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## **Ling Yue Services Group Limited**

**領悅服務集團有限公司**

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

**(Stock Code: 2165)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

#### **INTERIM RESULTS AND OPERATIONAL HIGHLIGHTS**

##### **Financial Highlights**

- The revenue for the six months ended 30 June 2021 was RMB255.0 million, representing an increase of 30.7% compared with the same period in 2020.
- The gross profit for the six months ended 30 June 2021 was RMB79.6 million, representing an increase of 25.8% compared with the same period in 2020.
- The net profit for the six months ended 30 June 2021 was RMB38.3 million, representing an increase of 8.2% compared with the same period in 2020. Excluding listing expenses of RMB7.9 million, the adjusted net profit of the Company for the Period was RMB45.0 million, representing an increase of 27.1% as compared with RMB35.4 million (excluding any listing expenses) for the corresponding period of 2020.
- As of 30 June 2021, the Group had 231 contracted projects, contracted GFA of 37.6 million sq.m., 175 projects under management and GFA under management of 20.8 million sq.m..

The board (the “**Board**”) of directors (the “**Directors**”) of Ling Yue Services Group Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results (the “**Interim Results**”) of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2021 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2020 as follows:

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2021*

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 <b>RMB'000</b> <b>(Unaudited)</b>
REVENUE	5	<b>255,021</b>	195,141
Cost of sales		<u><b>(175,448)</b></u>	<u>(131,803)</u>
Gross profit		<b>79,573</b>	63,338
Other income and gains		<b>1,098</b>	1,187
Administrative expenses		<b>(33,665)</b>	(20,300)
Other expenses		<b>(99)</b>	(526)
Finance costs		<b>(17)</b>	(28)
Impairment losses on financial assets, net		<b>(2,243)</b>	(1,583)
Share of profits and losses of: a joint venture		<u><b>65</b></u>	<u>(12)</u>
PROFIT BEFORE TAX	6	<b>44,712</b>	42,076
Income tax expenses	7	<u><b>(6,377)</b></u>	<u>(6,635)</u>
PROFIT FOR THE PERIOD		<u><b>38,335</b></u>	<u>35,441</u>
Attributable to:			
Owners of the parent		<b>35,733</b>	32,552
Non-controlling interests		<u><b>2,602</b></u>	<u>2,889</u>
		<u><b>38,335</b></u>	<u>35,441</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted — For profit for the period	9	<u><b>RMB0.17</b></u>	<u>RMB0.16</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2021*

	2021 <i>RMB'000</i> (Unaudited)	2020 <i>RMB'000</i> (Unaudited)
PROFIT FOR THE PERIOD	<u><b>38,335</b></u>	<u>35,441</u>
OTHER COMPREHENSIVE INCOME	<b>(488)</b>	(1,152)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Change in fair value	<b>(574)</b>	(1,355)
Income tax effect	<u>86</u>	<u>203</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><b>37,847</b></u>	<u>34,289</u>
Attributable to:		
Owners of the parent	<b>35,245</b>	31,400
Non-controlling interests	<u><b>2,602</b></u>	<u>2,889</u>
	<u><b>37,847</b></u>	<u>34,289</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		<b>30 June 2021</b>	31 December 2020
	<i>Notes</i>	<i>RMB'000</i> <b>(Unaudited)</b>	<i>RMB'000</i> <b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property plant and equipment		<b>946</b>	926
Right-of-use assets		<b>1,100</b>	1,467
Goodwill		<b>22,772</b>	22,772
Other intangible assets		<b>17,192</b>	18,335
Investment in a joint venture		<b>133</b>	68
Equity investments designated at fair value through other comprehensive income		<b>5,749</b>	6,323
Deferred tax assets		<b>3,696</b>	3,703
		<hr/>	<hr/>
Total non-current assets		<b>51,588</b>	53,594
<b>CURRENT ASSETS</b>			
Inventories		<b>2,155</b>	2155
Trade receivables	10	<b>79,452</b>	52,449
Due from related companies		<b>58,624</b>	84,307
Prepayments and other receivables		<b>35,581</b>	30,426
Cash and cash equivalents		<b>59,931</b>	68,274
		<hr/>	<hr/>
Total current assets		<b>235,743</b>	237,611
<b>CURRENT LIABILITIES</b>			
Trade payables	11	<b>27,156</b>	18,620
Other payables and accruals	12	<b>164,449</b>	148,523
Due to related companies		<b>749</b>	510
Tax payable		<b>5,450</b>	6,857
Lease liabilities		<b>744</b>	713
		<hr/>	<hr/>
Total current liabilities		<b>198,548</b>	175,223
<b>NET CURRENT ASSETS</b>			
		<hr/> <b>37,195</b>	<hr/> 62,388
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<hr/> <b>88,783</b>	<hr/> 115,982

	<b>30 June</b>	31 December
	<b>2021</b>	2020
<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	(Audited)
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	<b>189</b>	775
Deferred tax liabilities	<b>2,572</b>	2,739
	<hr/>	<hr/>
Total non-current liabilities	<b>2,761</b>	3,514
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>86,022</b>	112,468
	<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	—	—
Reserves	<b>68,976</b>	96,788
	<hr/>	<hr/>
	<b>68,976</b>	96,788
	<hr/>	<hr/>
Non-controlling interests	<b>17,046</b>	15,680
	<hr/>	<hr/>
Total equity	<b>86,022</b>	112,468
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# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

## 1. CORPORATE INFORMATION

Ling Yue Services Group Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Islands Companies Law on 28 August 2020. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services for residential and non-residential properties in the People’s Republic of China (“**PRC**”)/Mainland China.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited on 12 July 2021.

