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**Roiserv Lifestyle Services Co., Ltd.**

**榮萬家生活服務股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2146)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024**

**FINANCIAL SUMMARY**

- The Group's net profit decreased by approximately 9.5% from approximately RMB102.5 million for the six months ended June 30, 2023 to approximately RMB92.8 million for the six months ended June 30, 2024. Net profit margin decreased by 1.5 percentage points from 10.8% for the six months ended June 30, 2023 to 9.3% for the six months ended June 30, 2024.
- The Group's net profit attributable to owners of the parent company decreased by approximately 10.1% from approximately RMB101.3 million for the six months ended June 30, 2023 to approximately RMB91.1 million for the six months ended June 30, 2024.
- The Group's gross profit increased by approximately 8.2% from approximately RMB221.5 million for the six months ended June 30, 2023 to approximately RMB239.7 million for the six months ended June 30, 2024. The gross profit margin increased by 0.7 percentage points from approximately 23.4% for the six months ended June 30, 2023 to approximately 24.1% for the six months ended June 30, 2024.
- The Group's total revenue increased by approximately 5.0% from approximately RMB947.7 million for the six months ended June 30, 2023 to approximately RMB995.2 million for the six months ended June 30, 2024.

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Roiserv Lifestyle Services Co., Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended June 30, 2024 (the “**Period**” or the “**Relevant Period**”) with the comparative figures for the corresponding period in 2023 as follows:

## CONSOLIDATED BALANCE SHEET

*Unit: RMB*

<b>Item</b>	<i>Notes</i>	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
<b>Current assets:</b>			
Cash at bank and on hand		<b>562,683,018.42</b>	678,633,118.81
Settlement reserve		<b>0.00</b>	0.00
Placements with banks and non-bank financial institutions		<b>0.00</b>	0.00
Financial assets held-for-trading		<b>0.00</b>	0.00
Derivative financial assets		<b>0.00</b>	0.00
Notes receivable		<b>0.00</b>	0.00
Accounts receivable	<i>II. 4</i>	<b>1,983,261,058.13</b>	2,092,264,694.24
Receivables financing		<b>0.00</b>	0.00
Prepayments	<i>II. 5</i>	<b>164,176,499.94</b>	149,138,378.60
Insurance premium receivable		<b>0.00</b>	0.00
Reinsurance premium receivable		<b>0.00</b>	0.00
Reserves for reinsurance contracts receivable		<b>0.00</b>	0.00
Other receivables	<i>II. 6</i>	<b>600,672,934.17</b>	786,037,402.47
Including: Interest receivable		<b>216,344.01</b>	9,339,290.39
Dividends receivable		<b>0.00</b>	0.00
Financial assets held under resale agreements		<b>0.00</b>	0.00
Inventories	<i>II. 7</i>	<b>434,890,742.86</b>	54,760,705.59
Contract assets	<i>II. 8</i>	<b>31,541,999.60</b>	28,149,875.98
Assets held for sale		<b>0.00</b>	0.00
Non-current assets due within one year		<b>1,002,145.80</b>	1,872,205.80
Other current assets		<b>29,179,587.24</b>	20,489,744.48
<b>Total current assets</b>		<b><u>3,807,407,986.16</u></b>	<b><u>3,811,346,125.97</u></b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

*Unit: RMB*

Item	<i>Notes</i>	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
<b>Non-current assets:</b>			
Loans and advances granted		0.00	0.00
Debt investments		0.00	0.00
Other debt investments		0.00	0.00
Long-term receivables		6,049,861.29	6,025,040.65
Long-term equity investments		104,360,174.55	104,126,398.72
Investment in other equity instruments		0.00	0.00
Other non-current financial assets		0.00	0.00
Investment properties		55,093,834.00	55,309,069.00
Fixed assets		34,647,585.25	36,411,987.89
Construction in progress		1,277,671.56	436,246.68
Productive biological assets		0.00	0.00
Oil and gas assets		0.00	0.00
Right-of-use assets		2,376,206.19	2,509,842.11
Intangible assets	<i>II. 9</i>	9,334,589.73	10,571,332.75
Development expenses		0.00	0.00
Goodwill		0.00	0.00
Long-term prepaid expenses		12,837,073.32	14,034,541.81
Deferred income tax assets		126,704,271.83	109,855,422.71
Other non-current assets		3,599,181.00	3,599,181.00
<b>Total non-current assets</b>		<b><u>356,280,448.72</u></b>	<b><u>342,879,063.32</u></b>
<b>Total assets</b>		<b><u>4,163,688,434.88</u></b>	<b><u>4,154,225,189.29</u></b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

*Unit: RMB*

Item	<i>Notes</i>	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>Current liabilities:</b>			
Short-term borrowings		0.00	2,000,000.00
Loans from central bank		0.00	0.00
Placements from banks and other financial institutions		0.00	0.00
Financial liabilities held-for-trading		0.00	0.00
Derivative financial liabilities		0.00	0.00
Notes payable		0.00	0.00
Accounts payable	<i>II. 10</i>	742,352,248.98	859,998,232.83
Receipt in advance	<i>II. 11</i>	1,704,781.57	3,854,809.60
Contract liabilities	<i>II. 12</i>	528,636,990.80	391,835,268.79
Amount from sales of repurchased financial assets		0.00	0.00
Deposits from customers and other banks		0.00	0.00
Brokerage for securities trading		0.00	0.00
Brokerage for underwriting securities		0.00	0.00
Staff remuneration payable		121,080,734.04	93,814,976.86
Taxes payable		87,578,690.27	101,206,242.59
Other payables	<i>II. 13</i>	449,454,277.94	565,706,023.66
Including: Interest payable		0.00	0.00
Dividends payable		7,270.63	74,105,400.00
Handling charges and commission payable		0.00	0.00
Reinsurance accounts payable		0.00	0.00
Liabilities held for sale		0.00	0.00
Non-current liabilities due within one year		3,108,005.58	4,641,065.72
Other current liabilities		28,002,236.34	19,965,629.47
<b>Total current liabilities</b>		<b>1,961,917,965.52</b>	<b>2,043,022,249.52</b>
<b>Non-current liabilities:</b>			
Reserves for insurance contracts		0.00	0.00
Long-term borrowings		0.00	0.00
Bonds payable		0.00	0.00
Including: Preference shares		0.00	0.00
Perpetual bonds		0.00	0.00
Lease liabilities		10,580,750.06	11,079,518.38
Long-term payables		0.00	0.00
Long-term staff remuneration payable		0.00	0.00
Estimated liabilities		0.00	0.00
Deferred income		0.00	0.00
Deferred income tax liabilities		6,691,360.06	7,006,086.25
Other non-current liabilities		0.00	0.00
<b>Total non-current liabilities</b>		<b>17,272,110.12</b>	<b>18,085,604.63</b>
<b>Total liabilities</b>		<b>1,979,190,075.64</b>	<b>2,061,107,854.15</b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

Unit: RMB

Item	Notes	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>Shareholders' equity:</b>			
Share capital	II. 14	376,000,000.00	376,000,000.00
Other equity instruments		0.00	0.00
Including: Preference shares		0.00	0.00
Perpetual bonds		0.00	0.00
Capital reserve	II. 15	984,630,205.10	984,630,205.10
Less: Treasury share		0.00	0.00
Other comprehensive income		0.00	0.00
Special reserve		0.00	0.00
Surplus reserve	II. 16	103,142,975.62	96,749,261.49
Provision for general risks		0.00	0.00
Undistributed profit		701,523,739.68	616,817,866.41
<b>Total equity attributable to shareholders of the parent company</b>		<b>2,165,296,920.40</b>	<b>2,074,197,333.00</b>
Minority interests		19,201,438.84	18,920,002.14
<b>Total shareholders' equity</b>		<b>2,184,498,359.24</b>	<b>2,093,117,335.14</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,163,688,434.88</b>	<b>4,154,225,189.29</b>

## CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	Notes	January 1, to June 30,	
		2024 (Unaudited)	2023 (Unaudited)
<b>I. Total operating income</b>		<b>995,168,060.86</b>	947,681,981.57
Including: Operating income	II. 17	995,168,060.86	947,681,981.57
Interest income		0.00	0.00
Premium earned		0.00	0.00
Handling charges and commission income		0.00	0.00
<b>II. Total operating cost</b>		<b>819,790,907.54</b>	794,256,347.75
Including: Operating cost		755,432,929.89	726,206,470.00
Interest expenses		0.00	0.00
Handling charges and commission expenses		0.00	0.00
Refunded premiums		0.00	0.00
Net amount of compensation payout		0.00	0.00
Net provisions for insurance reserve		0.00	0.00
Policy dividend payment		0.00	0.00
Reinsurance expenses		0.00	0.00
Taxes and surcharges		5,451,174.92	4,483,144.16
Selling expenses		2,815,516.17	3,622,342.40
Administrative expenses		56,660,853.12	59,174,276.90
Research and development expenses		0.00	0.00
Finance costs		-569,566.56	770,114.29
Including: Interest expenses		55,490.87	244,392.50
Interest income		2,356,651.78	858,637.82
Add: Other income		1,694,205.06	6,956,322.09
Investment income (Loss marked with “-”)		260,002.77	3,635,067.56
Including: Investment income from associates and joint ventures		233,775.83	4,075,192.75
Gain on derecognition of financial assets measured at amortized cost		0.00	0.00
Investment income (Loss marked with “-”)		0.00	0.00
Net gain on exposure hedging (Loss marked with “-”)		0.00	0.00
Gain on change in fair value (Loss marked with “-”)		-13,380.46	25,000.00
Loss on impairment of credit (Loss marked with “-”)		-60,037,144.82	-34,948,688.98
Impairment losses on assets (Loss marked with “-”)		179,532.13	-265,633.25
Gain from disposal of assets (Loss marked with “-”)		260,031.89	0.00

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

*Unit: RMB*

Item	Notes	January 1, to June 30, 2024 (Unaudited)	2023 (Unaudited)
<b>III. Operating profit (Loss marked with “-”)</b>		<b>117,720,399.89</b>	128,827,701.24
Add: Non-operating income		<b>3,450,178.11</b>	1,438,746.32
Less: Non-operating expenses		<b>1,467,845.31</b>	2,754,095.31
<b>IV. Total profit (Total loss marked with “-”)</b>		<b>119,702,732.69</b>	127,512,352.25
Less: Income tax expenses	<i>II. 18</i>	<b>26,935,595.36</b>	25,037,395.05
<b>V. Net profit (Net loss marked with “-”)</b>		<b>92,767,137.33</b>	102,474,957.20
<b>(I) By continuity of operations</b>		<b>92,767,137.33</b>	102,474,957.20
1. Net profit from continuing operations (Net loss marked with “-”)		<b>92,767,137.33</b>	102,474,957.20
2. Net profit from discontinued operations (Net loss marked with “-”)		<b>0.00</b>	0.00
<b>(II) By ownership</b>		<b>92,767,137.33</b>	102,474,957.20
1. Net profit attributable to owners of the parent company (Net loss marked with “-”)		<b>91,099,587.40</b>	101,271,261.19
2. Profit or loss of minority interests (Net loss marked with “-”)		<b>1,667,549.93</b>	1,203,696.01
<b>VI. Net other comprehensive income after tax</b>		<b>0.00</b>	0.00
Net other comprehensive income after tax attributable to owners of the parent company		<b>0.00</b>	0.00
<b>(I) Other comprehensive income that may not be reclassified into profit or loss</b>		<b>0.00</b>	0.00
1. Change in remeasurement of defined benefit plans		<b>0.00</b>	0.00
2. Other comprehensive income not converted into profit or loss under the equity method		<b>0.00</b>	0.00
3. Changes in fair value of investments in other equity instruments		<b>0.00</b>	0.00
4. Changes in fair value of the company’s own credit risk		<b>0.00</b>	0.00
5. Others		<b>0.00</b>	0.00

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

*Unit: RMB*

Item	<i>Notes</i>	January 1, to June 30, 2024 (Unaudited)	2023 (Unaudited)
<b>(II) Other comprehensive income that will be reclassified into profit and loss</b>		<b>0.00</b>	0.00
1. Other comprehensive income converted into profit or loss under the equity method		<b>0.00</b>	0.00
2. Changes in fair value of other debt investments		<b>0.00</b>	0.00
3. Reclassification of financial assets to other comprehensive income		<b>0.00</b>	0.00
4. Provision for credit impairment of other debt investments		<b>0.00</b>	0.00
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)		<b>0.00</b>	0.00
6. Exchange differences arising from translation of foreign currency financial statements		<b>0.00</b>	0.00
7. Others		<b>0.00</b>	0.00
<b>Net other comprehensive income after tax attributable to minority interests</b>		<b>0.00</b>	0.00
<b>VII. Total comprehensive income</b>		<b>92,767,137.33</b>	102,474,957.20
Total comprehensive income attributable to shareholders of the parent company		<b>91,099,587.40</b>	101,271,261.19
Total comprehensive income attributable to minority interests		<b>1,667,549.93</b>	1,203,696.01
<b>VIII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/share)	<i>II. 19</i>	<b>0.24</b>	0.27
(II) Diluted earnings per share (RMB/share)	<i>II. 19</i>	<b>0.24</b>	0.27



## NOTES TO THE ITEMS IN THE FINANCIAL STATEMENTS

### I. GENERAL INFORMATION

#### 1 General Information

Roiserv Lifestyle Services Co., Ltd. (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on November 2, 2000 as a limited liability company under the Company Law of the PRC. The address of the Company’s registered office is Office Building No. 9, Ping’an Street, South Xia’an Highway, Xianghe County Development Zone, Langfang City, Hebei Province, PRC.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of property management and related value-added services in the PRC.

The Company’s parent company was RiseSun Real Estate Development Co., Ltd. (“**RiseSun Development**”), a company incorporated in the PRC and its shares are listed on Shenzhen Stock Exchange Co., Ltd. RiseSun Development and its affiliates (excluding the Group) are referred to as “**RiseSun Group**”. The ultimate holding company is RiseSun Holdings Co., Ltd. (the “**Ultimate Controlling Company**”), a limited liability investment holding company incorporated in the PRC.

On April 23, 2020, the Company was converted from a limited liability company into a joint stock company with limited liability.

On January 15, 2021, the Company’s H shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”).

Unless otherwise stated, the Company’s financial information is presented in Renminbi (“**RMB**”), which is the Company’s functional currency.

### II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1 Basis for Preparation

The Group’s financial statements have been prepared on a going concern basis, based on transactions and events that have actually occurred, in accordance with the Accounting Standards for Business Enterprises (“**ASBE**”) issued by the Ministry of Finance and relevant regulations, as well as related disclosure requirements of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

#### 2 Going Concern

The Group has a recent profitable operating history and is supported by financial resources. It is considered reasonable that the financial statements are prepared on a going concern basis.

### **3 Effect of Business Combination under Common Control on Opening Balance and That for the Corresponding Period of Last Year**

On July 28, 2023, the Company entered into an equity transfer agreement with RiseSun Holdings Co., Ltd.\* (榮盛控股股份有限公司) to acquire 70% equity interest in Wanjia Smart Environment (Beijing) Co., Ltd.\* (萬家智慧環境(北京)有限公司) (“**Wanjia Smart**”) in cash at a consideration of RMB50,155,000.0. The Company and Wanjia Smart Environment (Beijing) Co., Ltd. are both under the control of RiseSun Holdings Co., Ltd. and such control is not temporary. Therefore, this merger and acquisition constitutes a combination of businesses under common control.

According to the relevant provisions of ASBE No. 2 – Long-term Equity Investment, ASBE No. 20 – Business Combination and ASBE No. 33 – Consolidated Financial Statements, for a merger of controlling interest under common control, the reporting entity formed after the merger should be deemed to subsist as an integration since the date it came under the control of the ultimate controller. This should be reflected in the consolidated financial statements, which means for the reporting entity composed of the parent and subsidiaries formed after the merger, both its asset size and business performance should be continuously calculated. In preparing consolidated financial statements, no matter the merger occurred in any time in the reporting period, the consolidated income statement and the consolidated cash flow statement should reflect the profits or losses and cash flow of the reporting entity composed of the parent and subsidiaries for the period from the beginning of the period during which such merger occurred to the date of merger. Correspondingly, the item of retained earnings on consolidated balance sheet should reflect the realizable surplus reserve and undistributed profit of the parent and subsidiaries as of the date of merger as if the parent and subsidiaries had been operating as one entity; for a merger of controlling interest under common control, when preparing the consolidated financial statements for the period during which such merger occurred, adjustments should be made to the opening balances recorded on the consolidated balance sheet and the related items on the comparative statements as if the reporting entity after the merger had been existing in the previous period.

