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Central China New Life Limited
建業新生活有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9983)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2020 amounted to RMB1,061.2 million, an increase of 56.1% compared with the corresponding period in 2019.
- Net profit for the period amounted to RMB189.0 million, an increase of 91.6% compared with the corresponding period in 2019.
- Profit attributable to shareholders of the Company for the period amounted to RMB183.8 million, an increase of 70.3% compared with the corresponding period in 2019.
- Basic earnings per share for the period was RMB0.1870, an increase of RMB0.0688 compared with the corresponding period in 2019.
- An interim dividend of HK6.6 cents per share for the six months ended 30 June 2020.

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors” and each a “Director”) of Central China New Life Limited (the “Company”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2020.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2020 — unaudited
(Expressed in Renminbi)*

		Six months ended 30 June	
		2020	2019
	Notes	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	
Continuing operations			
Revenue	4	1,061,186	680,019
Cost of sales	5	<u>(693,676)</u>	<u>(438,206)</u>
Gross profit		367,510	241,813
Selling and marketing expenses	5	(22,551)	(14,687)
Administrative expenses	5	(112,076)	(89,381)
Net impairment losses on financial assets		(855)	(1,299)
Other income		6,504	15,852
Other gains — net		<u>1,052</u>	<u>3,754</u>
Operating profit		239,584	156,052
Finance income/(cost)-net		833	(16,639)
Share of post-tax profits of an associate accounted for using the equity method		<u>19</u>	<u>—</u>
Profit before income tax		240,436	139,413
Income tax expenses	6	<u>(51,471)</u>	<u>(35,751)</u>
Profit from continuing operations		<u>188,965</u>	<u>103,662</u>
Loss from discontinued operation		<u>—</u>	<u>(5,054)</u>
Profit for the period		<u>188,965</u>	<u>98,608</u>
Profit/(loss) for the period attributable to:			
— Shareholders of the Company		183,814	107,917
— Non-controlling interests		<u>5,151</u>	<u>(9,309)</u>
		<u>188,965</u>	<u>98,608</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

*For the six months ended 30 June 2020 — unaudited
(Expressed in Renminbi)*

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	
Profit for the period	188,965	98,608
Other comprehensive loss for the period, net of tax		
Items that may be reclassified to profit or loss		
— Currency translation differences	<u>(5,810)</u>	<u>—</u>
Total comprehensive income for the period	<u>183,155</u>	<u>98,608</u>
Total comprehensive income/(loss) for the period is attributable to:		
— Shareholders of the Company	178,004	107,917
— Non-controlling interests	<u>5,151</u>	<u>(9,309)</u>
	<u>183,155</u>	<u>98,608</u>
Total comprehensive income for the period is attributable to shareholders of the Company arises from:		
— Continuing operations	178,004	106,096
— Discontinued operations	<u>—</u>	<u>1,821</u>
	<u>178,004</u>	<u>107,917</u>
Earnings per share for profit from continuing operations attributable to the shareholders of the Company (expressed in RMB per share)		
— Basic earnings per share	7 0.1870	0.1182
— Diluted earnings per share	7 0.1795	0.1182
Earnings per share for profit attributable to the shareholders of the Company (expressed in RMB per share)		
— Basic earnings per share	7 0.1870	0.1202
— Diluted earnings per share	7 0.1795	0.1202

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2020 — unaudited

(Expressed in Renminbi)

		As at 30 June 2020 <i>RMB'000</i> (Unaudited)	As at 31 December 2019 <i>RMB'000</i> (Audited)
Assets			
Non-current assets			
Investment in an associate		990	971
Property, plant and equipment	8	39,053	18,082
Intangible assets	9	71,070	72,950
Other receivables and prepayments	10	4,396	2,292
Deferred income tax assets		9,225	6,962
		<u>124,734</u>	<u>101,257</u>
Current assets			
Inventories		6,535	5,179
Contract assets		—	3,084
Trade and other receivables and prepayments	10	979,037	767,287
Financial assets at fair value through profit or loss		—	1,530
Restricted cash		21,100	312
Cash and cash equivalents		2,732,185	584,795
		<u>3,738,857</u>	<u>1,362,187</u>
Total assets		<u><u>3,863,591</u></u>	<u><u>1,463,444</u></u>
Equity			
Equity attributable to shareholders of the Company			
Share capital	11	11,047	3
Other reserves	12	2,199,337	123,297
Retained earnings		429,956	246,142
		<u>2,640,340</u>	369,442
Non-controlling interests		<u>17,284</u>	<u>12,207</u>
Total equity		<u><u>2,657,624</u></u>	<u><u>381,649</u></u>

		As at 30 June 2020 <i>RMB'000</i> (Unaudited)	As at 31 December 2019 <i>RMB'000</i> (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities		16,155	1,256
Contract liabilities		53,972	59,155
Deferred income tax liabilities		3,202	3,717
		<u>73,329</u>	<u>64,128</u>
Current liabilities			
Lease liabilities		9,947	1,886
Trade and other payables	13	708,173	654,265
Contract liabilities		349,237	310,852
Current income tax liabilities		65,281	50,664
		<u>1,132,638</u>	<u>1,017,667</u>
Total liabilities		<u>1,205,967</u>	<u>1,081,795</u>
Total equity and liabilities		<u><u>3,863,591</u></u>	<u><u>1,463,444</u></u>

NOTES:

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 16 October 2018 as an exempted company with limited liability under the Companies Law CAP.22 of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company has been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 15 May 2020 by way of its initial public offering ("IPO").