In the opinion of the directors of the Company, the ultimate controlling shareholders of the Group are Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli (the “**Controlling Shareholders**”).

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s combined financial statements included in the Accountants’ Report set forth in Appendix I to the Company’s prospectus dated on 29 June 2021.

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual combined financial statements for the year ended 31 December 2020, except for the adoption of the following revised International Financial Reporting Standards (“**IFRSs**”) for the first time for the current period’s financial information.

Amendments to IFRS 9, IAS 39,  
IFRS 7, IFRS 4 and IFRS 16  
Amendment to IFRS 16

*Interest Rate Benchmark Reform — Phase 2*

*Covid-19-Related Rent Concessions beyond  
30 June 2021 (early adopted)*

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“**RFR**”). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy. The amendments did not have any impact on the Group’s interim condensed consolidated financial information.
- (b) Amendment to IFRS 16 issued in March 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. The amendment did not have any impact on the Group’s interim condensed consolidated financial information.

#### 4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the property management business. 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

During the period, the Group operated within one geographical location because all of its revenue was generated in Mainland China and all of its long-term assets/capital expenditure were located/incurred in Mainland China. Accordingly, no further geographical information is presented.

##### Information about major customers

For the six months ended 30 June 2021, revenue from sales to Leading Holdings Group Limited, a related company, and its subsidiaries (“**Leading Holdings Group**”) contributed 24.6% (30 June 2020: 19.9%) of the Group's revenue. Other than the revenue from Leading Holdings 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 period.

#### 5. REVENUE

An analysis of revenue is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<i>Revenue from contracts with customers</i>		
Property management services	<b>175,582</b>	143,764
Value-added services to non-property owners	<b>66,701</b>	45,736
Community value-added services	<b>12,738</b>	5,641
	<b>255,021</b>	195,141



Disaggregated revenue information for revenue from contracts with customers:

**For the six months ended 30 June 2021 (Unaudited)**

	Property management services <i>RMB'000</i>	Value-added services to non-property owners <i>RMB'000</i>	Community value-added services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Type of goods or services</b>				
Rendering of services	175,582	66,701	12,738	255,021
Total revenue from contracts with customers	<u>175,582</u>	<u>66,701</u>	<u>12,738</u>	<u>255,021</u>
<b>Geographical market</b>				
Mainland China	<u>175,582</u>	<u>66,701</u>	<u>12,738</u>	<u>255,021</u>
<b>Timing of revenue recognition</b>				
Revenue recognised over time	175,582	66,336	2,022	243,940
Revenue recognised at a point in time	—	365	10,716	11,081
Total revenue from contracts with customers	<u>175,582</u>	<u>66,701</u>	<u>12,738</u>	<u>255,021</u>

**For the six months ended 30 June 2020 (Unaudited)**

	Property management services <i>RMB'000</i>	Value-added services to non-property owners <i>RMB'000</i>	Community value-added services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Type of goods or services</b>				
Rendering of services	143,764	45,736	5,641	195,141
Total revenue from contracts with customers	<u>143,764</u>	<u>45,736</u>	<u>5,641</u>	<u>195,141</u>
<b>Geographical market</b>				
Mainland China	<u>143,764</u>	<u>45,736</u>	<u>5,641</u>	<u>195,141</u>
<b>Timing of revenue recognition</b>				
Revenue recognised over time	143,764	45,365	1,256	190,385
Revenue recognised at a point in time	—	371	4,385	4,756
Total revenue from contracts with customers	<u>143,764</u>	<u>45,736</u>	<u>5,641</u>	<u>195,141</u>

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of services provided	175,448	131,803
Depreciation of property, plant and equipment	305	204
Depreciation of right-of-use assets	367	408
Amortisation of other intangible assets	1,143	1,097
Impairment of financial assets, net:		
Impairment of trade receivables, net	2,427	1,667
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages, salaries and other allowances	94,497	95,868
Pension scheme contributions and social welfare	18,800	7,095
	<u>113,297</u>	<u>102,963</u>

## 7. INCOME TAX

The Company incorporated in the Cayman Islands and the subsidiaries incorporated in the British Virgin Islands are not subject to corporate income tax as they do not have a place of business (other than a registered office) or carry on any business in the Cayman Islands and British Virgin Islands.

All subsidiaries of the Group operating in Mainland China are taxed in accordance with the PRC Corporate Income Tax Law. The general corporate income tax rate in the PRC is 25%. During the six-month periods ended 30 June 2020 and 2021, certain subsidiaries of the Group enjoyed a 15% preferential income tax rate treatment for western regions in the PRC, while some subsidiaries of the Group enjoyed the preferential tax rate for small and low-profit enterprises.

