interest income, foreign exchange gain, gain on bargain purchase, government subsidies and forfeiture income on deposits received.

Other income and gains increased significantly by approximately 208.4% from approximately RMB46.4 million in 2022 to approximately RMB143.0 million in 2023. The increase in other income and gains was mainly due to the significant increase in interest income from the loan to China SCE Group, and a gain on bargain purchase resulting from the acquisition of the entire issued share capital of Mega Time Developments Limited.

## **Administrative Expenses**

The Group's administrative expenses mainly comprised salaries and wages of administrative staff, entertainment expenses, office expenses, travel and transportation expenses, depreciation and amortisation and others.

Administrative expenses decreased slightly by approximately 0.9% from approximately RMB194.7 million in 2022 to approximately RMB193.0 million in 2023.

## **Income Tax Expense**

Income tax expense increased by approximately 28.0% from approximately RMB67.8 million in 2022 to approximately RMB86.8 million in 2023. Income tax expense as a percentage of profit before taxation slightly increased from 24.2% in 2022 to 24.8% in 2023.

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

Profit attributable to owners of the parent increased by approximately 23.5% from approximately RMB208.1 million in 2022 to approximately RMB257.0 million in 2023. Basic earnings per share amounted to approximately RMB12.9 cents in 2023.

## Amount Due From a Related Party

The Group's amount due from a related party was a loan advanced to China SCE Group at an interest rate of 7.0% per annum. The loan will be repaid on or before 31 December 2024.

## Investment Properties

The Group's investment properties mainly represented the carrying amount of an outlet-based shopping mall located in Beijing, which was acquired during the Year.

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### Cash Position

As at 31 December 2023, the Group's cash and bank balances were denominated in different currencies as set out below:

|                              | <b>31 December<br/>2023</b> | 31 December<br>2022 |
|------------------------------|-----------------------------|---------------------|
|                              | <b><i>RMB'000</i></b>       | <i>RMB'000</i>      |
| Renminbi                     | <b>1,150,187</b>            | 2,220,441           |
| Hong Kong dollars            | <b>5,116</b>                | 4,737               |
| US dollars                   | <b>2,069</b>                | 2,112               |
|                              | <hr/>                       | <hr/>               |
| Total cash and bank balances | <b><u>1,157,372</u></b>     | <u>2,227,290</u>    |

The Group placed certain deposits in a bank in the PRC to secure certain bills issued from a bank in the PRC for the bidding of commercial land parcels for future development of the Group in 2022. As at 31 December 2023, the amount of pledged deposits was nil (31 December 2022: RMB1.0 billion).

### Borrowings

As at 31 December 2023, the Group did not incur any borrowings (31 December 2022: Nil).

The gearing ratio was calculated by dividing the net amount of interest-bearing borrowings by total equity. As at 31 December 2023, the gearing ratio was nil (31 December 2022: Nil).

## **Exchange Rate Fluctuation Exposures**

The Group's businesses are located in the PRC and all of the revenue and a substantial amount of operating expenses of the Group are denominated in RMB. As at 31 December 2023, except for certain bank deposits which were denominated in foreign currencies, exchange rate changes of RMB against foreign currencies will not have material adverse effect on the results of operations of the Group.

No foreign currency hedging arrangement was made as at 31 December 2023 (31 December 2022: Nil). The Group will closely monitor its exposure to fluctuation in foreign currency exchange rates.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting (the “**Annual General Meeting**”) of the Company will be held on Friday, 31 May 2024. Notice of the Annual General Meeting will be issued to the shareholders of the Company in accordance with the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange in due course.

## **DIVIDEND**

The Board does not recommend the payment of any final dividend for the year ended 31 December 2023 (2022: Nil).

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting to be held on Friday, 31 May 2024, the register of members of the Company will be closed from Tuesday, 28 May 2024 to Friday, 31 May 2024, both days inclusive, during which no transfer of shares can be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents should be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 27 May 2024.

## **AUDIT COMMITTEE**

The Company established an audit committee of the Board (the “**Audit Committee**”) on 10 June 2021 in compliance with rule 3.21 of the Listing Rules. The Audit Committee comprises two independent non-executive Directors, namely Mr. Wang Yongping and Mr. Pang Hon Chung, and the non-executive Director, namely Mr. Huang Youquan. Mr. Pang Hon Chung is the chairman of the Audit Committee and has considerable experience in accounting and financial management, which is in line with the requirement of rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed the accounting policies adopted by the Group, the consolidated financial statements of the Group for the year ended 31 December 2023 and this annual results announcement.

## **SCOPE OF WORK OF PRISM HONG KONG AND SHANGHAI LIMITED**

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 this preliminary announcement have been agreed by the Company’s external auditor, Prism Hong Kong and Shanghai Limited (“**Prism**”), to the amounts set out in the Group’s consolidated financial statements for the Year. The work performed by Prism in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Prism on this announcement.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules as its code of conduct for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors have confirmed that they have strictly complied with the required standards set out in the Model Code during the Year.

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

The Company repurchased a total of 140,000,000 shares of the Company at an aggregate consideration of HKD207,833,530 on the Stock Exchange.

Particulars of the shares repurchased during the Year are as follows:

| Month in which shares were repurchased | Date of cancellation | Number of shares repurchased<br>(shares) | Highest price paid per share<br>(HKD) | Lowest price paid per share<br>(HKD) | Total consideration paid<br>(HKD) |
|--|----------------------|--|---------------------------------------|--------------------------------------|-----------------------------------|
| January 2023                           | 6 February 2023      | 60,000,000                               | 1.96                                  | 1.89                                 | 114,785,650                       |
| August 2023                            | 21 September 2023    | 7,170,000                                | 1.12                                  | 1.08                                 | 7,939,750                         |
| September 2023                         | 21 September 2023    | <u>72,830,000</u>                        | 1.19                                  | 1.15                                 | <u>85,108,130</u>                 |
| Total                                  |                      | <u>140,000,000</u>                       |                                       |                                      | <u>207,833,530</u>                |

Save as disclosed above, neither the Company or its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

## CORPORATE GOVERNANCE

During the Year, the Company and the Board had been in compliance with the code provisions set out in the Corporate Governance Code effective during the Year contained in Part 2 of Appendix C1 (formerly known as Appendix 14) to the Listing Rules.

**PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY**

This results announcement of the Company for the Year is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.sce-icm.com](http://www.sce-icm.com).

By order of the Board  
**SCE Intelligent Commercial Management Holdings Limited**  
**Wong Lun**  
*Chairman*

Hong Kong, China, 27 March 2024

*As at the date of this announcement, the Board comprises Mr. Wong Lun, Mr. Niu Wei, Mr. Sun Qiang, Mr. Zheng Quanlou and Ms. Ku Weihong as executive Directors, Mr. Huang Youquan as non-executive Director, Mr. Ding Zuyu, Mr. Wang Yongping and Mr. Pang Hon Chung as independent non-executive Directors.*