The Company included Wanjia Smart in the scope of combination at August 31, 2023 and adjusted the opening balance on the consolidated balance sheet, together with the relevant items on the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in shareholders’ equity. The relevant items and changes in the income statements before and after the combination from January 1, 2023 to June 30, 2023 are set out as follows:

## CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	January to June 2023 (after mergers and acquisitions) (Unaudited)	January to June 2023 (before mergers and acquisitions) (Unaudited)	Change in amounts from January to June 2023 resulting from mergers and acquisitions (Unaudited)
<b>I. Total operating income</b>	947,681,981.57	881,438,961.07	66,243,020.50
Including: Operating income	947,681,981.57	881,438,961.07	66,243,020.50
Interest income	0.00		0.00
Premium earned	0.00		0.00
Handling charges and commission income	0.00		0.00
<b>II. Total operating cost</b>	794,256,347.75	735,936,770.29	58,319,577.46
Including: Operating cost	726,206,470.00	670,869,720.09	55,336,749.91
Interest expenses	0.00		0.00
Handling charges and commission income	0.00		0.00
Refunded premiums	0.00		0.00
Net amount of compensation payout	0.00		0.00
Net provisions for insurance contracts reserve	0.00		0.00
Policy dividend payment	0.00		0.00
Reinsurance expenses	0.00		0.00
Taxes and surcharges	4,483,144.16	4,324,922.29	158,221.87
Selling expenses	3,622,342.40	3,177,942.32	444,400.08
Administrative expenses	59,174,276.90	57,026,904.66	2,147,372.24
Research and development expenses	0.00		0.00
Finance costs	770,114.29	537,280.93	232,833.36
Including: Interest expenses	244,392.50	11,283.94	233,108.56
Interest income	858,637.82	855,119.34	3,518.48
Add: Other income	6,956,322.09	6,558,519.06	397,803.03
Investment income (Loss marked with “-”)	3,635,067.56	3,635,067.56	0.00
Including: Investment income from associates and joint ventures	4,075,192.75	4,075,192.75	0.00
Gain on derecognition of financial assets measured at amortized cost	0.00		0.00
Exchange gain (Loss marked with “-”)	0.00		0.00
Net gain on exposure hedging (Loss marked with “-”)	0.00		0.00
Gain on change in fair value (Loss marked with “-”)	25,000.00	25,000.00	0.00
Loss on impairment of credit (Loss marked with “-”)	-34,948,688.98	-33,386,956.07	-1,561,732.91
Loss on impairment of assets (Loss marked with “-”)	-265,633.25	-265,633.25	0.00
Gain on disposal of asset (Loss marked with “-”)	0.00		0.00

Item	January to June 2023 (after mergers and acquisitions) (Unaudited)	January to June 2023 (before mergers and acquisitions) (Unaudited)	Change in amounts from January to June 2023 resulting from mergers and acquisitions (Unaudited)
<b>III. Operating profit (Loss marked with “-”)</b>	128,827,701.24	122,068,188.08	6,759,513.16
Add: Non-operating income	1,438,746.32	1,396,785.82	41,960.50
Less: Non-operating expenses	2,754,095.31	2,697,702.23	56,393.08
<b>IV. Total profit (Total loss marked with “-”)</b>	127,512,352.25	120,767,271.67	6,745,080.58
Less: Income tax expenses	25,037,395.05	23,417,337.03	1,620,058.02
<b>V. Net profit (Net loss marked with “-”)</b>	102,474,957.20	97,349,934.64	5,125,022.56
<b>(I) By continuity of operations</b>	102,474,957.20	97,349,934.64	5,125,022.56
1. Net profit from continuing operations (Net loss marked with “-”)	102,474,957.20	97,349,934.64	5,125,022.56
2. Net profit of discontinuing operations (Net loss marked with “-”)	0.00		0.00
<b>(II) By ownership</b>	102,474,957.20	97,349,934.64	5,125,022.56
1. Net profit attributable to owners of the parent company (Net loss marked with “-”)	101,271,261.19	97,683,745.40	3,587,515.79
2. Gain or loss attributable to minority shareholders (Net loss marked with “-”)	1,203,696.01	-333,810.76	1,537,506.77
<b>VI. Net other comprehensive income after tax</b>			
Net other comprehensive income after tax attributable to owners of the parent company	0.00		0.00
<b>(I) Other comprehensive income that may not be reclassified into profit or loss</b>	0.00		0.00
1. Change in remeasurement of defined benefit plans	0.00		0.00
2. Other comprehensive income that may not be reclassified to profit or loss under equity method	0.00		0.00
3. Changes in fair value of investments in other equity instruments	0.00		0.00
4. Change in fair value of the company’s own credit risk	0.00		0.00
5. Others	0.00		0.00

Item	January to June 2023 (after mergers and acquisitions) (Unaudited)	January to June 2023 (before mergers and acquisitions) (Unaudited)	Change in amounts from January to June 2023 resulting from mergers and acquisitions (Unaudited)
<b>(II) Other comprehensive income that will be reclassified into profit and loss</b>	0.00		0.00
1. Other comprehensive income that may be reclassified to profit or loss under equity method	0.00		0.00
2. Changes in fair value of other debt investments	0.00		0.00
3. Amount included in other comprehensive income on reclassification of financial assets	0.00		0.00
4. Provision for credit impairment of other debt investments	0.00		0.00
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)	0.00		0.00
6. Exchange differences arising from translation of foreign currency financial statements	0.00		0.00
7. Others	0.00		0.00
<b>Net other comprehensive income after tax attributable to minority interests</b>	0.00		0.00
<b>VII. Total comprehensive income</b>	102,474,957.20	97,349,934.64	5,125,022.56
Total comprehensive income attributable to shareholders of the parent company	101,271,261.19	97,683,745.40	3,587,515.79
Total comprehensive income attributable to minority interests	1,203,696.01	-333,810.76	1,537,506.77
<b>VIII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/share)	0.27	0.26	0.01
(II) Diluted earnings per share (RMB/share)	0.27	0.26	0.01

#### 4 Accounts receivable

##### (1) Accounts receivable shown by aging

The aging analysis of accounts receivable based on the transaction dates is as follows:

Aging	June 30, 2024	December 31, 2023
Within 1 year (inclusive)	1,349,184,716.26	1,407,347,923.00
1-2 years	436,526,301.85	501,564,863.15
2-3 years	363,819,644.03	460,542,410.22
More than 3 years	193,650,249.15	49,700,503.30
Including: 3-4 years	169,675,733.00	42,606,477.78
4-5 years	21,718,600.01	4,842,784.92
More than 5 years	2,255,916.14	2,251,240.60
<b>Total</b>	<b><u>2,343,180,911.29</u></b>	<b><u>2,419,155,699.67</u></b>

##### (2) Accounts receivable classified according to the bad debt accrual method

Type	June 30, 2024				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	2,343,180,911.29	100.00	359,919,853.16	15.36	1,983,261,058.13
Including: Aging portfolio	2,343,180,911.29	100.00	359,919,853.16	15.36	1,983,261,058.13
<b>Total</b>	<b><u>2,343,180,911.29</u></b>	<b><u>100.00</u></b>	<b><u>359,919,853.16</u></b>	<b><u>15.36</u></b>	<b><u>1,983,261,058.13</u></b>

Type	December 31, 2023				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	2,419,155,699.67	100.00	326,891,005.43	13.51	2,092,264,694.24
Including: Aging portfolio	2,419,155,699.67	100.00	326,891,005.43	13.51	2,092,264,694.24
<b>Total</b>	<b><u>2,419,155,699.67</u></b>	<b><u>100.00</u></b>	<b><u>326,891,005.43</u></b>	<b><u>13.51</u></b>	<b><u>2,092,264,694.24</u></b>

## 5 Prepayments

### (1) Aging of prepayments

Item	June 30, 2024		December 31, 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	72,173,808.90	43.96	120,941,021.28	81.09
1-2 years	64,923,906.24	39.55	8,093,121.79	5.43
2-3 years	7,604,648.54	4.63	2,772,913.75	1.86
More than 3 years	19,474,136.26	11.86	17,331,321.78	11.62
<b>Total</b>	<b><u>164,176,499.94</u></b>	<b><u>100.00</u></b>	<b><u>149,138,378.60</u></b>	<b><u>100.00</u></b>

## 6 Other receivables

Item	June 30, 2024	December 31, 2023
Interest receivable	216,344.01	9,339,290.39
Dividends receivable	0.00	0.00
Other receivables	600,456,590.16	776,698,112.08
<b>Total</b>	<b><u>600,672,934.17</u></b>	<b><u>786,037,402.47</u></b>

### 6.1 Interest receivable

#### (1) Interest receivable

Item	June 30, 2024	December 31, 2023
Interest receivable	<b><u>216,344.01</u></b>	<b><u>9,339,290.39</u></b>

### 6.2 Other receivables

#### (1) Other receivables presented by aging

Aging	June 30, 2024	December 31, 2023
Within 1 year (inclusive)	330,729,715.71	290,418,798.21
1-2 years	149,271,436.48	518,277,371.02
2-3 years	206,827,613.99	36,678,924.17
More than 3 years	73,132,113.63	62,463,627.02
Including: 3-4 years	21,546,888.52	13,246,109.03
4-5 years	8,121,963.38	20,225,949.09
More than 5 years	43,463,261.73	28,991,568.90
<b>Total</b>	<b><u>759,960,879.81</u></b>	<b><u>907,838,720.42</u></b>