Income taxes arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions in which the group companies operate. The Group was not liable for income tax in Hong Kong as the Group did not have any assessable income arising in Hong Kong for the six months ended 30 June 2021 and 2020.

Income tax in the interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Current — Mainland China:		
Charge for the period	<b>6,451</b>	6,542
Deferred tax	<b>(74)</b>	93
	<hr/>	<hr/>
Total tax charge for the period	<b><u>6,377</u></b>	<b><u>6,635</u></b>

## **8. DIVIDENDS**

The board of directors resolved not to declare any interim dividend for the six months ended 30 June 2021.

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the number of ordinary shares of 210,000,000 (six months ended 30 June 2020: 210,000,000), for the purpose of computing basic earnings per share. The number of ordinary shares has been adjusted retrospectively for the effect of the issues relating to the reorganisation from August 2020 to January 2021, and the capitalisation issue in July 2021, with 210,000,000 shares in aggregate, and as if the reorganisation and capitalisation issues had been completed on 1 January 2020.

The Group had no potential dilutive ordinary shares in issue during the six months ended 30 June 2021 and 2020.

## 10. TRADE RECEIVABLES

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>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
Within 1 year	<b>61,836</b>	39,298
1 to 2 years	<b>12,222</b>	8,776
2 to 3 years	<b>3,426</b>	2,995
Over 3 years	<b>1,968</b>	1,380
	<b><u>79,452</u></b>	<b><u>52,449</u></b>

## 11. TRADE PAYABLES

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

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
Within 1 year	<b>27,047</b>	18,429
Over 1 year	<b>109</b>	191
	<b><u>27,156</u></b>	<b><u>18,620</u></b>

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

The fair values of trade payables approximate to their carrying amounts due to their relatively short term maturity.

## 12. OTHER PAYABLES AND ACCRUALS

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
Contract liabilities	<b>68,288</b>	62,360
Pending output value added tax	<b>4,097</b>	3,742
Payroll and welfare payables	<b>20,496</b>	24,166
Deposits received	<b>18,846</b>	14,465
Receipts on behalf of customers for utilities	<b>13,496</b>	11,640
Business tax and surcharges	<b>1,988</b>	2,411
Due to non-controlling shareholders of subsidiaries	<b>10,587</b>	9,988
Dividends payable to non-controlling shareholders of subsidiaries	<b>2,195</b>	2,195
Listing expenses	<b>19,321</b>	12,918
Others	<b>5,135</b>	4,638
	<b><u>164,449</u></b>	<u>148,523</u>

## CHAIRMAN'S STATEMENT

The year of 2021 is the 100th anniversary of the founding of the Communist Party of China, the opening year of the “14th Five-Year Plan”, the 40th anniversary of the development of China’s property management industry, and a milestone year for the Group. Since the Group was listed (the “**Listing**”) on The Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 July 2021 (the “**Listing Date**”), and entered the capital market, the Group has been monitoring the market development trend and quickly adapted to the changes in the market. With the development strategy of “Service + Technology + Ecology” and the layout strategy of “Deeply penetrating Sichuan and focusing on western China”, the Group has achieved steady development and stable growth in both scale and performance.

During the Reporting Period, the Group achieved a revenue of RMB255.0 million, representing an increase of 30.7% compared with the same period in 2020, and further enhanced our profitability with a gross profit of approximately RMB79.6 million, representing a period-on-period increase of 25.8%. Net profit achieved in the first half of the year was approximately RMB38.3 million, representing an increase of 8.2% compared with the same period in 2020.

The Group was awarded the “2021 Top 100 Property Management Companies in China” (2021年中國物業服務百強企業) by China Index Academy in the first half of 2021 and improved its ranking by 19 places to 40th from last year. We were also awarded the “2021 Top10 Property Service Enterprises with Capital Focus in China” (2021年中國物業服務企業資本關注度10強) by E&H Think Tank and the “2021 Top100 Property Service Enterprises with Brand Value in China” (2021年中國物業服務企業品牌價值100強) by E-House China Research and Development Institute and China Real Estate Appraisal Centre, etc..

**Deeply penetrate Sichuan, focus on Western China to steadily improve the management scale.** As at 30 June 2021, the Group provided property management services and value-added services for 33 cities in China, with 175 projects under management and approximately 37.6 million square meters of contracted gross floor area (“GFA”). In particular, the GFA under management was approximately 20.8 million sq.m..

**Insist on high-quality service to build beautiful and happy life.** High quality service is one of our long-standing core strategies. Upholding the service concept of “Tender Companionship and Touching”, we have further refined the graded management of services based on offline service capability and quality, and released a series of service system standards such as three-tier service standards, case service white paper 2.0 and case refinement manual, etc. Through a comprehensive quality management system and standardized and technological management initiatives, the Group’s service quality and service reputation always remain the industry leading level. We have also created a community of poetic companionship for owners through rich community cultural activities.

