

New Hope Services (3658 HK)

1H25: Strong 3rd-party expansion with 11% div. yield; Maintain BUY

Revenue/net profit grew 4.3/2.4% YoY in 1H25, largely in line with market expectations. Basic PM remained resilient (revenue +15% YoY) driven by robust third-party expansion (new contracted value +59% YoY), with strategic partnerships contributing meaningfully to both project volume and quality. Owner VAS revenue grew modestly at 4% YoY (slowed by macro headwinds, particularly group dining), though third-party expansion made positive progress—projects meeting high food safety standards have been secured, underpinning future growth. Commercial operation /non-owner VAS revenue dropped 29/26% YoY due to related party biz contraction. The company raised its payout ratio by 10ppts to 70%, implying an ~11% dividend yield. Maintain BUY and trim our TP by 6% to HK\$2.5 (8x 2025E P/E) to reflect slight earnings estimate revisions.

- Resilient basic PM supported by strong third-party expansion.** Segment revenue grew 15% YoY to RMB467mn, supported by steady GFA under management growth (+7% to 38mn sqm), with third-party GFA up 14% YoY owing to robust third-party expansion in 1H25: new contracted value hit RMB560mn (+59% YoY and close to RMB605mn in FY24), of which RMB193mn came from strategic partnerships (+188% YoY), underscoring this as an effective strategy amid intense market competition. Meanwhile, the overall PM fee rate edged up against the trend (1H25: RMB3.14/sqm vs 1H24: RMB3.02), which, despite the impact of exiting low-quality projects, reflects the company's ongoing portfolio optimization toward high-end projects.
- Community VAS growth moderated amid economic headwinds.** Segment revenue rose 3.6% YoY in 1H25, with community living service largely flat thanks to support from in-home biz. Group dining grew 9% YoY (vs 45%/45% in 1H24/FY24) as corporate clients cut spending. The positive side is that the share of third-party group dining rose 11ppts to 91% in 1H25, including high-profile contracts like the canteen of Sichuan Provincial Health Commission to endorse its professional capability.
- Dividend pay-out ratio raised to 70%, yield hits 11%.** The company raised its dividend payout ratio by 10ppts to 70%, translating to an industry-leading dividend yield of 11% based on yesterday's closing price.
- Maintain BUY.** We lower TP by 6% to HK\$2.5 (8x 2025E P/E) to reflect modest earnings estimate revisions. Risks: 1) Worse-than-expected economic slowdown; 2) Subpar third-party expansion; 3) A/R impairment.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	1,261	1,481	1,540	1,650	1,776
YoY growth (%)	10.7	17.5	4.0	7.2	7.6
Net profit (RMB mn)	215.0	226.8	234.3	250.5	273.0
EPS (Reported) (RMB)	0.26	0.28	0.29	0.31	0.34
YoY growth (%)	5.9	5.5	3.3	6.9	9.0
Consensus EPS (RMB)	na	na	0.29	0.31	0.34
P/E (x)	7.1	6.7	6.5	6.1	5.6
P/B (x)	1.7	1.6	1.6	1.4	1.3
Yield (%)	8.5	8.5	10.8	11.5	12.6
ROE (%)	19.0	18.8	18.7	18.9	18.9

Source: Company data, Bloomberg, CMBIGM estimates

BUY (Maintain)

Target Price	HK\$2.50
(Previous TP)	HK\$2.67)
Up/Downside	22.7%
Current Price	HK\$2.04

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Stock Data

Mkt Cap (HK\$ mn)	1,660.6
Avg 3 mths t/o (HK\$ mn)	0.8
52w High/Low (HK\$)	2.22/1.66
Total Issued Shares (mn)	814.0

Source: FactSet

Shareholding Structure

Golden Rose Developments	66.9%
New Voyage Dvlp Ltd.	5.0%

Source: HKEx

Share Performance

	Absolute	Relative
1-mth	5.7%	1.1%
3-mth	9.1%	-0.8%
6-mth	1.0%	-9.6%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related Reports