(2) *Other receivables classified according to the bad debt accrual method*

Type	June 30, 2024				Book value
	Book balance	Percentage (%)	Provision for bad debts	Accrual ratio (%)	
	Amount		Amount		
Provision for bad debts by portfolio	759,960,879.81	100.00	159,504,289.65	20.99	600,456,590.16
Including: Aging portfolio	<u>759,960,879.81</u>	<u>100.00</u>	<u>159,504,289.65</u>	<u>20.99</u>	<u>600,456,590.16</u>
<b>Total</b>	<b><u>759,960,879.81</u></b>	<b><u>100.00</u></b>	<b><u>159,504,289.65</u></b>	<b><u>20.99</u></b>	<b><u>600,456,590.16</u></b>

  

Type	December 31, 2023				Book value
	Book balance	Percentage (%)	Provision for bad debts	Accrual ratio (%)	
	Amount		Amount		
Provision for bad debts by portfolio	907,838,720.42	100.00	131,140,608.34	14.45	776,698,112.08
Including: Aging portfolio	<u>907,838,720.42</u>	<u>100.00</u>	<u>131,140,608.34</u>	<u>14.45</u>	<u>776,698,112.08</u>
<b>Total</b>	<b><u>907,838,720.42</u></b>	<b><u>100.00</u></b>	<b><u>131,140,608.34</u></b>	<b><u>14.45</u></b>	<b><u>776,698,112.08</u></b>



## 7 Inventories

Item	June 30, 2024			December 31, 2023		
	Book balance	Provision for impairment of inventories/ impairment of contractual performance costs	Book value	Book balance	Provision for impairment of inventories/ impairment of contractual performance costs	Book value
Raw materials	6,345,177.38	0.00	6,345,177.38	6,922,660.84	0.00	6,922,660.84
Stock items	414,126,357.41	0.00	414,126,357.41	34,999,580.35	0.00	34,999,580.35
Revolving material	14,419,208.07	0.00	14,419,208.07	12,838,464.40	0.00	12,838,464.40
<b>Total</b>	<b>434,890,742.86</b>	<b>0.00</b>	<b>434,890,742.86</b>	<b>54,760,705.59</b>	<b>0.00</b>	<b>54,760,705.59</b>

## 8 Contract assets

### (1) Detail of contract assets

Item	June 30, 2024		
	Book balance	Provision for impairment	Book value
Engineering construction	33,202,104.86	1,660,105.26	31,541,999.60

Item	December 31, 2023		
	Book balance	Provision for impairment	Book value
Engineering construction	29,989,513.37	1,839,637.39	28,149,875.98

### (2) Contract assets by aging

Aging	June 30, 2024	December 31, 2023
Within 1 year (including 1 year)	33,202,104.86	29,989,513.37
Provision for impairment	1,660,105.26	1,839,637.39
<b>Book value</b>	<b>31,541,999.60</b>	<b>28,149,875.98</b>

**9 Intangible assets**

<b>Item</b>	<b>Right-of-use of software</b>
<b>I. Original book value</b>	
1. Opening balance	17,206,668.96
2. Increase during the Period	12,360.00
Including: Acquisition	12,360.00
3. Decrease during the Period	52,432.95
Including: Disposal	52,432.95
4. Closing balance	<u>17,166,596.01</u>
<b>II. Accumulated amortization</b>	
1. Opening balance	6,635,336.21
2. Increase during the Period	1,243,143.99
Including: Accrual	1,243,143.99
3. Decrease during the Period	46,473.92
Including: Disposal	46,473.92
4. Closing balance	7,832,006.28
<b>III. Provision for impairment</b>	
1. Opening balance	0.00
2. Increase during the Period	0.00
Including: Accrual	0.00
3. Decrease during the Period	0.00
Including: Disposal	0.00
4. Closing balance	0.00
<b>IV. Book value</b>	
1. Closing book value	9,334,589.73
2. Opening book value	<u>10,571,332.75</u>

**10 Accounts payable**

*(1) Presentation of accounts payable*

<b>Item</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Construction fees	496,308,699.04	542,992,345.59
Service fees	133,757,493.68	163,754,805.12
Payments for goods purchased	<u>112,286,056.26</u>	<u>153,251,082.12</u>
<b>Total</b>	<b><u>742,352,248.98</u></b>	<b><u>859,998,232.83</u></b>

(2) *Accounts payable by aging*

The aging analysis of accounts payable (including trade receivables due from related parties) based on the transaction dates is as follows:

<b>Aging</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Within 1 year	314,134,874.22	570,789,501.28
1-2 years	193,047,472.04	141,000,761.29
2-3 years	113,455,999.41	119,425,435.78
3-4 years	98,900,851.73	16,901,568.24
4-5 years	13,951,528.20	9,346,253.46
More than 5 years	8,861,523.38	2,534,712.78
<b>Total</b>	<b><u>742,352,248.98</u></b>	<b><u>859,998,232.83</u></b>

**11 Receipt in advance**

(1) *Receipt in advance*

<b>Type</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Rent	1,704,781.57	3,854,809.60

**12 Contract liabilities**

(1) *Detail of contract liabilities*

<b>Type</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Property charges in advance	528,636,990.80	391,835,268.79

**13 Other payables**

(1) *Other payables by nature of payment*

<b>Item</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Interest payable	0.00	0.00
Dividends payable	7,270.63	74,105,400.00
Other payables	449,447,007.31	491,600,623.66
<b>Total</b>	<b><u>449,454,277.94</u></b>	<b><u>565,706,023.66</u></b>

## 14 Share capital

Item	Opening balance	Issuance of new shares	Share grant	Change for the year (+, -)		Subtotal	Closing balance
				Surplus reserve converted to shares	Others		
Total number of shares	376,000,000.00	0.00	0.00	0.00	0.00	0.00	376,000,000.00

## 15 Capital reserve

Item	December 31, 2023	Increase during the Period	Decrease during the Period	June 30, 2024
Equity premium	906,045,603.32	0.00	0.00	906,045,603.32
Other capital reserve	78,584,601.78	0.00	0.00	78,584,601.78
<b>Total</b>	<b>984,630,205.10</b>	<b>0.00</b>	<b>0.00</b>	<b>984,630,205.10</b>

## 16 Surplus reserve

Item	December 31, 2023	Increase during the Period	Decrease during the Period	June 30, 2024
Statutory surplus reserve	96,749,261.49	6,393,714.13	0.00	103,142,975.62

## 17 Operating revenue and operating cost

### (1) Operating revenue and operating cost

Item	Six months ended June 30,			
	2024		2023	
	Income	Cost	Income	Cost
Principal operations	991,060,287.98	754,743,406.62	944,058,655.13	726,069,015.96
Other operations	4,107,772.88	689,523.27	3,623,326.44	137,454.04
<b>Total</b>	<b>995,168,060.86</b>	<b>755,432,929.89</b>	<b>947,681,981.57</b>	<b>726,206,470.00</b>

(2) *Information on income from contracts*

<b>Classification of contracts</b>	<b>January to June 2024</b>	January to June 2023
Goods		
Including: Property management services	<b>711,623,140.47</b>	621,779,347.86
Value-added services to non-property owners	<b>51,768,086.03</b>	83,903,217.70
Community value-added services	<b>146,558,348.82</b>	175,756,395.51
Urban services	<b>85,218,485.54</b>	66,243,020.50
<b>Total</b>	<b><u>995,168,060.86</u></b>	<u>947,681,981.57</u>
	<b>January to June 2024</b>	January to June 2023
<b>Classified by region</b>		
Including: Mainland of China	<b><u>995,168,060.86</u></b>	<u>947,681,981.57</u>
	<b>January to June 2024</b>	January to June 2023
<b>Classification by time of transfer of goods</b>		
Including: Transfer at a point in time	<b>102,598,087.05</b>	51,112,032.68
Transfer within a certain period of time	<b>892,569,973.81</b>	896,569,948.89
<b>Total</b>	<b><u>995,168,060.86</u></b>	<u>947,681,981.57</u>

**18 Income tax expenses**

<b>Item</b>	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Current income tax calculated in accordance with tax law and relevant regulations	<b>44,099,170.67</b>	36,082,866.70
– Corporate income tax in Mainland of China	<b>44,099,170.67</b>	36,082,866.70
Deferred income tax expenses	<b><u>-17,163,575.31</u></b>	<u>-11,045,471.65</u>
<b>Total</b>	<b><u>26,935,595.36</u></b>	<u>25,037,395.05</u>

The Group had no Hong Kong profit tax, since it had no taxable income derived from Hong Kong during the Period.