**Deeply lay out community life services to build a diversified service ecology.** With the upgrade of business model and the deepening of platform operation, we deeply penetrate in value-added community services, tap the value of community life services, and focus on building a brand of community life service covering the whole cycle of community residents' lives, with multiple scenes and high quality. We focus on the diversified needs of owners, such as housekeeping services, decoration and turnkey furnishing services, community retail services, community convenience services and other all-round services to provide owners with more accurate, more detailed, more professional, more convenient and more intimate comprehensive services to achieve a better life for owners and create more value for owners and society.

**Promote the upgrade of technology to create intelligent + future human living.** In the Internet era, digitalization and intelligence are not only the endogenous needs of the development of property enterprises, but also the positive response to the owners' demand experience. By building a smart community from multiple aspects of healthy access, thorough guarding, perfect service, whole-house intelligence, and smart core management, we provide owners with convenient and safe community life. In terms of digital construction, adhering to the strategy of both internal and external training and dual-core drive, we have actively explore and build the Lingyue Service Intelligent Property Management Platform, which has integrated business operation platform, community service platform, intelligent Internet of Things platform, infrastructure support platform, big data platform, "Shi Xiang Yue" APP and "Lingyue Home" APP to further optimize operating cost and improve management efficiency while enhancing user experience.

**Improve the staff training system to facilitate the rapid development of the enterprise.** We will continue to deepen the optimization and reform of our organizational structure to support further deep penetration of the regions and to stimulate organizational vitality. We continue to build a highly efficient, collaborative, flexible and innovative organizational atmosphere driven by our "fellow traveller" culture to provide strong support for the rapid development of new businesses; we will implement an attractive incentive mechanism to promote the team's continuous release and creation of excellent performance; through the professional trainings such as "Strong Soldier Plan", "Ling You Plan", "Ling Yue Plan" and "Ling Ying Plan", we support the echeloned training and talent introduction for the long-term development of the Company, and provide a broad career development space for talents to grow together with the Company; we insist on the corporate core values of "Service First, People-oriented" for the achievements of shareholders of the Company (the "Shareholders") and customers.

**Practise social responsibilities to connect the beauty.** We actively respond to the national advocacy and industry call to carry out the “City Care” series of public welfare actions, focus on city builders, and care for the city guardians struggling in the front line; we have carried out the public welfare action themed by “Nature Defence, Giant Panda Protection” to care for nature; we have also created more employment and development opportunities for migrant workers and local employees, and actively fulfilled our tax obligations to contribute to the harmony and stability of society.

Looking ahead, in the new stage of industrial development, the Group will continue to uphold the brand concept of “Taking the Leading Role, Delighting the Heart”, and untiringly struggle with the unremitting endeavor to persist in creating a harmonious and happy life for the society based on the increasing ability to enhance scale growth, property service capability, life service capability, technology application capability and organizational competitiveness.

**Ling Yue Services Group Limited**  
**Mr. Liu Yuhui**  
*Chairman*



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Business Model of the Group

The Group has three business lines, namely, (i) property management services, (ii) value-added services to non-property owners and (iii) community value-added services, forming an integrated service offering to its customers that cover the entire value chain of property management.

- **Property management services.** The Group offers a wide range of property management services to property owners, residents and property developers, as well as tenants in non-residential properties under our management. The Group's services typically include security services, cleaning and greening services, and repair and maintenance services. The Group manages a diverse portfolio of properties, including residential properties, commercial properties and public and other properties.
- **Value-added services to non-property owners.** The Group offers value-added services to non-property owners, including (i) preliminary planning and design consultancy services; (ii) sales office management services; (iii) pre-delivery services; (iv) repair and maintenance services; (v) property transaction assistance services; and (vi) security support services.
- **Community value-added services.** The Group offers community value-added services primarily to property owners and residents to make their lives more convenient, such as (i) community space management services; (ii) decoration and turnkey furnishing services; (iii) convenient living services; and (iv) community retail services.

The Group offers comprehensive portfolio of property management services in order to diversify the Group's sources of revenue and achieve rapid growth. In recent years, the Group has been strengthening its community value-added service offerings. Leveraging its in-depth understanding of the needs of residents, the Group endeavor to further diversify its community value-added services. Community value-added services have been enhancing the Group's financial performance, as they typically generate higher profit margins, as compared to other types of property management services. The Group will continue to gain greater market shares and expand business presence in China.

## Property Management Services

The Group has been providing property management services since its establishment in 2002. As of 30 June 2021, the Group's aggregate contracted GFA amounted to approximately 37.6 million sq.m., representing an increase of 10.6% as compared with same period of the last year. As of the same date, the Group managed 175 properties with an aggregate GFA under management of approximately 20.8 million sq.m., representing an increase of 11.2% as compared with same period of the last year.

The following table sets forth the number of properties and GFA under our management, as well as the number of properties we were contracted to manage and corresponding contracted GFA as of the dates indicated.

	As of 30 June	
	2021	2020
Number of properties under management <sup>(1)</sup>	175	159
Number of properties we were contracted to manage <sup>(2)</sup>	231	226
GFA under management ( <i>sq.m. in thousands</i> )	20,834	18,705
Contracted GFA ( <i>sq.m. in thousands</i> )	37,649	33,960
Undelivered GFA ( <i>sq.m. in thousands</i> ) <sup>(3)</sup>	16,815	15,255

### Notes:

- (1) Refers to properties that have been delivered to the Group for property management purposes.
- (2) Refers to all properties for which the Group has entered into the relevant property management service agreements, which may include properties that have not been delivered to the Group for property management purposes in addition to properties under management.
- (3) Undelivered GFA is calculated as the difference between contracted GFA and GFA under management as of the dates indicated. The estimated time of delivery and revenue generation of the undelivered projects as of 30 June 2021 ranges from September 2021 to December 2023.