- [CR MixC Lifestyle \(1209 HK\) - 1H25: Robust core biz growth with 100% dividend payout; Maintain Buy](#)
- [Jinmao Services \(816 HK\) - New business integration drives new growth engines; Generous dividend pay-out](#)
- [Greentown Service \(2869 HK\) - Solid growth driven by notable efficiency gains](#)
- [Poly Services \(6049 HK\) - 1H25 earnings in line; No interim dividend](#)

Figure 1: 3658 HK results summary- 1H25

RMB mn	2023	2024	YoY	1H24	2H24	1H25	YoY	HoH
Revenue	1,261	1,481	17%	709	772	740	4.3%	-4%
- Property management services	647	837	29%	406	432	467	15%	8%
- Developer VAS	169	142	-16%	68	74	48	-29%	-35%
- Commercial operations	154	146	-5%	65	81	48	-26%	-40%
- Lifestyle services (community VAS)	291	356	22%	170	185	177	4%	-5%
Gross profit	440	450	2%	232	218	234	1%	7%
Net profit	215	227	5%	118	109	121	2.4%	11%
EPS (RMB)	0.26	0.28	5%	0.15	0.13	0.15	2%	11%
DPS (RMB)	0.16	0.16	0%	0.08	0.08	0.10	20%	32%
Dividend payout ratio	60%	57%	-3 ppt	57%	57%	67%	10 ppt	
GP Margin	34.9%	30.4%	-5 ppt	32.8%	28.2%	31.6%	-1 ppt	3 ppt
- Property management services	27%	24%	-3 ppt	25.6%	23.2%	25.3%	0 ppt	2 ppt
- Developer VAS	36%	32%	-4 ppt	33.9%	29.6%	32.5%	-1 ppt	3 ppt
- Commercial operations	60%	57%	-3 ppt	63.9%	51.8%	64.3%	0 ppt	12 ppt
- Lifestyle services (community VAS)	38%	33%	-5 ppt	37.5%	29.0%	38.9%	1.4 ppt	10 ppt
Net Margin	17.1%	15.3%	-2 ppt	16.7%	14.1%	16.3%	-0.3 ppt	2 ppt
Managed GFA (mn sq m)	32.3	35.1	9%	35.4	35.1	38.0	7%	8%
Contracted GFA (mn sq m)	38.2	39.0	2%	40.5	39.0	41.4	2%	6%
Trade receivables	406	573	41%	602	573	651	8%	14%
Cash (incl. deposits)	1,145	1,058	-8%	1,006	1,058	960	-5%	-9%

Source: Company data, CMBIGM

Figure 2: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	1,540	1,650	1,776	1,644	1,807	1,980	-6.3%	-8.7%	-10.3%
Gross profit	453	477	509	484	527	572	-6.5%	-9.4%	-11.0%
Operating profit	298	320	348	319	355	393	-6.7%	-10.0%	-11.3%
Net profit	234	251	273	250	277	307	-6.3%	-9.6%	-11.1%
Gross margin	29.4%	28.9%	28.7%	29.5%	29.2%	28.9%	0ppt	-0.2ppt	-0.2ppt
Operating margin	19.3%	19.4%	19.6%	19.4%	19.6%	19.8%	-0.1ppt	-0.3ppt	-0.2ppt
Net margin	15.2%	15.2%	15.4%	15.2%	15.3%	15.5%	0ppt	-0.1ppt	-0.1ppt

Source: Company data, CMBIGM estimates

Figure 3: CMBI estimates vs. Consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	1,540	1,650	1,776	1,644	1,807	1,980	-6.3%	-8.7%	-10.3%
Gross profit	453	477	509	484	527	572	-6.5%	-9.4%	-10.9%
Operating profit	298	320	348	323	359	397	-7.9%	-11.0%	-12.2%
Net profit	234	251	273	250	277	307	-6.3%	-9.6%	-11.1%
Gross margin	29.4%	28.9%	28.7%	29.5%	29.2%	28.9%	0ppt	-0.2ppt	-0.2ppt
Operating margin	19.3%	19.4%	19.6%	19.6%	19.9%	20.1%	-0.3ppt	-0.5ppt	-0.4ppt
Net margin	15.2%	15.2%	15.4%	15.2%	15.3%	15.5%	0ppt	-0.1ppt	-0.1ppt