The Company is an investment holding company. The Company and its subsidiaries (together, the "Group") are principally engaged in (i) provision of property management services and related value-added services (ii) provision of lifestyle services and (iii) provision of commercial property management and consultation services in the People's Republic of China (the "PRC"). The controlling shareholders of the Company are Enjoy Start Limited ("Enjoy Start"), a company incorporated under the laws of British Virgin Islands ("BVI") and Mr. Wu Po Sum (collectively the "Controlling Shareholders").

The interim condensed consolidated balance sheet as of 30 June 2020, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes (collectively defined as the "Interim Financial Information") of the Group have been approved for issue by the Board of Directors (the "Board") on 27 August 2020.

The outbreak of the 2019 Novel Coronavirus ("COVID-19") had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the Group including postponement of delivery of properties to residents which consequently delayed the commencement of the Group's property management services, restriction and reduction of social activities, allowance for expected credit losses on trade and other receivables and so on. Since the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group. As at the date that the condensed consolidated interim financial information is authorised for issue, COVID-19 does not have any material adverse impact on the financial position and operating result of the Group.

The Interim Financial Information presented in Renminbi, unless otherwise stated.

The Interim Financial Information has not been audited.

2 BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2020 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". The Interim Financial Information should be read in conjunction with the financial statements for the year ended 31 December 2017, 2018 and 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), as set out in the prospectus of the Company dated 5 May 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those in the preparation of the Group's financial statements for the year ended 31 December 2017, 2018 and 2019, except for adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the reporting period commencing 1 January 2020. The adoption of these new standards and amendments does not have significant impact to the Interim Financial Information of the Group.

- Definition of Material — amendments to HKAS 1 and HKAS 8
- Definition of a Business — amendments to HKFRS 3
- Revised Conceptual Framework for Financial Reporting
- Interest Rate Benchmark Reform — amendments to HKFRS 9, HKAS 39 and HKFRS 7

(b) New and amendments to existing standards have been issued but are not effective for the financial year beginning on 1 January 2020 and have not been early adopted by the Group

		Effective for accounting periods beginning on or after
HKFRS 17	Insurance contracts	Originally 1 January 2021, but extended to 1 January 2023
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2022
Amendments to HKFRS 3	Reference to the conceptual framework	1 January 2022
Amendments to HKAS 16	Property, plant and equipment: proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts — cost of fulfilling a contract	1 January 2022
Annual Improvements	Annual improvements to HKFRS Standards 2018–2020 Cycle	1 January 2022
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, interpretation and amendments, certain of which are relevant to the Group's operations.

4 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The CODM examines the Group’s performance from service line perspective and has identified three reportable segments of its business:

- Property management and value-added services: this part of business provides property management services of residential properties and commercial properties, and related value-added services, including consultancy services to property developers, community value-added services, intelligent community services, Central China Consumer Club and real estate marketing services.
- Lifestyle services: this part of business primarily comprises tourism services, sales of goods and provision of catering services.
- Commercial property management and consultation services: this part of business primarily comprises provision of hotel management services and management for agricultural and cultural tourism projects and commercial real-estate operation.

The Group mainly operates its businesses in the PRC and earns substantially all of the revenue from external customers attributed to the PRC. And substantially all of the non-current assets of the Group were located in the PRC. Therefore, no geographical segments are presented.

The CODM assesses the performance of the operating segments mainly based on the measure of operating profit excluding other income, other gains, finance cost and interest from loans to other entities which are not directly related to the segment performance (“segment results”).

Segment results

Segment results also excludes discontinued operations and the effects of significant items of expenditure which may have an impact on the quality of earnings such as central administration costs and listing expenses.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The segment results and the reconciliation with profit before income tax for the six months ended 30 June 2020 and 2019 are as follows:

For the six months ended 30 June 2020 (unaudited)

	Property management and value- added services <i>RMB'000</i>	Lifestyle services <i>RMB'000</i>	Commercial property management and consultation services <i>RMB'000</i>	Group <i>RMB'000</i>
Gross segment revenue	<u>843,778</u>	<u>172,801</u>	<u>44,607</u>	<u>1,061,186</u>
Revenue	<u>843,778</u>	<u>172,801</u>	<u>44,607</u>	<u>1,061,186</u>
Revenue from contracts with customers				
— at a point in time	249,634	138,090	9,615	397,339
— over time	594,144	34,711	34,992	663,847
Segment results	199,628	45,374	10,616	255,618
Other income				6,504
Other gains — net				1,052
Unallocated operating costs				(23,571)
Finance income — net				<u>833</u>
Profit before income tax from continuing operations				240,436
Income tax expenses				<u>(51,471)</u>
Profit for the period				<u>188,965</u>
Depreciation	5,824	943	794	7,561
Amortisation	<u>1,350</u>	<u>800</u>	<u>—</u>	<u>2,150</u>

For the six months ended 30 June 2019

	Property management and value- added services <i>RMB'000</i>	Lifestyle services <i>RMB'000</i>	Commercial property management and consultation services <i>RMB'000</i>	Group <i>RMB'000</i>
Gross segment revenue	<u>529,529</u>	<u>113,999</u>	<u>36,491</u>	<u>680,019</u>
Revenue	<u>529,529</u>	<u>113,999</u>	<u>36,491</u>	<u>680,019</u>
Revenue from contracts with customers				
— at a point in time	148,175	67,316	12,890	228,381
— over time	381,354	46,683	23,601	451,638
Segment results	122,860	22,839	6,105	151,804
Other income				15,852
Other gains — net				3,754
Unallocated operating costs				(15,358)
Finance cost — net				<u>(16,639)</u>
Profit before income tax from continuing operations				139,413
Income tax expenses				<u>(35,751)</u>
Profit for the period				<u>103,662</u>
Depreciation	3,948	367	460	4,775
Amortisation	<u>498</u>	<u>1,173</u>	<u>—</u>	<u>1,671</u>

5 EXPENSES BY NATURE

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	
Employee benefit expenses	312,551	211,297
Greening and cleaning expenses	93,003	55,210
Security charge	87,551	38,067
Construction costs and installation costs	81,847	20,531
Cost of goods sold	77,500	28,331
Utilities	36,652	25,266
Outsourcing tourism services costs	24,908	45,524
Listing expenses	17,257	11,313
Maintenance costs	16,907	14,255
Professional service fees	15,055	13,888
Outsourcing labor costs	9,751	41,471
Office expenses	9,743	5,032
Depreciation and amortization charges	9,711	6,446
Traveling and entertainment expenses	9,418	7,558
Promotion expenses	7,263	1,432
Taxes and other levies	5,018	3,992
Others	14,168	12,661
	<u>828,303</u>	<u>542,274</u>

6 INCOME TAX EXPENSES

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from British Virgin Islands income tax.

Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong for the six months ended 30 June 2019 and 2020.

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year/period, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in PRC is 25% according to Corporate Income Tax Law of the PRC (the “CIT Law”) effective on 1 January 2008. Henan Aiou Electronic Technology Co., Ltd. (“Aiou Electronic”) was qualified as “High and New Technology Enterprises” (“HNTE”) in 2018, Henan One Family Network Technology Co., Ltd. and Song Yun (Beijing) Information Service Co., Ltd. were qualified as HNTE in 2020, respectively. Accordingly, these three subsidiaries of the Group are entitled to a preferential income tax rate of 15% for a three-year period.

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the subsidiaries in Mainland China are incorporated in Hong Kong and fulfill the requirements to the tax treaty arrangements between Mainland China and Hong Kong.

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	
Current income tax		
— PRC corporate income tax	50,114	36,203
— PRC withholding income tax	4,000	—
Deferred income tax		
— PRC corporate income tax	(2,643)	(452)
	<u>51,471</u>	<u>35,751</u>

Income tax expenses is recognised based on management’s estimate of the weighted average effective annual income tax rate expected for the full financial year.

7 EARNINGS PER SHARE

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the six months ended 30 June 2019 has been retroactively adjusted for the effects of the issue of shares in connection with the capitalisation (Note 11(b)).

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2019 and 2020.

	Six months ended 30 June	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	
Profit/(loss) attributable to owners of the Company (RMB'000)		
— From continuing operations	183,814	106,096
— From discontinued operation	—	1,821
	<u>183,814</u>	<u>107,917</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>982,995</u>	<u>897,338</u>
Basic earnings/(losses) per share attributable to the owners of the Company during the period (expressed in RMB per share)		
— From continuing operations	0.1870	0.1182
— From discontinued operation	—	0.0020
	<u>0.1870</u>	<u>0.1202</u>

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares arising from share options granted by the Company.

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	
Profit attributable to owners of the Company (RMB'000)		
— From continuing operations	183,814	106,096
— From discontinued operation	—	1,821
	183,814	107,917
Weighted average number of ordinary shares in issue (in thousands)	982,995	897,338
Adjustments for unvested share options	40,839	—
Weighted average number of ordinary shares for the calculation of diluted earnings per share (in thousands)	1,023,834	897,338
Diluted earnings per share attributable to the owners of the Company during the period (expressed in RMB per share)		
— From continuing operations	0.1795	0.1182
— From discontinued operation	—	0.0020
	0.1795	0.1202

8 PROPERTY, PLANT AND EQUIPMENT

	Equipment and furniture RMB'000	Machinery RMB'000	Vehicles RMB'000	Right-of-use assets RMB'000	Total RMB'000
As at 31 December 2019 (Audited)					
Cost	22,646	6,804	3,947	8,818	42,215
Accumulated depreciation	(15,000)	(1,837)	(1,930)	(5,366)	(24,133)
Net book amount	7,646	4,967	2,017	3,452	18,082
Period ended 30 June 2020 (Unaudited)					
Opening net book amount	7,646	4,967	2,017	3,452	18,082
Additions	2,085	350	618	25,615	28,668
Disposals	(29)	(107)	—	—	(136)
Depreciation charge	(2,787)	(638)	(422)	(3,714)	(7,561)
Closing net book amount	6,915	4,572	2,213	25,353	39,053
As at 30 June 2020 (Unaudited)					
Cost	24,687	6,990	4,565	34,433	70,675
Accumulated depreciation	(17,772)	(2,418)	(2,352)	(9,080)	(31,622)
Net book amount	6,915	4,572	2,213	25,353	39,053
As at 31 December 2018 (Audited)					
Cost	33,136	2,145	1,881	5,348	42,510
Accumulated depreciation	(16,811)	(1,252)	(1,111)	(2,235)	(21,409)
Net book amount	16,325	893	770	3,113	21,101
Period ended 30 June 2019					
Opening net book amount	16,325	893	770	3,113	21,101
Additions	1,764	112	1,556	569	4,001
Acquisition of subsidiaries	831	552	807	—	2,190
Disposals	(8)	(1)	—	—	(9)
Disposals of subsidiaries	(10,954)	—	—	—	(10,954)
Depreciation charge	(4,485)	(227)	(393)	(1,096)	(6,201)
Closing net book amount	3,473	1,329	2,740	2,586	10,128
As at 30 June 2019					
Cost	15,825	2,795	4,244	5,917	28,781
Accumulated depreciation	(12,352)	(1,466)	(1,504)	(3,331)	(18,653)
Net book amount	3,473	1,329	2,740	2,586	10,128

No property, plant and equipment is restricted or pledged as security for borrowings as of 30 June 2020.