## Geographic Presence of the Group

As of 30 June 2021, the Group has expanded its geographic presence to 33 cities, across 8 provinces, 1 autonomous region and 1 municipality. The following table sets forth a breakdown of total number of projects under management and GFA under management by geographic region as of the dates indicated, and revenue from property management services by geographic region for the periods indicated below.

	As of/For the six months ended 30 June							
	2021				2020			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Sichuan Province <sup>(1)</sup>	150	17,601	138,994	79.2	142	16,032	114,367	79.6
Xinjiang Uygur Autonomous Region <sup>(2)</sup>	11	1,574	14,350	8.2	8	1,365	10,984	7.6
Jilin Province <sup>(3)</sup>	3	598	11,143	6.3	3	598	10,910	7.6
Guangdong Province <sup>(4)</sup>	8	845	8,460	4.8	6	710	7,503	5.2
Guizhou Province <sup>(5)</sup>	1	76	713	0.4	—	—	—	—
Hebei Province <sup>(6)</sup>	2	140	1,922	1.1	—	—	—	—
<b>Total</b>	<b>175</b>	<b>20,834</b>	<b>175,582</b>	<b>100.0</b>	<b>159</b>	<b>18,705</b>	<b>143,764</b>	<b>100.0</b>

### Notes:

- (1) The Group provided property management services to properties located in Chengdu, Leshan, Meishan, Mianyang, Xichang, Ya'an, Nanchong and Ziyang.
- (2) The Group provided property management services to properties located in Changji, Urumqi and Korla.
- (3) The Group provided property management services to properties located in Changchun.
- (4) The Group provided property management services to properties located in Foshan.
- (5) The Group provided property management services to properties located in Nayong.
- (6) The Group provided property management services to properties located in Chengde.

The following table sets forth a breakdown of the Group's total number of contracted projects, contracted GFA and undelivered GFA by geographic region as of the dates indicated.

	As of 30 June					
	2021			2020		
	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)
Sichuan Province <sup>(1)</sup>	187	28,713	11,112	185	26,164	10,132
Xinjiang Uygur Autonomous Region <sup>(2)</sup>	21	4,059	2,485	18	3,115	1,750
Jilin Province <sup>(3)</sup>	3	598	0	3	598	0
Guangdong Province <sup>(4)</sup>	8	1,182	337	8	1,182	472
Guizhou Province <sup>(5)</sup>	3	1,471	1,395	3	1,471	1,471
Hebei Province <sup>(6)</sup>	3	202	62	3	202	202
Henan Province <sup>(7)</sup>	3	829	829	3	633	633
Chongqing Municipality <sup>(8)</sup>	1	86	86	1	86	86
Hubei Province <sup>(9)</sup>	1	396	396	1	396	396
Jiangsu Province <sup>(10)</sup>	1	113	113	1	113	113
<b>Total</b>	<b>231</b>	<b>37,649</b>	<b>16,815</b>	<b>226</b>	<b>33,960</b>	<b>15,255</b>

Notes:

- (1) The Group was contracted to provide property management services to properties located in Chengdu, Emeishan, Guangyuan, Leshan, Luzhou, Meishan, Mianyang, Nanchong, Panzihua, Xichang, Ya'an, Yibin and Ziyang.
- (2) The Group was contracted to provide property management services to properties located in Changji, Kashgar, Korla and Urumchi.
- (3) The Group was contracted to provide property management services to properties located in Changchun.
- (4) The Group was contracted to provide property management services to properties located in Foshan, Shanwei and Huizhou.
- (5) The Group was contracted to provide property management services to properties located in Qiannan, Kaili, Bijie and Zunyi.

- (6) The Group was contracted to provide property management services to properties located in Chengde.
- (7) The Group was contracted to provide property management services to properties located in Xingyang, Luohe, Zhumadian and other cities.
- (8) The Group was contracted to provide property management services to properties located in Chongqing Municipality.
- (9) The Group was contracted to provide property management services to properties located in Jingzhou.
- (10) The Group was contracted to provide property management services to properties located in Xuzhou.

### ***Source of Properties under Management***

The Group primarily offers property management services to properties developed by Leading Holdings Group Limited and its subsidiaries (the “**Leading Holdings**”, together with its subsidiaries “**Leading Holdings Group**”). The following tables set forth a breakdown by developer type as of the dates indicated or the periods indicated of our (i) total number of projects under management and GFA under management, as well as revenue from property management services; and (ii) total number of contracted projects, contracted GFA and undelivered GFA.