Source: Company data, Bloomberg, CMBIGM estimates

Figure 4: Valuation comps

Company	Ticker	Last Price	Mkt Cap	P/E (x)			Net Profit Growth (%)			Payout ratio	Dividend Yield	
		(LC)		25E	26E	27E	25E	26E	27E		24A	25E
CR MixC	1209.HK	38.62	11,308	20.9 x	18.7 x	16.9 x	15.3	11.8	10.4	97%	4.0%	4.7%
Onew o	2602.HK	25.62	3,839	17.4 x	15.3 x	14.0 x	38.3	13.7	9.0	194%	8.0%	7.1%
Country Garden Services	6098.HK	6.50	2,788	10.7 x	9.2 x	8.2 x	2.1	17.0	12.2	55%	5.0%	6.4%
Poly Services	6049.HK	35.80	2,541	12.3 x	11.8 x	11.3 x	5.4	4.5	4.2	50%	3.9%	4.1%
COPH	2669.HK	5.34	2,250	9.7 x	8.9 x	8.2 x	8.9	8.9	9.3	36%	3.4%	3.9%
China Merchant PO	001914.SZ	12.40	1,850	13.9 x	12.4 x	11.1 x	12.8	12.3	11.2	30%	1.9%	2.3%
Greentow n Services	2869.HK	4.90	1,980	16.3 x	14.3 x	13.0 x	11.4	14.4	10.0	75%	4.1%	4.6%
Binjiang Services	3316.HK	24.62	873	10.1 x	8.9 x	8.0 x	13.8	12.7	12.1	70%	6.1%	7.0%
Yuexiu Services	6626.HK	2.81	542	8.0 x	6.9 x	6.2 x	37.2	14.8	12.2	74%	6.5%	6.7%
C&D PM	2156.HK	3.21	580	11.1 x	9.8 x	8.7 x	15.2	12.8	12.0	58%	4.7%	5.5%
Ever Sunshine	1995.HK	1.93	428	6.7 x	6.4 x	5.7 x	(5.2)	4.6	11.8	62%	9.5%	9.7%
Jinmao Services	0816.HK	3.21	372	6.9 x	6.5 x	6.1 x	3.9	5.4	6.8	40%	5.6%	5.8%
Pow erlong Commercial	9909.HK	2.26	186	3.4 x	3.3 x	3.1 x	78.6	5.0	NA	NA	NA	NA
Excellence CM	6989.HK	1.19	186	3.9 x	3.5 x	3.2 x	9.6	10.8	9.8	50%	11.7%	12.8%
New Hope Services	3658.HK	2.04	213	6.5 x	6.1 x	5.6 x	3.3	6.9	9.0	57%	8.5%	10.7%
E-star CM	6668.HK	1.42	185	8.4 x	8.3 x	7.9 x	1.4	0.9	4.9	80%	9.2%	9.4%
Average				15.7 x	14.0 x	12.8 x	15.4	11.7	9.8	87%	4.7%	5.2%
BEKE-W	2423.HK	47.14	21,602	30.2 x	23.2 x	17.3 x	25.0	30.3	33.9	73%	2.0%	1.6%
Greentow n Management	9979.HK	2.88	743	8.3 x	7.8 x	6.9 x	(20.7)	6.7	12.1	59%	9.1%	8.6%
Average				29.5 x	22.7 x	17.0 x	23.5	29.5	33.2	72%	2.2%	1.8%

Source: Company data, Wind, CMBIGM estimates

Note: Data updated to 1 Sep 2025

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	1,139	1,261	1,481	1,540	1,650	1,776
Cost of goods sold	(708)	(821)	(1,031)	(1,087)	(1,173)	(1,267)
Gross profit	431	440	450	453	477	509
Operating expenses	(177)	(176)	(155)	(151)	(154)	(156)
Selling expense	(4)	(1)	(1)	(1)	(1)	(1)
Admin expense	(158)	(168)	(140)	(138)	(140)	(142)
Others	(15)	(6)	(14)	(12)	(13)	(14)
Operating profit	254	264	295	302	324	353
Share of (losses)/profits of associates/JV	0	0	1	0	0	0
Net Interest income/(expense)	20	16	11	14	14	15
Pre-tax profit	274	280	308	316	338	368
Income tax	(44)	(43)	(48)	(48)	(52)	(56)
After tax profit	229	237	260	267	286	311
Minority interest	(19)	(26)	(29)	(29)	(32)	(34)
Net profit	203	215	227	234	251	273
Core net profit	203	215	227	234	251	273