**19 Return on net assets and earnings per share**

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of the parent company	4.30	0.24	0.24
Net income attributable to shareholders of the parent company after deducting non-recurring gains and losses	4.20	0.24	0.24

**20 Dividends**

	January 1, to June 30,	
	2024	2023
Dividends recognized as distribution during the Period:	<u>0</u>	<u>0</u>

*Note:* No dividend paid by the Board during the six months ended June 30, 2024.

The Board does not recommend to declare interim dividend for the six months ended June 30, 2024 (June 30, 2023: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### OVERVIEW

The Group is a comprehensive property management service provider with a strategic service network across China. As of June 30, 2024, the Group had a total of 453 property management projects under management with an aggregate gross floor area (“GFA”) under management of approximately 86.6 million square metres (“sq.m.”), covering 68 cities across 19 provinces, municipalities and autonomous regions in China. As of June 30, 2024, the Group was contracted to manage 510 property management projects with an aggregate contracted GFA of 101.2 million sq.m., covering 70 cities across 19 provinces, municipalities and autonomous regions in China.

The Group provides diversified services principally through four business lines, namely property management services, value-added services to non-property owners, community value added services and urban services. Its portfolio of managed properties comprises (i) residential properties; and (ii) non-residential properties, including (a) commercial properties, such as shopping malls, office buildings and serviced apartments; and (b) public and other properties, such as industry parks, the Olympic Village, schools and hospitals.

#### BUSINESS MODEL

The Group principally owns four major business lines, namely (i) property management services, (ii) value-added services to non-property owners, (iii) community value-added services, and (iv) urban services, which constitute the comprehensive services that the Group provides to its customers, and cover the entire value chain of property management.

- **Property management services:** The Group provides property developers, property owners and residents, the government and other public construction departments with a wide range of property management services, primarily including security, cleaning, greening and gardening, and repair and maintenance services. Its portfolio of managed properties comprises (i) residential properties; and (ii) non-residential properties, including (a) commercial properties, such as shopping malls, office buildings and serviced apartments; and (b) public and other properties, such as industry parks, the Olympic Village, schools and hospitals. During the six months ended June 30, 2024, all of the Group’s property management fees were charged on a lump sum basis.
- **Value-added services to non-property owners:** The Group offers a comprehensive range of value-added services to non-property owners, primarily property developers. These services primarily comprise (i) property engineering services; (ii) on-site services; and (iii) other services which primarily include preliminary planning and design consultancy services, property delivery services and aftersales services.

- **Community value-added services:** The Group provides community value-added services to property owners and residents. It categorizes these services into two types: (i) home-living services which primarily include community retail, commercial procurement services, home repairs and maintenance, and housekeeping services; and (ii) property space management services which primarily include turnkey furnishing services and property brokerage services.
- **Urban services:** The Group provides integrated sanitation operation services in both urban and rural areas, which mainly include urban and rural sanitation services, such as cleaning and janitorial services, garbage removal and river cleaning, etc.

## **PROPERTY MANAGEMENT SERVICES**

### ***Continuous high-quality growth in GFA size***

The Group has been continuously expanding its property management service portfolio by obtaining new property management service contracts. As of June 30, 2024, the Group has contracted GFA of approximately 101.2 million sq.m., representing an increase of 1.3% as compared with that as of June 30, 2023, and 510 contracted projects, representing an increase of 1.0% as compared with that as of June 30, 2023. As of June 30, 2024, the GFA under management was approximately 86.6 million sq.m. relating to 453 projects under management, representing an increase of approximately 6.6% and 7.9% as compared with those as of June 30, 2023, respectively.

In addition, as of June 30, 2024, the Group had entered into 26 formal cooperation agreements with independent third-party property developers during the Period. In such cooperation agreements, such property developers engaged the Group as the property management services provider, entrusted the Group with the management of relevant projects and shall pay the Group property management fees based on agreed scope of services. The agreements executed in the first half of 2024 covered various types of businesses, such as government buildings, industrial parks, public buildings, commercial and residential properties, landscaping, hospitals, urban sanitation projects, industries and scenic spots. As at June 30, 2024, the properties managed by the Group under these formal cooperation agreements had an aggregate GFA of approximately 1.47 million sq.m..



The table below sets out the respective movements of the Group's contracted GFA and GFA under management for the six months ended June 30, 2024 and 2023:

	<b>Six months ended June 30,</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Contracted GFA (<i>'000 sq.m.</i>)</b>	<b>GFA under management (<i>'000 sq.m.</i>)</b>	<b>Contracted GFA (<i>'000 sq.m.</i>)</b>	<b>GFA under management (<i>'000 sq.m.</i>)</b>
As at the beginning of the Period	<b>101,053</b>	<b>83,620</b>	97,521	73,286
New engagements <sup>(1)</sup>	<b>1,290</b>	<b>3,765</b>	4,005	9,575
Terminations <sup>(2)</sup>	<b>(1,159)</b>	<b>(830)</b>	(1,633)	(1,633)
As of the end of the Period	<b><u>101,184</u></b>	<b><u>86,555</u></b>	<u>99,893</u>	<u>81,228</u>

*Notes:*

- (1) In relation to the residential communities and non-residential communities being managed by the Group, new engagements primarily include preliminary property management service contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.
- (2) These terminations include certain property management service contracts that the Group did not renew on a voluntary basis, as the Group reallocated its resources to more profitable contracts, so as to optimize its property management portfolio.

### ***Geographic presence***

Since the establishment of the Group, its business footprint has extended across the country. As of June 30, 2024, the Group established business presence in 70 cities in 19 provinces, municipalities and autonomous regions in the PRC.

The following table sets out the breakdown of the total GFA under management by geographic region as of the dates indicated:

	<b>As of June 30,</b>			
	<b>2024</b>			<b>2023</b>
	<b>( '000 sq.m.)</b>	<b>%</b>	<b>( '000 sq.m.)</b>	<b>%</b>
Bohai Economic Rim <sup>(1)</sup>	<b>51,299</b>	<b>59.3</b>	47,794	58.8
Yangtze River Delta region <sup>(2)</sup>	<b>17,137</b>	<b>19.8</b>	16,235	20.0
Greater Bay Area and surrounding regions <sup>(3)</sup>	<b>2,924</b>	<b>3.4</b>	2,842	3.5
Central and Western China <sup>(4)</sup>	<b>15,195</b>	<b>17.6</b>	14,357	17.7
<b>Total</b>	<b>86,555</b>	<b>100.0</b>	81,228	100.0

*Notes:*

- (1) In this region, the Group provided property management services to projects located in Hebei, Liaoning, Inner Mongolia and Shandong.
- (2) In this region, the Group provided property management services to projects located in Jiangsu and Zhejiang.
- (3) In these regions, the Group provided property management services to projects located in Huizhou in the Greater Bay Area and other cities in Guangdong.
- (4) In this region, the Group provided property management services to projects located in Guizhou, Henan, Hunan, Sichuan, Anhui and Chongqing.

### ***Diversified portfolio of property management services***

The Group has a diversified portfolio of properties under management comprising (i) residential properties; and (ii) non-residential properties, including (a) commercial properties, such as shopping malls, office buildings and serviced apartments; and (b) public and other properties, such as industry parks, the Olympic Village, schools and hospitals.

The following table sets out the breakdown of the GFA under management and the number of projects under management under the Group's property management services by type of property as of the dates indicated:

	<b>As of June 30,</b>			
	<b>2024</b>		<b>2023</b>	
	<b>GFA under management (<i>'000 sq.m.</i>)</b>	<b>Number of projects under management</b>	<b>GFA under management (<i>'000 sq.m.</i>)</b>	<b>Number of projects under management</b>
Residential properties	<b>79,208</b>	<b>385</b>	73,632	356
Non-residential properties				
– Commercial properties	<b>2,602</b>	<b>45</b>	3,534	42
– Public and other properties	<b>4,745</b>	<b>23</b>	4,062	22
Subtotal	<b>7,347</b>	<b>68</b>	7,596	64
Total	<b>86,555</b>	<b>453</b>	81,228	420

#### **VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS**

The Group provides a wide spectrum of value-added services to non-property owners, primarily property developers, through different phases of the property development and sales process, primarily including property engineering services, on-site services and other services. For the six months ended June 30, 2024, the revenue from value-added services to non-property owners decreased by approximately 38.3% from approximately RMB83.9 million for the corresponding period in 2023 to approximately RMB51.8 million.

The Group improved its independent operation capabilities by optimizing business structure of property engineering services, adjusting business models and establishing professional engineering management teams; relieved geographical restrictions, coordinated and deployed engineering resources, implemented a headquarters-branch linkage model, and standardized the engineering business management of property companies through the integration of personnel in various regions. However, as the non-owner value-added service customers are mainly property developers, due to the further decrease in the construction area and completed area of property developers in the first half of 2024 as a result of the downturn of the property market in the PRC, the property engineering services in the value-added services to non-property owners decreased significantly, and thus the revenue was significantly lower than the corresponding period of last year.