### ***Breakdown of the Group’s Total Number of Projects under Management, GFA under Management and Revenue from Property Management Services by Developer Type***

	As of/For the six months ended 30 June							
	2021				2020			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Leading Holdings Group <sup>(1)</sup>	57	9,347	125,059	71.2	42	7,752	98,967	68.8
Joint ventures of Leading Holdings Group <sup>(2)</sup>	2	213	1,930	1.1	—	—	—	—
Non-Leading Holdings Group and non-joint ventures of Leading Holdings Group <sup>(3)</sup>	116	11,274	48,593	27.7	117	10,953	44,797	31.2
<b>Total</b>	<b>175</b>	<b>20,834</b>	<b>175,582</b>	<b>100.0</b>	<b>159</b>	<b>18,705</b>	<b>143,764</b>	<b>100.0</b>

***Breakdown of the Group's Total Number of Contracted Projects, Contracted GFA and Undelivered GFA by Developer Type***

	As of 30 June					
	2021			2020		
	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)
Leading Holdings Group <sup>(1)</sup>	87	18,627	9,280	81	17,182	9,430
Joint ventures of Leading Holdings Group <sup>(2)</sup>	11	2,686	2,473	9	2,155	2,155
Non-Leading Holdings Group and non-joint ventures of Leading Holdings Group <sup>(3)</sup>	133	16,336	5,062	136	14,623	3,670
<b>Total</b>	<b>231</b>	<b>37,649</b>	<b>16,815</b>	<b>226</b>	<b>33,960</b>	<b>15,255</b>

*Notes:*

- (1) Refers to properties solely developed by Leading Holdings Group or jointly developed by Leading Holdings Group and third-party property developers in which Leading Holdings Group held a controlling interest.
- (2) Refer to properties jointly developed by the Leading Holdings Group and third-party property developers in which the Leading Holdings Group did not hold a controlling interest.
- (3) Refer to properties developed solely by third-party property developers independent from Leading Holdings Group.

## Type of Properties under Management

The Group primarily managed residential properties. The Group also managed other types of properties such as commercial properties and public and other properties. The following table sets forth a breakdown of our total GFA under management by property type as of the dates indicated, and revenue from property management services by property type and stage of projects for the periods indicated:

	As of/For the six months ended 30 June							
	2021				2020			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Residential properties	91	13,632	106,566	60.7	72	11,433	74,703	52.0
— Preliminary stage <sup>(1)</sup>	77	11,199	90,237	51.4	56	9,622	65,913	45.8
— Property owners' association stage <sup>(2)</sup>	14	2,433	16,329	9.3	16	1,811	8,790	6.2
Commercial properties	7	888	44,069	25.1	5	753	43,423	30.2
Public and other properties	77	6,314	24,947	14.2	82	6,519	25,638	17.8
<b>Total</b>	<b>175</b>	<b>20,834</b>	<b>175,582</b>	<b>100.0</b>	<b>159</b>	<b>18,705</b>	<b>143,764</b>	<b>100.0</b>

### Notes:

- (1) Refers to residential property projects for which property owners' associations were not established as of the dates indicated.
- (2) Refers to residential property projects for which property owners' associations were established as of the dates indicated.

## Value-added Services to Non-property Owners

The Group's value-added services to non-property owners include (i) preliminary planning and design consultancy services; (ii) sales office management services; (iii) pre-delivery services; (iv) repair and maintenance services; (v) property transaction assistance services; and (vi) security support services.

In the first half of 2021, revenue from value-added services to non-property owners increased significantly by 46.0% to approximately RMB66.7 million compared to approximately RMB45.7 million in the corresponding period of 2020, mainly due to an increase in income from sales office management services and preliminary planning and design consultancy services. In the first half of 2021, the revenue from value-added services to non-property owners accounted for 26.2% of the total revenue. The following table sets forth a breakdown of our revenue from value-added services to non-property owners for the periods indicated.

	<b>For the six months ended 30 June</b>			
	<b>2021</b>		<b>2020</b>	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Preliminary planning and design consultancy services	<b>3,508</b>	<b>5.3</b>	1,998	4.4
Sales office management services	<b>49,642</b>	<b>74.4</b>	33,107	72.4
Pre-delivery services	<b>85</b>	<b>0.1</b>	299	0.7
Repair and maintenance services	<b>1,532</b>	<b>2.3</b>	1,736	3.8
Property transaction assistance services	<b>189</b>	<b>0.3</b>	73	0.2
Security support services	<b>11,745</b>	<b>17.6</b>	8,523	18.5
<b>Total</b>	<b><u>66,701</u></b>	<b><u>100.0</u></b>	<b><u>45,736</u></b>	<b><u>100.0</u></b>

### **Community Value-added Services**

The Group offers community value-added services to property owners and residents, including (i) community space management services; (ii) decoration and turnkey furnishing services; (iii) convenient living services; and (iv) community retail services.

In the first half of 2021, the revenue from community value-added services increased by 126.8% to approximately RMB12.7 million compared to approximately RMB5.6 million in the corresponding period of 2020, mainly due to an increase in income from decoration services. In the first half of 2021, revenue from community value-added services accounted for 5.0% of total revenue.



The following table sets forth a breakdown of the Group's revenue from community value-added services during the periods indicated.