9 INTANGIBLE ASSETS

	Goodwill <i>RMB'000</i>	Platform and Know-How <i>RMB'000</i>	Order- Backlog and customer relationship <i>RMB'000</i>	Software and others <i>RMB'000</i>	Total <i>RMB'000</i>
As at 31 December 2019 (Audited)					
Cost	42,319	19,549	13,394	3,839	79,101
Accumulated amortisation	—	(1,623)	(1,499)	(3,029)	(6,151)
Net book amount	<u>42,319</u>	<u>17,926</u>	<u>11,895</u>	<u>810</u>	<u>72,950</u>
Period ended 30 June 2020 (Unaudited)					
Opening net book amount	42,319	17,926	11,895	810	72,950
Additions	—	—	—	270	270
Amortisation	—	(887)	(922)	(341)	(2,150)
Closing net book amount	<u>42,319</u>	<u>17,039</u>	<u>10,973</u>	<u>739</u>	<u>71,070</u>
As at 30 June 2020 (Unaudited)					
Cost	42,319	19,549	13,394	4,109	79,371
Accumulated amortisation	—	(2,510)	(2,421)	(3,370)	(8,301)
Net book amount	<u>42,319</u>	<u>17,039</u>	<u>10,973</u>	<u>739</u>	<u>71,070</u>
As at 31 December 2018 (Audited)					
Cost	—	—	—	12,784	12,784
Accumulated amortisation	—	—	—	(4,451)	(4,451)
Net book amount	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,333</u>	<u>8,333</u>
Period ended 30 June 2019					
Opening net book amount	—	—	—	8,333	8,333
Additions	—	—	—	569	569
Acquisition of subsidiaries	42,319	19,549	13,394	—	75,262
Disposals of subsidiaries	—	—	—	(7,294)	(7,294)
Amortisation	—	(814)	(570)	(526)	(1,910)
Closing net book amount	<u>42,319</u>	<u>18,735</u>	<u>12,824</u>	<u>1,082</u>	<u>74,960</u>
As at 30 June 2019					
Cost	42,319	19,549	13,394	3,840	79,102
Accumulated amortisation	—	(814)	(570)	(2,758)	(4,142)
Net book amount	<u>42,319</u>	<u>18,735</u>	<u>12,824</u>	<u>1,082</u>	<u>74,960</u>

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2020 <i>RMB'000</i> (Unaudited)	31 December 2019 <i>RMB'000</i> (Audited)
Trade receivables (Note (a))		
— Non-property developers	153,677	109,307
— Property developers	<u>785,917</u>	<u>568,868</u>
	939,594	678,175
Less: allowance for impairment of trade receivables	<u>(13,927)</u>	<u>(13,328)</u>
	<u>925,667</u>	<u>664,847</u>
Other receivables	<u>48,344</u>	<u>85,502</u>
Less: allowance for impairment of other receivables	<u>(1,401)</u>	<u>(1,145)</u>
	<u>46,943</u>	<u>84,357</u>
Prepayments for listing expenses	—	10,767
Other prepayments	<u>10,823</u>	<u>9,608</u>
Total	<u>983,433</u>	<u>769,579</u>
Less: non-current portion of other receivables and prepayments	<u>(4,396)</u>	<u>(2,292)</u>
Current portion of trade and other receivables and prepayment	<u>979,037</u>	<u>767,287</u>

(a) As of 30 June 2020 and 31 December 2019, the aging analysis of the trade receivables based on recognition date of trade receivables were as follows:

	30 June 2020 <i>RMB'000</i> (Unaudited)	31 December 2019 <i>RMB'000</i> (Audited)
Trade receivables		
0–180 days	585,923	473,562
181–365 days	244,662	162,567
1 to 2 years	84,843	17,687
2 to 3 years	13,576	14,126
3 to 4 years	8,002	6,545
Over 4 years	<u>2,588</u>	<u>3,688</u>
	<u>939,594</u>	<u>678,175</u>

11 SHARE CAPITAL

		Number of ordinary shares	Share capital <i>HK\$'000</i>	Equivalent share capital <i>RMB'000</i>
Authorized				
As at 31 December 2019		38,339,000	383	338
Increase of authorized shares		<u>4,961,661,000</u>	<u>49,617</u>	<u>42,457</u>
As at 30 June 2020		<u>5,000,000,000</u>	<u>50,000</u>	<u>42,795</u>
Issued				
As at 31 December 2019	(a)	38,339,000	3	3
Issue of shares in connection with the capitalization issue	(b)	861,661,000	8,617	7,885
Issue of shares in connection with the Company's listing	(c)	<u>345,000,000</u>	<u>3,450</u>	<u>3,159</u>
Balance at 30 June 2020		<u>1,245,000,000</u>	<u>12,070</u>	<u>11,047</u>

- (a) The Company was incorporated on 16 October 2018 with an authorized share capital of HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. On the same date, 38,000,000 ordinary shares of HK\$0.01 each were issued, totaling HK\$380,000 (equivalent to approximately RMB335,000), to Enjoy Start Limited, which had not been paid yet.

On 15 March 2019, the Company issued 339,000 shares with a cash consideration of HK\$11,000,000 (equivalent to approximately RMB9,435,000) to OP Financial Limited and the authorized number of ordinary shares of the Company was increased to 38,339,000 with a par value of HK\$0.01 each.

- (b) On 29 April 2020, the authorized share capital of the Company increased to 5,000,000,000 shares with par value of HK\$0.01 each.

Pursuant to the shareholder's written resolutions on 29 April 2020, conditional upon the share premium account of the Company being credited as a result of the Global Offering, the Directors were authorized to allot and issue on the Listing Day (15 May 2020) a total of 861,661,000 shares credited as fully-paid at par to the Shareholders whose names appear on the register of members of the Company at close of business on 14 May 2020 in proportion to their respective shareholdings by way of capitalization of the sum of HK\$8,616,610 standing to the credit of the share premium account to the Company, and the Shares was allotted and issued pursuant to the Capitalization Issue shall rank pari passu in all respects with the existing issued Shares.