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	1,444	1,551	1,631	1,783	1,942	2,119
Cash & equivalents	1,040	1,145	1,058	1,187	1,303	1,431
Account receivables	325	318	449	467	500	538
Inventories	0	0	0	1	1	1
Prepayment	79	88	124	129	138	149
Non-current assets	376	409	454	381	394	404
PP&E	14	15	26	33	36	38
Deferred income tax	7	11	11	11	11	11
Investment in JVs & assos	2	5	7	7	7	7
Intangibles	115	138	146	153	159	164
Goodwill	133	133	133	133	133	133
Other non-current assets	105	107	130	44	47	50
Total assets	1,820	1,961	2,085	2,164	2,336	2,523
Current liabilities	569	645	711	771	825	887
Account payables	162	195	213	225	243	262
Tax payable	16	6	9	9	9	9
Other current liabilities	4	4	0	0	0	0
Lease liabilities	5	12	44	44	44	44
Contract liabilities	158	194	209	245	262	282
Accrued expenses	224	234	235	248	268	289
Non-current liabilities	77	59	46	46	46	46
Obligations under finance leases	61	45	34	34	34	34
Deferred income	16	14	12	12	12	12
Total liabilities	646	704	756	816	871	932
Share capital	7	7	7	7	7	7
Retained earnings	105	141	165	70	75	82
Other reserves	986	1,013	1,074	1,188	1,301	1,419
Total shareholders equity	1,098	1,161	1,246	1,265	1,382	1,508
Minority interest	76	96	83	83	83	83
Total equity and liabilities	1,820	1,961	2,085	2,164	2,336	2,523

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	266	284	304	312	334	363
Depreciation & amortization	11	8	6	11	14	15
Tax paid	(31)	(61)	(46)	(48)	(52)	(56)
Change in working capital	(88)	83	(129)	37	12	12
Others	21	20	27	25	26	27
Net cash from operations	179	335	162	336	334	362
Investing						
Capital expenditure	(10)	(5)	(18)	(18)	(18)	(18)
Net proceeds from disposal of short-term investments	24	21	0	0	0	0
Others	(184)	(65)	(25)	(25)	(25)	(25)
Net cash from investing	(170)	(49)	(43)	(43)	(43)	(43)
Financing						
Dividend paid	(58)	(152)	(149)	(164)	(175)	(191)
Net borrowings	(14)	(17)	(9)	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Others	(2)	(11)	(49)	0	0	0
Net cash from financing	(74)	(180)	(206)	(164)	(175)	(191)
Net change in cash						
Cash at the beginning of the year	1,106	1,040	1,145	1,058	1,187	1,303
Exchange difference	0	0	0	0	0	0
Cash at the end of the year	1,040	1,145	1,058	1,187	1,303	1,431
GROWTH	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Revenue	23.1%	10.7%	17.5%	4.0%	7.2%	7.6%
Gross profit	14.5%	2.1%	2.2%	0.6%	5.4%	6.6%
Operating profit	28.9%	4.1%	11.6%	2.2%	7.3%	8.9%
Net profit	22.4%	5.9%	5.5%	3.3%	6.9%	9.0%
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin	37.9%	34.9%	30.4%	29.4%	28.9%	28.7%
Operating margin	22.3%	21.0%	19.9%	19.6%	19.6%	19.9%
Return on equity (ROE)	19.8%	19.0%	18.8%	18.7%	18.9%	18.9%
GEARING/LIQUIDITY/ACTIVITIES	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Current ratio (x)	2.5	2.4	2.3	2.3	2.4	2.4
Receivable turnover days	129.3	117.4	141.2	141.2	141.2	141.2
Inventory turnover days	0.2	0.2	0.2	0.2	0.2	0.2
Payable turnover days	198.8	190.5	158.9	158.9	158.9	158.9
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E	7.5	7.1	6.7	6.5	6.1	5.6
P/B	1.8	1.7	1.6	1.6	1.4	1.3
Div yield (%)	6.4	8.5	8.5	10.8	11.5	12.6

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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