	For the six months ended 30 June			
	2021		2020	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Community space management services	<b>3,434</b>	<b>27.0</b>	2,117	37.6
Decoration and turnkey furnishing services	<b>5,669</b>	<b>44.5</b>	1,823	32.3
Convenient living services	<b>3,456</b>	<b>27.1</b>	1,530	27.1
Community retail services	<b>179</b>	<b>1.4</b>	171	3.0
<b>Total</b>	<b><u>12,738</u></b>	<b><u>100.0</u></b>	<b><u>5,641</u></b>	<b><u>100.0</u></b>

## PROSPECTS

As a reputable property management company, the Group will strive to continue to focus on developing its business in western China and further penetrate into selected cities in other regions, stick to its high-quality service and further diversify its property management portfolio.

## FINANCIAL REVIEW

### Revenue

The Group's revenue is mainly derived from three major businesses: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services. During the Reporting Period, the Group's revenue amounted to approximately RMB255.0 million, representing an increase of approximately 30.7% compared with RMB195.1 million in the same period of 2020.

The following table sets out the revenue contribution of each business segment during the period indicated:

	<b>Six months ended 30 June</b>			
	<b>2021</b>	<b>Percentage</b>	<b>2020</b>	<b>Percentage</b>
	<i><b>RMB'000</b></i>	<i><b>%</b></i>	<i><b>RMB'000</b></i>	<i><b>%</b></i>
	<b>Unaudited</b>		<b>Unaudited</b>	
Property management services	<b>175,582</b>	<b>68.8</b>	143,764	73.7
Value-added services to non-property owners	<b>66,701</b>	<b>26.2</b>	45,736	23.4
Community value-added services	<b>12,738</b>	<b>5.0</b>	5,641	2.9
<b>Total</b>	<b><u>255,021</u></b>	<b><u>100.0</u></b>	<b><u>195,141</u></b>	<b><u>100.0</u></b>

Property management services is still the largest source of revenue for the Group. For the six months ended 30 June 2021, revenue from property management services reached approximately RMB175.6 million, accounting for 68.8% of the total revenue of the Group. Such revenue growth was attributable to an increase in GFA under management. The increase in revenue from value-added services to non-property owners was mainly due to an increase in revenue generated from sales office management services. The increase in revenue from community value-added services was mainly due to an increase in revenue generated from decoration and turnkey furnishing services.

### **Cost of Sales**

The cost of sales of the Group mainly includes (i) staff costs; (ii) subcontracting costs; (iii) costs of consumables; (iv) utilities costs; (v) office expenses; and (vi) repair and maintenance costs.

During the Reporting Period, the cost of sales of the Group was approximately RMB175.4 million, representing an increase of approximately 33.1% compared with approximately RMB131.8 million in the corresponding period of 2020. The growth rate of the Group's cost of sales was basically the same as the growth rate of revenue.

## Gross profit and gross profit margin

During the Reporting Period, the Group's gross profit increased by approximately 25.8% from approximately RMB63.3 million for the corresponding period in 2020 to approximately RMB79.6 million.

During the Reporting Period, the gross profit margin of the Group decreased by 1.3 percentage points to 31.2% from 32.5% for the same period in 2020, mainly due to the cancellation of the policy of exempting employee social insurance payments under the COVID-19 epidemic in the first half of 2021, resulting in a slight increase in sales costs.

The gross profit margin of the Group by business line is as follows:

	Six months ended 30 June		
	2021 gross profit margin %	2020 gross profit margin %	Changes in gross profit margin %
Property management services	29.8	31.4	-1.6
Value-added services to non-property owners	45.4	46.6	-1.2
Community value-added services	32.1	33.9	-1.8
<b>Total</b>	<b>31.2</b>	<b>32.5</b>	<b>-1.3</b>

## Administrative expenses

During the Reporting Period, the administrative expenses of the Group increased by approximately 66.0% from approximately RMB20.3 million for the same period in 2020 to approximately RMB33.7 million, mainly due to an increase in Listing expenses, and labor cost.

## Income tax expenses

During the Reporting Period, the income tax expenses of the Group decreased by approximately 3.0% from RMB6.6 million for the same period in 2020 to approximately RMB6.4 million. The decrease in income tax expenses was mainly due to the fact that some of the Group's subsidiaries enjoyed a greater degree of preferential income tax policies for small and low-profit enterprises than in the same period in previous years.

## **Profit attributable to owners of the Company**

During the Reporting Period, the profit and total comprehensive income attributable to owners of the Company for the period was approximately RMB35.2 million, representing an increase of approximately 12.1% compared with RMB31.4 million for the same period in 2020.

## **Trade receivables**

The Group's trade receivables mainly relate to income from property management services, value added services to non-property owners and community value-added services provided to independent third parties. As of 30 June 2021, the Group's trade receivables amounted to approximately RMB79.5 million, representing an increase of approximately RMB27.1 million or 51.7% compared with RMB52.4 million as of 31 December 2020. The increase was due to an increase in GFA under management as a result of the expansion of the Group's business scale.

## **Prepayments, deposits and other receivables**

As of 30 June 2021, the Group's prepayments, deposits and other receivables amounted to approximately RMB35.6 million, representing an increase of approximately 17.1% compared with RMB30.4 million as of 31 December 2020. The increase was due to an increase in GFA under management as a result of the expansion of business scale.