- (c) On 15 May 2020, the Company issued a total of 300,000,000 ordinary shares at a price of HK\$6.85 per shares. On 1 June 2020, the Company issued a total of 45,000,000 ordinary shares at a price of HK\$6.85 by exercising the over-allotment option in full. The net proceeds of HK\$2,280,826,000 (equivalent to RMB2,088,694,000) were credited to share capital and premium after deduction of the capitalized listing expenses.

12 RESERVES

	Capital reserves <i>RMB'000</i>	Share premium <i>RMB'000</i>	Employee share-based compensation reserves <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Foreign Currency translation <i>RMB'000</i>	Total other reserves <i>RMB'000</i>
Six months ended 30 June 2020						
Balance at 1 January 2020 (Audited)	82,840	9,432	9,382	21,643	—	123,297
Issue of shares in connection with the capitalization issue	—	(7,885)	—	—	—	(7,885)
Issue of shares in connection with the Company's listing	—	2,085,535	—	—	—	2,085,535
Share option scheme-value of employee services	—	—	4,200	—	—	4,200
Currency translation differences	—	—	—	—	(5,810)	(5,810)
Balance at 30 June 2020 (Unaudited)	82,840	2,087,082	13,582	21,643	(5,810)	2,199,337
Six months ended 30 June 2019						
Balance at 1 January 2019 (Audited)	82,840	—	—	—	—	82,840
Issue of new ordinary shares to new investor	—	9,432	—	—	—	9,432
Share option scheme-value of employee services	—	—	7,369	—	—	7,369
Balance at 30 June 2019	82,840	9,432	7,369	—	—	99,641

(a) PRC statutory reserves

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

13 TRADE AND OTHER PAYABLES

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Trade payables (Note (a))	217,331	177,419
Other payables	304,348	297,440
Accrued payroll	147,061	151,793
Other tax payables	39,433	27,613
	<u>708,173</u>	<u>654,265</u>

As of 30 June 2020 and 31 December 2019, the carrying amounts of trade and other payables approximated its fair values.

(a) As of 30 June 2020 and 31 December 2019, the aging analysis of the trade payables based on invoice date were as follows:

	30 June 2020 RMB'000 (Unaudited)	31 December 2019 RMB'000 (Audited)
Trade payables		
0–180 days	178,862	170,413
181–365 days	34,349	5,011
1 to 2 years	2,017	462
2 to 3 years	644	537
Over 3 years	1,459	996
	<u>217,331</u>	<u>177,419</u>

14 DIVIDENDS

An interim dividend in respect of the six months ended 30 June 2020 of HK6.6 cents per ordinary share (equivalent to RMB5.9 cents) was declared by the Board of Directors of the Company (the corresponding period of 2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Over the years, we have successfully expanded our business from property management and value-added services to lifestyle services and commercial property management and consultation services. Our business now consists of three major segments. In the first half of 2020, with rapid growth in its business, the Group continuously optimized its income structure and enhanced its operating efficiency. During the six months ended June 30, 2020 (the “Period”), the Group’s revenue amounted to RMB1,061.2 million, representing an increase of 56.1% as compared with RMB680.0 million in the corresponding period in 2019. Net profit was RMB189.0 million, representing an increase of 91.6% as compared with RMB98.6 million in the corresponding period in 2019.

The outbreak of the 2019 Novel Coronavirus (“COVID-19”) had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the Group including postponement of delivery of properties to residents which consequently delayed the commencement of the Group’s property management services, restriction and reduction of social activities, allowance for expected credit losses on trade and other receivables and so on. Since the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group. As at the date that the condensed consolidated interim financial information is authorised for issue, COVID-19 does not have any material adverse impact on the financial position and operating result of the Group.

Property management services and value-added services. We have provided traditional property management services such as security, cleaning and greening services since 1994 and over the years, we have expanded our service offerings to include value-added services aimed at elevating the living quality of the residents in the properties we manage. We provide intelligent community solutions to property developers as well as residents. Furthermore, we provide property agency services to property developers. Further, we also provide personalized services to VIPs of the Central China Consumers Club, who are the exclusive group of high-net-worth customers. As of 30 June 2020, our property management and value-added services covered all 18 prefecture-level cities (and also 94 of the 104 county-level cities) in Henan as well as Haikou, Hainan and Korla, Bayingol, Xinjiang, and we served more than 1.2 million property owners and residents in 341 properties. As of 30 June 2020, the GFA under management and contracted GFA reached 70.1 million sq.m. and 144.4 million sq.m. respectively, representing a respective growth of 23.1% and 25.9% as compared with those as at 31 December 2019.

Lifestyle services. Lifestyle services include products and services we offer on our Jianye + (建業+) platform, travel services, and management services we provide in Cuisine Henan Foodcourts (建業大食堂). The Jianye + (建業+) platform is an O2O one-stop service platform which integrates our internal and external, online and offline resources in order

to provide our customers with convenient and more affordable goods and services. As of 30 June 2020, we were serving more than 2.8 million users in Jianye + (建業+) platform. Our travel services offer four distinct types of tours to customers, namely leisure tours, corporate tours, sports and health tours and educational tours. We were managing seven Cuisine Henan Foodcourts (建業大食堂) as of 30 June 2020.

Commercial property management and consultation services. Our commercial property management and consultation services focus on enhancing the value of property by streamlining operations of a property to reduce costs and attracting business to increase income. Our commercial property management and consultation services comprise (i) hotel management, (ii) commercial asset management and (iii) cultural tourism complex management. For hotels, we manage overall hotel operations, supervise hotel operations performed by an existing operator and provide consultancy services. For other commercial assets, we provide pre-opening consultation and post-opening management services. For commercial asset management, our Company primarily manages shopping malls by providing two main categories of services: (i) pre-opening consultation; and (ii) post-opening management services. As for cultural tourism complex management, our Company's services include the branding and overall operations management, consultancy services, technical support, agricultural product sale, agricultural production and project planning.