In order to cope with the overall downward economic situation of the upstream real estate industry, the Group has actively formulated plans to undertake new business. On the one hand, due to the overall downturn in the real estate industry, the Group's engineering business is expected to continue shrinking in 2024. As a result, the business will shift towards delivered houses and external projects. In 2024, the Group plans to further develop its community business for delivered houses, which includes engineering and maintenance services, home decoration, gardening and landscaping, and direct drinking water services. On the other hand, the Group conducted negotiations on renovation, maintenance and management of public buildings, municipal works, parks, urban sanitation projects, scenic spots and gardens, and deployed the whole construction business for the installation of charging piles for electric vehicles in residential communities, enterprises, public institutions and public parking facilities to make up for the performance gap and expand into diversified business.

## **COMMUNITY VALUE-ADDED SERVICES**

In order to improve the community living experience of owners and residents in the properties under the Group's management and create more value for its services, the Group provides a wide variety of community value-added services to property owners and residents, primarily including property space management services and home-living services. The revenue from community value-added services for the six months ended June 30, 2024 was approximately RMB146.6 million, representing a decrease of approximately 16.6% from approximately RMB175.8 million for the corresponding period in 2023. This was mainly attributable to the decrease in revenue from real estate agency services and parking agency sales services under the property space management services as a result of the downturn in the real estate industry.

### ***Property space management services***

The Group provides property space management services for property owners and residents, and provides turnkey furnishing services that can improve property value, convenient property brokerage services and parking agent sales services by leveraging the active engagement and close relationships with the residents that it has nurtured through its property management operations. The revenue from property space management services for the six months ended June 30, 2024 fell by approximately 31.9% from approximately RMB61.4 million for the corresponding period in 2023 to approximately RMB41.8 million. This was mainly attributable to the economy downturn, which reduced customers' willingness to make purchases.

In terms of turnkey furnishing services, the Group places emphasis on addressing the diverse needs of property owners across different levels and has divided its business into two segments: (i) provision of interior decoration and design services to new property owners during their occupancy period; and (ii) provision of product replacement, environmental renovation and quality enhancement services to existing property owners. In terms of new house services, the Group collaborates with merchants to fulfill the product and service designs, taking into consideration the core concerns of property owners. Through activities such as constructing sample rooms and organizing property owner meetings, the Group delivers valuable services, increasing the order completion rate and turnover for merchants, ultimately achieving a win-win situation. In terms of services for existing property owners, the Group optimizes its products according to the length of their residence and changes in family members. By providing free value-added services, such as regular inspections and troubleshooting, the Group identifies potential needs of property owner's and seizes business opportunities.

For property brokerage business, the Group deploys a Sales and Lease Operation System which consists of a “property dictionary”(房源字典) system and a “resident-property matching” (房客匹配) system. The system ensures customer privacy and efficiently matches supply and demand information of properties, providing millions of property owners with convenient rental and sales channels and delivering a better service experience.

### *Home-living services*

The Group offers home-living services to property owners and residents with a focus on their daily needs. The primary home-living services provided by the Group include: community retail and commercial procurement services, home repairs and maintenance as well as housekeeping services. The revenue from home-living services for the six months ended June 30, 2024 fell by approximately 8.5% from approximately RMB114.4 million for the corresponding period in 2023 to approximately RMB104.7 million.

In particular, regarding the new retail business, the Group has established a business model that combines “chain convenience stores + self-operated warehouses + community group purchases”. The Group operates this new retail business in a comprehensive manner across different scenarios. Community new retail offline convenience store chain has been updated as Linlin Convenience (臨鄰便利), and online group purchase business has been refreshed as Linlin GO (臨鄰GO). The Group has launched the business model that combines “chain convenience stores + self-operated warehouses + community group purchases”, to achieve S2B2C community retail services, creating a service model of easy order with convenience. Through a robust intelligent mid-platform system, the Group establishes a dual advantage in the last 500 meters of purchase scenarios and purchase efficiency. While improving service efficiency, the Group further highlights the advantages on the supply chain end. In addition, the Group possesses the ability for supply chain output and single-product OEM. This enables the Group to provide property owners with more diverse, convenient, and cost-effective products. As of June 30, 2024, the Group had a total of 62 offline convenience stores and community canteens which were located in the communities under its management, with over 52,000 stock keeping units (“SKUs”) and approximately 1,150,000 registered users on Rice Mall (米飯公社).

### **URBAN SERVICES**

Building on its existing business, the Group offered integrated sanitation operation services in urban and rural areas since 2023. The Group focuses on addressing the real market demands in these regions of China, supporting their high-quality development, addressing issues relating to sanitation and environmental governance, and delivering refined services for their better governance. As at June 30, 2024, the Group had signed 8 integrated sanitation operation projects in 5 cities, covering Hebei Province and Heilongjiang Province.

## CONCLUSION

For the six months ended June 30, 2024, the Group's revenue was approximately RMB995.2 million, representing an increase of approximately 5.0% as compared to the corresponding period in 2023; gross profit was approximately RMB239.7 million, representing an increase of approximately 8.2% as compared to the corresponding period in 2023. Net profit in 2024 amounted to RMB92.8 million, representing a decrease of approximately 9.5% as compared to corresponding period in 2023. For the six months ended June 30, 2024, the net profit attributable to the owners of the parent company amounted to approximately RMB91.1 million, representing a decrease of approximately 10.0% as compared to the corresponding period in 2023. Basic earnings per share amounted to approximately RMB0.24.

## OUTLOOK

Looking forward to the second half of 2024, the Group will (i) continue to uphold its principle of customer-centric services, ensure the quality of its property services, introduce targeted and differentiated property services to meet the diversified needs of various customers at various stages of properties in different regions, cities and communities, upgrade the property service brand, enhance the Group's brand influence and market competitiveness, and increase customers' sense of identification and brand reputation. It will continue to strengthen its market expansion efforts and further develop new projects through resources, channel development and cooperation to increase its market share; (ii) strategically invest in environment and sanitation, medical cosmetology, tourism and accommodation so as to expand its businesses and diversify its business portfolio. Through investments and mergers and acquisitions, the Company developed new businesses in governmental public construction, urban services and more, which enriched the Group's business categories, optimized its revenue structure and created synergies with its existing businesses, thereby enhancing the Group's consolidated operational capability and risk resistance. The Group will improve the non-property owner value-added system, intervene from the planning and design of projects, and undertake the role of a pre-intermediary from the perspectives of post-period customers and property services to facilitate the upgrade of the property brand. In response to the overall economic downturn in the upstream property sector, the Group will actively diversify its value-added business to non-property owners. This expansion includes areas such as aging retrofitting and targeted renovations, aiming to improve its business margin and seek new profit growth points in the changing industry situation; (iii) continuously improve the "whole life cycle and whole service chain" service system to continuously enrich the segment of community value-added services, further promote businesses such as car washing and beauty, kiosks, promote the property brokerage and other property space management services, and continue to promote the community health industry such as housekeeping service, community nursing service, healthy service and other services, to provide owners with a "convenient and reassuring" community health experience to enable owners to feel our "caring" property services. The Group will actively develop in-home businesses such as indoor cleaning, furniture maintenance, and air purification, to meet the demand for environmental services and repair and maintenance; (iv) establish a quarter convenient living circle, further develop the tourism business with short-haul tours as the main focus, pilot the community elderly care business, comprehensively launch value-added services such as 4:30 classes and reading rooms in the community, further expand the house improvement business, and integrate value-added services for property owners into the quarter convenient living circle in the community; (v) at the same time strengthen the construction of financial management and control and

capital support system, adjust the revenue structure and profit structure, strengthen cash flow management, and improve the risk resistance capability of the enterprise; and (vi) cultivate and introduce professional talent, optimize the talent structure, promote the information technology construction of the Company, achieve technology empowerment, thereby improving the efficiency and quality of the Company's decision-making process.

## FINANCIAL REVIEW

### Revenue

During the Relevant Period, the Group derived its revenue principally from four business lines, namely (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) urban services.