## **Trade payables**

As of 30 June 2021, the Group's trade payables amounted to approximately RMB27.2 million, representing an increase of approximately 46.2% from approximately RMB18.6 million as of 31 December 2020. The increase was mainly due to an increase in GFA under management as a result of the expansion of the Group's business scale.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet the funding requirements of the Group in the foreseeable future.

During the Reporting Period, the Group's principal use of cash was working capital, which was mainly funded from operations.

## **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 primarily operates its business in the PRC. The currency in which the Group denominates and settles all of its transactions is Renminbi. Any depreciation of Renminbi would adversely affect the value of any dividends the Group pays to Shareholders outside of the PRC. As of 30 June 2021, the Group had no cash at banks denominated in foreign currencies. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk.

## **Gearing ratio**

Gearing ratio is calculated based on the sum of interest-bearing borrowings as of the respective dates divided by total equity as of the same dates and multiplied by 100%. Gearing ratios as at 30 June 2021 is not meaningful because our interest-bearing borrowings as at the same dates was nil (as at 31 December 2020: nil).

## **PLEDGE OF ASSETS**

As of 30 June 2021, none of the assets of the Group were pledged.

## **CONTINGENT LIABILITIES**

As of 30 June 2021, the Group had no contingent liabilities.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES**

As of 30 June 2021, the Group has made acquisitions and disposals of subsidiaries for the reorganization in the preparation of Listing. For details, please refer to the prospectus of the Company dated 29 June 2021 (the “**Prospectus**”). In addition, there was no material acquisition and disposal of subsidiaries, associated companies and joint ventures by the Group during the Reporting Period.

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

During the Reporting Period, there were no significant investments held by the Group.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in the section “Future Plans and Use of Proceeds” in the Prospectus, the Group had no plan for material investments and capital assets.

## **EMPLOYEES**

As of 30 June 2021, the Group had 3,120 employees (31 December 2020: 3,205 employees). During the Reporting Period, the total staff costs were approximately RMB113.3 million and the total staff costs were approximately RMB103.0 million for the same period in 2020.

The Group will further enhance its employee training program with internal and external resources. 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 skills sets.

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to its staff is fixed by reference to the duties and the prevailing market rates in the region. Discretionary performance bonus after assessments is paid to 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. In determining the remuneration and compensation packages of the Directors and senior management, the Group will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

## **SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD**

Except for that the shares of the Company were listed on the Stock Exchange on 12 July 2021 (including the partial exercise of the over-allotment option), there has been no material events affecting the Company since 30 June 2021 and up to the date of this announcement.

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

The Group is committed to maintaining and strengthening high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness, in order to safeguard and protect the interests of the Shareholders and to enhance corporate value and accountability system.

Given that the Company's shares have not been listed on the Stock Exchange up to 30 June 2021, the principles and code provisions of the Corporate Governance Code ("CG Code") contained in Appendix 14 to the Listing Rules do not apply to the Company during the Reporting Period. The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company with effect from the Listing Date.

From the Listing Date to the date of this Interim Results announcement, so far as the Directors are aware, the Company has complied with all the applicable code provisions set out in the CG Code.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. The provisions of the Listing Rules regarding directors' compliance with the code of conduct for securities transactions shall apply to the Company from the Listing Date. As the Company's shares have not been listed on the Stock Exchange as of 30 June 2021, the Model Code does not apply to the Company during the Reporting Period.

Upon the enquiries made to all Directors, they confirmed that they have complied with the standards for securities transactions by Directors as set out in the Model Code from the Listing Date.

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

Except for the Company's Global Offering (including the partial exercise of over-allotment options) and Capitalization Issue as described in the Prospectus, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company from 1 January 2021 to the date of this announcement.

## **INTERIM DIVIDEND**

The Board resolved not to declare any interim dividend for the six months ended 30 June 2021.

## **REVIEW OF UNAUDITED INTERIM RESULTS BY AUDIT COMMITTEE**

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules. The Audit Committee is responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit.

The Audit Committee comprises of three members, namely Ms. Luo Ying, Ms. Zhang Qian, and Ms. Zou Dan, all of whom are the independent non-executive Directors of the Company. Ms. Zou Dan has been appointed as the chairlady of the Audit Committee and has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The Interim Results for the six months ended 30 June 2021 were reviewed by the Audit Committee and auditors of the Company before recommendation to the Board for approval.

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

This Interim Results announcement will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lingyue-service.com](http://www.lingyue-service.com)), respectively. The interim report of the Company for the six months ended 30 June 2021 will be despatched to the Shareholders in due course and will be made available on the websites of the Stock Exchange and the Company, respectively.

By Order of the Board  
**Ling Yue Services Group Limited**  
**Mr. Liu Yuhui**  
*Chairman*

Hong Kong, 25 August 2021

*As of the date of this announcement, Mr. Liu Yuhui (Chairman) and Ms. Luo Hongping are the executive Directors; Ms. Wang Tao and Ms. Hou Sanli are the non-executive Directors; Ms. Luo Ying, Ms. Zhang Qian and Ms. Zou Dan are the independent non-executive Directors.*