Prospects and Strategies

As a new lifestyle services provider, the Group possesses a more extensive service system and portfolio of products and services as compared to traditional property management companies. With the high-net-worth, high purchase frequency and high stickiness of the Group's customers, the consumption pattern of the Group's customers are characterized by increasing consumption power and diversified needs. Therefore, the Group is able to build an enriched and high-quality supply ecosystem to provide its customers with a one-stop convenient and enriched life by leveraging its strength in high quality, high density and rich resources.

Property services are the foundation and cornerstone of the Group and is the primary driver for the continuous development of the Group. The size of GFA under management is one of the crucial factors in the valuation of a property management company in the capital market. In order to maintain its leading position in segment of new lifestyle, the Group will first strengthen its efforts on property development in the second half of the year by focusing on mergers and acquisitions.

Technology empowerment is the only way to reduce costs and increase efficiency. In the second half of the year, we will focus on increasing investment in intelligent properties, evaluating the achievement of technology investment, and integrating organizational management to achieve the goal of reducing costs and increasing efficiency as soon as possible.

Financial Review

Revenue

For the six months ended 30 June 2020, revenue of the Group amounted to RMB1,061.2 million (the corresponding period of 2019: RMB680.0 million), representing an increase of 56.1% as compared with the corresponding period in the last year. The Group's revenue was derived from three major business lines, i.e. (i) property management services and value-added services; (ii) lifestyle services; and (iii) commercial property management and consultation services.

The table below sets forth our revenue from each business segment during the period.

	For the six months ended 30 June			
	2020		2019	
	Revenue		Revenue	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property management and value-added services	843,778	79.5	529,529	77.9
Lifestyle services	172,801	16.3	113,999	16.7
Commercial property management and consultation services	44,607	4.2	36,491	5.4
Total/Overall	1,061,186	100.0	680,019	100.0

Property management services and value-added services

During the Period, revenue from property management services amounted to RMB843.8 million (the corresponding period of 2019: RMB529.5 million), representing an increase of 59.3% as compared with the corresponding period in the last year. The increase is mainly attributable to (i) the GFA under management of the Group increased from 41.8 million sq.m. as at 30 June 2019 to 70.1 million sq.m. as at 30 June 2020, resulting in an increase in revenue from property management services; and (ii) the increase in value-added services such as intelligent community solutions and value-added services, resulting in an increase in revenue from value-added services.

The table below sets forth the details of our revenue from this business segment during the period.

	For the six months ended 30 June			
	2020		2019	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management	387,685	45.9	263,207	49.7
Value-added services	456,093	54.1	266,322	50.3
Total	<u>843,778</u>	<u>100.0</u>	<u>529,529</u>	<u>100.0</u>

As of 30 June 2020, the Group's GFA under management was 70.1 million sq.m., representing an increase of 13.1 million sq.m. from 57.0 million sq.m. as of 31 December 2019, with a growth rate of 23.1%. The increase was mainly attributed to the increase in projects delivered by CCRE Group and its associates or joint ventures. For the six months ended 30 June 2020, the average management fee of the residential properties projects was RMB1.78/m²/month (for the year ended 31 December 2019: RMB1.82/m²/month).

The table below sets out the breakdown of our total GFA under management for our property management services attributable to the properties developed by the CCRE Group (and its associates or joint ventures) and third-party property developers as of the period end.

	As at 30 June 2020		As at 31 December 2019	
	GFA		GFA	
	<i>'000 sq.m.</i>	<i>%</i>	<i>'000 sq.m.</i>	<i>%</i>
The CCRE Group and its associates or joint ventures	49,517	70.6	39,272	68.9
Third-party property developers	20,613	29.4	17,711	31.1
Total	<u>70,130</u>	<u>100.0</u>	<u>56,983</u>	<u>100.0</u>

Lifestyle services

For lifestyle services, we offer a wide range of lifestyle services, which include (i) products and services we offer on our Jianye + (建業+) platform, (ii) travel services, and (iii) management services we provide in Cuisine Henan Foodcourts (建業大食堂). During the Period, revenue from lifestyle services amounted to RMB172.8 million (the corresponding period of 2019: RMB114.0 million), representing an increase of 51.6% as compared with the corresponding period in the last year. The increase is mainly attributable to the increase in registered users for our Jianye + (建業+) platform from approximately 1.55 million as at 30 June 2019 to approximately 2.80 million as at 30 June 2020. The growth in number of registered users and registered users' consumption leads to the growth in revenue.

Commercial property management and consultation services

For commercial property management and consultation services, we offer services in respect of (i) hotel management; (ii) commercial asset management; and (iii) cultural tourism complex management. During the Period, revenue from commercial property management and consultation services amounted to RMB44.6 million (the corresponding period of 2019: RMB36.5 million), representing an increase of 22.2% as compared with the corresponding period in the last year. The increase is mainly attributable to the launch of our commercial property management business in March 2019 with more commercial properties under management in the first half of 2020.

Cost of sales

Our cost of sales primarily consists of employee benefit expenses, outsourcing labor costs, greening and cleaning expenses, cost of goods sold, outsourcing costs of tourism services, utilities, maintenance costs, construction costs, professional service fees, security charges, depreciation and amortization charges, travelling and entertainment expenses, office expenses, taxes and other levies and other costs.

During the Period, cost of sales of the Group was RMB693.7 million (the corresponding period of 2019: RMB438.2 million), representing an increase of 58.3% as compared with that of the corresponding period in 2019. As the business revenue of the Group increased, there was corresponding increase in cost of sales.