The following table sets forth the details of the Group's revenue recognized by business line for the periods indicated:

	<b>For the six months ended June 30,</b>		
	<b>2024</b>	2023	<b>Change</b>
	<i>RMB'000</i>	<i>RMB'000</i>	( <i>%</i> )
Property management services	<b>711,623</b>	621,779	<b>14.5</b>
Value-added services for non-owners	<b>51,768</b>	83,903	<b>-38.3</b>
Community value-added services	<b>146,558</b>	175,756	<b>-16.6</b>
Urban services	<b>85,218</b>	66,243	<b>28.7</b>
	<hr/>	<hr/>	<hr/>
Total	<b>995,168</b>	947,681	<b>5.0</b>
	<hr/>	<hr/>	<hr/>

The Group's revenue increased by approximately 5.0% from approximately RMB947.7 million for the six months ended June 30, 2023 to approximately RMB995.2 million for the six months ended June 30, 2024. The reason for the change of revenue by business line are listed as follows:

- (i) revenue from property management services increased by approximately 14.5% from approximately RMB621.8 million for the six months ended June 30, 2023 to approximately RMB711.6 million for the six months ended June 30, 2024, mainly due to the expansion of the Group's business. In particular, the GFA under management increased by approximately 6.6% from 81.2 million sq.m. as at June 30, 2023 to 86.6 million sq.m. as at June 30, 2024;
- (ii) revenue from value-added services to non-property owners fell by approximately 38.3% from approximately RMB83.9 million for the six months ended June 30, 2023 to approximately RMB51.8 million for the six months ended June 30, 2024, which was mainly due to a significant decrease in demand for property engineering services, on-site services and other services as a result of the sharp decrease in the overall completed GFA and construction GFA of the property developers in the first half of 2024. Meanwhile, the Group also took the initiative to reduce the provision of such services to real estate developers, reduce capital advances, and focus on projects with guaranteed collection of payment;

- (iii) revenue from community value-added services fell by approximately 16.6% from approximately RMB175.8 million for the six months ended June 30, 2023 to approximately RMB146.6 million for the six months ended June 30, 2024. This was mainly due to the impact of the real estate downturn cycle and the decrease in the sales and leasing of real estate, such as houses and parking spaces, which led to a decrease in sales and leasing intermediary income; and
- (iv) revenue from urban services increased by approximately 28.7% from approximately RMB66.2 million for the six months ended June 30, 2023 to approximately RMB85.2 million for the six months ended June 30, 2024, which was mainly due to our active business expansion in the first half of 2024.

### ***Property management services***

The following table sets forth a breakdown of the Group's revenue from property management services by type of property developers for the periods indicated:

	<b>For the six months ended June 30,</b>			
	<b>2024</b>		<b>2023</b>	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Properties developed by RiseSun Group <sup>(1)</sup>	<b>687,333</b>	<b>96.6</b>	609,174	98.0
Properties developed by independent third-party property developers	<b>24,290</b>	<b>3.4</b>	12,605	2.0
<b>Total</b>	<b>711,623</b>	<b>100.0</b>	621,779	100.0

*Note:*

- (1) Representing the properties independently developed by RiseSun Real Estate Development Co., Ltd.\* (榮盛房地產發展股份有限公司) and its subsidiaries (which exclude the Group, hereinafter referred to as "RiseSun Group") and the properties jointly developed by RiseSun Group and other property developers in which RiseSun Group holds a controlling interest.



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

The Group offers a comprehensive range of value-added services to non-property owners, primarily property developers, mainly including property engineering services, on-site services and other services. The following table sets out the components of the revenue from value-added services to non-property owners for the periods indicated:

	Six months ended June 30,			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property engineering services	<b>16,558</b>	<b>32.0</b>	42,440	50.6
On-site services	<b>9,822</b>	<b>19.0</b>	16,042	19.1
Other services <sup>(1)</sup>	<b>25,388</b>	<b>49.0</b>	25,421	30.3
Total	<b>51,768</b>	<b>100.0</b>	83,903	100.0

*Note:*

- (1) Including preliminary planning and design consultancy services, property delivery services and aftersales services.

### *Community value-added services*

The Group provides two types of community value-added services, namely (i) home-living services which primarily include community retail and commercial procurement services and home repairs, maintenance and housekeeping services; and (ii) property space management services which primarily include turnkey furnishing services and property brokerage services. The community value-added services provided by the Group aim to provide property owners and residents with access to a wide range of products and services through a variety of channels, bringing more convenience to them and enhancing their living experience. The following table sets forth the components of the revenue from community value-added services for the periods indicated:

	Six months ended June 30,			
	2024		2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Home-living services	<b>104,725</b>	<b>71.5</b>	114,365	65.1
Property space management services	<b>41,833</b>	<b>28.5</b>	61,391	34.9
Total	<b>146,558</b>	<b>100.0</b>	175,756	100.0

## *Urban services*

The Group provides integrated sanitation operation services to both urban and rural areas, which mainly include urban and rural sanitation services, such as cleaning and janitorial services, garbage removal and river cleaning. The revenue from urban sanitation services increased by approximately 28.7% from RMB66.2 million for the six months ended June 30, 2023 to RMB85.2 million for the six months ended June 30, 2024.

## **Cost of sales**

The Group's cost of sales mainly consists of (i) employee benefit expenses; (ii) maintenance costs; (iii) engineering costs; (iv) greening and cleaning expenses; (v) costs of goods sold; (vi) utilities; (vii) taxes and other levies; (viii) cost of consumables; (ix) office expenses; (x) travelling and entertainment expenses; (xi) depreciation and amortization charges; and (xii) others. The Group's cost of sales increased by approximately 4.0% from approximately RMB726.2 million for the six months ended June 30, 2023 to amortization RMB755.4 million for the six months ended June 30, 2024. The increase in the cost of sales was mainly due to the increase in revenue.

## **Gross profit and gross profit margin**

<b>Classification</b>	<b>Six months ended June 30,</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Gross profit</b>	<b>Gross profit</b>	<b>Gross profit</b>	<b>Gross profit</b>
	<b><i>RMB'000</i></b>	<b>margin</b>	<b><i>RMB'000</i></b>	<b>margin</b>
		<b>%</b>		<b>%</b>
Property management services	<b>143,975</b>	<b>20.2</b>	138,993	22.4
Value-added services for non-owners	<b>19,168</b>	<b>37.0</b>	44,947	53.6
Community value-added services	<b>60,162</b>	<b>41.0</b>	26,629	15.2
Urban services	<b>16,430</b>	<b>19.3</b>	10,906	16.5
<b>Total</b>	<b>239,735</b>	<b>24.1</b>	<b>221,475</b>	<b>23.4</b>

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit increased by approximately 8.2% from approximately RMB221.5 million for the six months ended June 30, 2023 to approximately RMB239.7 million for the six months ended June 30, 2024.

The gross profit margin of the Group increased from approximately 23.4% for the six months ended June 30, 2023 to approximately 24.1% for the six months ended June 30, 2024.

## **Selling expenses**

The Group's selling expenses mainly consist of employee benefit expenses and office expenses for its sale and marketing staff. The Group's expenses decreased by approximately 22.27% from approximately RMB3.6 million for the six months ended June 30, 2023 to approximately RMB2.8 million for the six months ended June 30, 2024, primarily due to the slight decrease in expenses of the Group for market promotion and expansion.

## **Administrative expenses**

The Group's administrative expenses mainly consist of (i) employee salaries; (ii) intermediary service fees; (iii) travelling and entertainment expenses; (iv) depreciation and amortization of assets; and (v) disabled security fund. The Group's administrative expenses decreased by approximately 4.4% from approximately RMB59.2 million for the six months ended June 30, 2023 to approximately RMB56.6 million for the six months ended June 30, 2024, mainly due to cost reduction and efficiency enhancement by streamlining functional workforce and reducing functional staff costs during the Relevant Period, resulting in lower expenses as compared with the corresponding period of last year.

## **Income tax expenses**

The Group's income tax expenses comprise PRC corporate income tax. The Group's income tax increased by approximately 7.6% from approximately RMB25.0 million for the six months ended June 30, 2023 to approximately RMB26.9 million for the six months ended June 30, 2024.

The effective income tax rate of the Group was approximately 22.5% for the six months ended June 30, 2024. During the Relevant Period, more subsidiaries of the Group were qualified as "small low-profit enterprises" with taxable incomes below RMB3 million. As a result, more entities within the Group benefited from preferential income tax treatment at a rate of 5%, in contrast to the general income tax rate of 25%. This resulted in the effective tax rate lower than 25% for the Relevant Period.

## **Profit and adjusted profit for the Period**

As a result of the aforementioned changes in the Group's financial conditions, the Group's profit for the Period decreased by approximately 9.5% from approximately RMB102.5 million for the six months ended June 30, 2023 to approximately RMB92.8 million for the six months ended June 30, 2024, which was mainly due to the increase in credit impairment loss for the Period of approximately RMB25.09 million as compared with that of corresponding period, resulting in the decrease in profit. After excluding the share-based payments (net of tax), the Group's adjusted profit for the Period decreased by approximately 11.0% from approximately RMB104.2 million for the six months ended June 30, 2023 to approximately RMB92.8 million for the six months ended June 30, 2024.