Gross profit and gross profit margin

The following table sets forth our gross profit and gross profit margin by business segment for the period:

	For the six months ended 30 June			
	2020		2019	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
Property management and value-added services	267,104	31.7	175,487	33.1
Lifestyle services	69,252	40.1	37,992	33.3
Commercial property management and consultation services	31,154	69.8	28,334	77.6
Total	367,510	34.6	241,813	35.6

During the Period, cost of sales of the Group was RMB693.7 million (the corresponding period of 2019: RMB438.2 million), representing an increase of 58.3% as compared with that of the corresponding period in 2019, which was primarily due to an increase in revenue for the period. Gross profit margin of the Group decreased from approximately 35.6% for the period ended 30 June 2019 to approximately 34.6% for the period ended 30 June 2020.

Our gross profit margin from property management and value-added services decreased slightly from approximately 33.1% for the period ended 30 June 2019 to approximately 31.7% for the period ended 30 June 2020, remaining relatively stable.

Our gross profit margin from lifestyle services increased from approximately 33.3% for the period ended 30 June 2019 to approximately 40.1% for the period ended 30 June 2020. This increase was primarily because of the revenue from our Jianye + (建業+) platform, which has high gross profit margin, increased significantly.

Our gross profit margin from commercial property management and consultation services decreased from approximately 77.6% for the period ended 30 June 2019 to approximately 69.8% for the period ended 30 June 2020. This decrease was primarily because of the absence of an one-off consultancy income with relatively high profit margin recognised in 2019.

Selling and marketing expenses

During the Period, the Group's selling and marketing expenses amounted to RMB22.6 million, representing an increase of 53.5% as compared with that of RMB14.7 million for the corresponding period in 2019. It accounted for 2.1% of the revenue, representing a decrease of 0.1% as compared with that of the corresponding period in 2019. The increase in selling and marketing expenses was primarily due to (i) an increase in the number of employees we hired due to the expansion in our business scale, and (ii) an increase in salaries, employee benefits and other expenses paid to our sales, sales support and marketing personnel in line with our revenue growth and business expansion.

Administrative expenses

During the Period, the Group's administrative expenses amounted to RMB112.1 million, representing an increase of 25.4% as compared with that of RMB89.4 million for the corresponding period in 2019. It accounted for 10.6% of the revenue, representing a decrease of 2.6% as compared with that of the corresponding period in 2019, which was primarily due to the corresponding increase in compensation and benefit as the number of our employee increased due to business expansion. This is in line with our growth in revenue.

Other income

During the Period, other income of the Group amounted to RMB6.5 million (the corresponding period of 2019: RMB15.9 million), representing a decrease of 59.0% as compared with that of the corresponding period in 2019. The aforementioned decrease primarily resulted from the absence of the interest income of an independent third party recognised in 2019.

Income tax

During the Period, the Group's income tax expense was RMB51.5 million (the corresponding period of 2019: RMB35.8 million). The income tax rate was 19.7% (the corresponding period of 2019: 25.6%), representing a decrease of 5.9% as compared to the corresponding period of last year since two subsidiaries of the Group enjoyed a preferential enterprise income tax rate since 2020.

Profits

During the Period, the Group's net profit was RMB189.0 million, representing an increase of 91.6% as compared with that of RMB98.6 million for the corresponding period in 2019. Net profit margin was 17.8%, representing an increase of 3.3% as compared with that of 14.5% for the corresponding period in 2019, due to the rapid development of the Group's business, and the lower growth rate of administrative and management fees as compared to revenue as a result of synergy. During the Period, profit attributable to shareholders of the Company was RMB183.8 million, representing an increase of 70.3% as compared with that of RMB107.9 million for the corresponding period in 2019. Basic earnings per share amounted to RMB0.1870.

Financial resources management and capital structure

We have adopted comprehensive treasury policies and internal control measures to review and monitor our financial resources.

As at 30 June 2020, the Group's cash and cash equivalents amounted to approximately RMB2,732.2 million (31 December 2019: approximately RMB584.8 million). The increase is mainly attributable to receipt of IPO proceeds. The Group maintained at net cash position as at 30 June 2020 without any borrowings. Subsequent to the reporting period, the Company has declared an interim dividend of approximately RMB73.5 million in total to the shareholders of the Company in relation to profit attributable to the six months ended 30 June 2020.

The gearing ratio is calculated as total borrowings divided by total equity, and the sum of long-term and short-term interest bearing bank loans and other loans as of the corresponding date divided by the total equity as of the same date. As of 30 June 2020, the gearing ratio was nil.

Trade and other receivables

As of 30 June 2020, trade and other receivables amounted to RMB972.6 million, representing an increase of 29.8% as compared with that of RMB749.2 million as of 31 December 2019, which was primarily attributable to the scale expansion of the Group.

Trade and other payables

As of 30 June 2020, trade and other payables amounted to RMB708.2 million, representing an increase of 8.2% as compared with that of RMB654.3 million as of 31 December 2019, which was primarily attributable to (i) the scale expansion of the Group due to the increase in the GFA under management and subcontracting of more services to independent third-party service providers; and (ii) the expansion of the intelligent community solution business under the property management services and value-added services segment.

Proceeds from the Listing

The Company's ordinary shares were listed on the main board of Hong Kong Stock Exchange (the "Listing") on 15 May 2020 (the "Listing Date"), with a total of 1,245,000,000 ordinary shares in issue. After deducting the underwriting fees and relevant expenses, net proceeds from the Listing amounted to approximately HK\$2,280.8 million (equivalent to RMB2,088.7 million). As of 30 June 2020, the Group has used approximately RMB26.0 million of the proceeds, of which: (i) RMB2.9 million was used for enhancement of our Jianye + (建業+) platform to optimize user experience; (ii) RMB10.4 million was used for investing in advanced information technologies system to improve operational efficiency; and (iii) RMB12.7 million was used for general working capital. Such used proceeds were allocated in accordance with the purposes set out in the prospectus of the Company dated 5 May 2020 (the "Prospectus"). The unused proceeds, which are currently held as bank deposits, will be used for the purposes according to the distribution set out in the Prospectus as below:

- approximately 60% of our net proceeds to be used to pursue strategic investment and acquisition opportunities to further expand the business scale and property portfolio of our property management business and value-added services;
- approximately 15% of our net proceeds to be used on our Jianye + (建業+) platform and to optimize our users' experience;
- approximately 15% of our net proceeds to improve operational efficiency; and
- approximately 10% of our net proceeds to be used to provide funding for our working capital and other general corporate purpose.

The unused proceeds are expected to be used for the above purposes within three years upon the Listing Date.

Pledge of assets

As of 30 June 2020, the Group did not have any pledged assets for its loan guarantee.

Major acquisition and disposals

During the Period, the Group did not have any major acquisition and disposals of subsidiaries and associated companies.

Major investment

As of 30 June 2020, the Group did not hold any significant investment.

Contingent liabilities and capital commitment

As of 30 June 2020, the Group did not have any significant contingent liabilities and capital commitment.

Employees and remuneration policy

As of 30 June 2020, we had more than 4,600 full time employees, substantially all of whom were located in Henan province.

In order to promote healthy competition among employees and motivate them to deliver their best performance, the Company has further optimised its existing remuneration and incentive system and established a performance-oriented management concept and remuneration and incentive system, according to which the remuneration levels, remuneration adjustment and job transfer of employees will be determined based on their performance appraisal results. The overall remuneration system of the Company will also be adjusted regularly with reference to the prevailing market remuneration level to ensure the external competitiveness and internal equity of the remunerations of our employees and provide guarantees for retaining and attracting talent.

In addition, the Company has formulated and implemented human resource policies which are conducive to the sustainable development of the Company. Adhering to the talent concept of “professional spirit and professional quality”, the Company takes professional ethics and professional ability as important standards for selecting and employing employees and strengthens employee training and continuous education to constantly improve their quality. Meanwhile, the Company also places high emphasis on the career development of its employees. It assists employees to plan out their career paths according to their expertise and capabilities, provides them with various career channels and development opportunities, and cultivates and retains talent for key posts to promote the continuous improvement of its organising ability.

CORPORATE GOVERNANCE PRACTICES

The Company has always valued the superiority, steadiness and rationality of having a sound system of corporate governance and is committed to continuously improving its corporate governance and disclosure practices. During the period from the Listing Day to 30 June 2020 the Company complied with all code provisions and, where appropriate, adopted the recommended best practices set out in the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) with the exception of code provision A.2.1 as addressed below.

Code provision A.2.1 — Pursuant to this code provision, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Wang Jun is currently the chairman of the Board and the chief executive officer of the Company, responsible for formulating and executing our business strategies, annual operational and financial plans of the Company.

The Board believes that vesting the roles of both chairman and chief executive officer in Mr. Wang Jun has the benefit of ensuring consistency and continuous leadership within the Group and also maximizes the effectiveness and efficiency of overall planning and execution of its strategies. The Board considers that the balance of power and authority, accountability and independent decision-making under its present arrangement will not be impaired in light of the diverse background and experience of its three independent non-executive Directors. Further, the Audit Committee of the Company comprises exclusively of independent non-executive Directors has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary. Therefore, our Directors consider that the deviation from Code Provision A.2.1 of the Corporate Governance Code is appropriate in such circumstance.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix 10 to the Listing Rules as the code of conduct for the Directors in their dealings in the Company’s securities. Having made specific enquires with each Director, the Company confirmed that the Directors had complied with the required standard as set out in the Model Code throughout the period from the Listing Date to 30 June 2020.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

CHANGES SUBSEQUENT TO 31 DECEMBER 2019

There were no other significant changes in the Group's financial position or from the information for the year ended 31 December 2019 disclosed under the prospectus of the Company dated 5 May 2020.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The audit committee of the Company has discussed with the management and external auditors the accounting principles and policies adopted by the Group, and has reviewed the Group's unaudited interim consolidated financial statements for the six months ended 30 June 2020.

INTERIM DIVIDEND

The Board declared an interim dividend (the "Interim Dividend") of HK6.6 cents per share for the six months ended 30 June 2020.

The Interim Dividend will be paid on or around Friday, 25 September 2020 to the shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 15 September 2020.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the shareholders to the Interim Dividend, the register of members of the Company will be closed from Friday, 11 September 2020 to Tuesday, 15 September 2020. In order to qualify for the Interim Dividend, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 10 September 2020, for registration. The Interim Dividend will be paid on or around Friday, 25 September 2020.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY

This interim results announcement is published on the websites of the Company (www.ccnewlife.com.cn) and the Stock Exchange (<http://www.hkexnews.hk>). The Company's interim report for the six months ended 30 June 2020 will be despatched to the shareholders and published on the aforesaid websites in due course.

By Order of the Board
Central China New Life Limited
Wang Jun
Chairman

Hong Kong, 27 August 2020

As at the date of this announcement, the Board comprises: (i) Mr. Wang Jun (Chairman) and Mr. Cai Bin as executive Directors; (ii) Ms. Wu Lam Li and Ms. Min Huidong as non-executive Directors; and (iii) Mr. Leong Chong, Ms. Luo Laura Ying and Ms. Xin Zhu as independent non-executive Directors. This announcement is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.ccnewlife.com.cn.