## Non-generally accepted accounting principles (“non-GAAP”) financial measure

The adjusted profit is a non-GAAP measure used by the management of the Group to provide additional information on its operating performance and is not a standard measure under the Chinese Accounting Standards for Business Enterprises. The adjusted profit takes out the impact of share-based payments, which are non-recurring and not indicative for evaluating the actual performance of the Group’s business. The management of the Group believes that the non-GAAP measure provides investors with more clear view on the Group’s financial results, and with useful supplementary information to assess the performance of the Group’s strategic operations. The following table sets forth a reconciliation between the profit for the periods and adjusted profit for the periods:

	Six months ended June 30,	
	2024	2023
	<i>RMB’000</i>	<i>RMB’000</i>
Profit for the Period	92,767	102,475
Adjusted for:		
Share-based payments (net of tax)	0	1,707
Adjusted profit for the Period	92,767	104,182

## Profit attributable to owners of the Company

Profit attributable to owners of the Company amounted to approximately RMB91.1 million for the six months ended June 30, 2024, representing a decrease of approximately 10.0% from approximately RMB101.3 million for the corresponding period in 2023.

## Fixed assets, right-of-use assets and long-term prepaid expenses

The Group’s fixed assets, right-of-use assets and long-term prepaid expenses comprise office equipment, machinery, vehicles, leasehold improvements and right-of-use assets. As of December 31, 2023 and June 30, 2024, the Group’s fixed assets, right-of-use assets and long-term prepaid expenses amounted to approximately RMB53.4 million and RMB51.1 million, respectively. The decrease in the Group’s property, plant and equipment for the six months ended June 30, 2024 was mainly due to depreciation and amortization of assets.

## Investment properties

The Group’s investment properties represent car parks and retail units held to earn rentals and for capital appreciation. Its investment properties decreased from approximately RMB55.3 million as of December 31, 2023 to approximately RMB55.1 million as of June 30, 2024, primarily due to the disposal of certain investment properties.

## **Intangible assets**

The Group's intangible assets mainly include computer software. The Group's intangible assets decreased from approximately RMB10.6 million as of December 31, 2023 to approximately RMB9.3 million as of June 30, 2024, primarily due to the amortization of intangible assets during the Period.

## **Inventories**

The Group's inventories consist mainly of raw materials, convenience store merchandise, revolving materials, low-value consumables and parking spaces of mortgaged real estates. The Group's inventory increased from approximately RMB54.8 million as at December 31, 2023 to approximately RMB434.9 million as at June 30, 2024, which was mainly due to the increase in the number of parking spaces of mortgaged real estates during the Period. Details are disclosed in the section headed "SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES" in this announcement.

## **Trade and other receivables and prepayments**

The Group's trade and other receivables comprise trade receivables, notes receivable, finance lease receivables, other receivables and prepayments to suppliers. As of June 30, 2024, the Group's trade and other receivables and prepayments amounted to approximately RMB2,755.2 million, representing a decrease of approximately 9.2% from approximately RMB3,035.3 million as of December 31, 2023.

The Group's trade receivables mainly arise from the services provided under the Group's property management services, value-added services to non-property owners and community value-added services. As of June 30, 2024, the Group's trade receivables amounted to approximately RMB1,983.3 million, representing a decrease of approximately 5.2% from approximately RMB2,092.3 million as of December 31, 2023, mainly due to the decrease in receivables from a related party, RiseSun Group, as a result of the settlement of certain receivables in the form of real estates and parking spaces, details of which are set out under the heading "SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES" of this announcement.

As of June 30, 2024, the Group recorded finance lease receivables in the amount of approximately RMB6.1 million, primarily resulting from the finance lease agreements it entered into for sub-leasing certain car parks and retail units.

The Group's other receivables primarily consist of interest receivables, provisional payments, payments made on behalf of property owners and residents related to utility fees, collaboration deposits, tender deposits and advances to employees. As at June 30, 2024, the Group's other receivables amounted to approximately RMB600.7 million, representing a decrease of approximately 23.6% as compared with that of approximately RMB786.0 million as at December 31, 2023, which was mainly attributable to the active recovery of receivables by the Group.

As of June 30, 2024, the Group's prepayments amounted to approximately RMB164.2 million, representing an increase of approximately 10.1% as compared with that of approximately RMB149.1 million as of December 31, 2023.

### **Trade and other payables**

The Group's trade and other payables comprise trade payables, other payables, accrued payroll and taxes payables. As of June 30, 2024, the Group's trade and other payables amounted to approximately RMB1,400.5 million, representing a decrease of approximately 13.6% from approximately RMB1,620.7 million as of December 31, 2023.

The Group's trade payables primarily represent its obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, including purchase of materials. As of June 30, 2024, the Group's trade payables amounted to approximately RMB742.4 million, representing a decrease of approximately 13.7% from approximately RMB860.0 million as of December 31, 2023.

The Group's other payables mainly represent deposits from property owners or residents and suppliers, maintenance funds for the properties under the Group's management, cash collected on behalf of property developers and owners, utility fees paid on behalf of property owners and residents and accrued listing expenses. As of June 30, 2024, the Group's other payables amounted to approximately RMB449.5 million, representing a decrease of approximately 20.6% from approximately RMB565.7 million as of December 31, 2023, which was mainly due to the decrease in dividend payable by RMB74.1 million during the Period.

As at June 30, 2024, the Group's accrued payroll was approximately RMB121.1 million, representing an increase of approximately 29.1% as compared with that of approximately RMB93.8 million as at December 31, 2023. The main reason was that the Group invested and acquired the relevant company during the Period, and upon completion of the acquisition, the relevant company was consolidated into the Group's consolidated financial statements, resulting in the increase in accrued payroll.

### **Working capital**

The Group continues to meet the needs for its working capital, capital expenditure and other capital needs with cash generated from operations and proceeds from the Listing.

### **Net current assets**

As of June 30, 2024, the Group's net current assets amounted to approximately RMB1,845.5 million (December 31, 2023: approximately RMB1,768.3 million). The Group's total current assets decreased by approximately 0.1% from approximately RMB3,811.3 million as of December 31, 2023 to approximately RMB3,807.4 million as of June 30, 2024. The Group's total current liabilities decreased by approximately 4.0% from approximately RMB2,043.0 million as of December 31, 2023 to approximately RMB1,961.9 million as of June 30, 2024.

## **Cash and cash equivalents**

As at June 30, 2024, the Group's cash and cash equivalents (excluding restricted bank deposits) amounted to approximately RMB526.20 million, representing a decrease of approximately 20.2% from approximately RMB659.31 million as at December 31, 2023, which was mainly attributable to the increase in costs for purchasing materials and salaries for employees due to the expansion of the Company's scale and the investment in new business during the Relevant Period, resulting in a decrease in the overall net cash flow from operations.

## **Indebtedness**

As at June 30, 2024, the Group had outstanding bank loans totaling RMB0.2 million (December 31, 2023: RMB3.11 million) which shall be repaid in November 2024.

## **Pledge of assets**

As of June 30, 2024, the Group did not have any pledged assets (December 31, 2023: nil).

## **Financial risks**

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### **Foreign exchange risk**

The Group's businesses are principally conducted in RMB. As at June 30, 2024, the Group had bank balance of HK\$0.82 million, equivalent to RMB0.75 million. Fluctuation of the exchange rates of RMB against HK\$ have immaterial impact on the Group's results of operations.

Currently, the Group does not implement any foreign currency hedging policy, but the management of the Group will closely monitor the exposure to any exchange rates and consider the use of hedging instruments if necessary.

### **Credit risk**

The Group is exposed to credit risk in relation to its trade and other receivables, contract assets, cash deposits at banks and financial assets at fair value through profit or loss. The carrying amounts of trade and other receivables, cash and cash equivalents and financial assets at FVPL represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group expects that there is no significant credit risk associated with cash deposits at banks as they are substantially deposited at banks of high credit ratings. Management expects that there will be no significant losses from non-performance by these counterparties.

The Group expects that there is no significant credit risk associated with financial assets at fair value through profit or loss as the Group furnishes investment mandates to commercial banks, and these mandates require them to invest in wealth management products with high market credit rating, liquidity and stable return. Management expects that there will be no significant losses from non-performance by these counterparties.

The Group has assessed that given the current financial position and previous credit history of the related parties, the Group has fully considered bad debts and impairment provisions on the carrying value of trade and note receivables and contract assets from related parties. The Directors believe that the credit risk associated with trade and note receivables and contract assets from related parties has no material impact on the Group. Apart from trade receivables and contract assets due from related parties, the Group has a large number of customers and there was no concentration of credit risk. In the event that the Group is unable to collect the receivables from related parties, the Group will intend to take various measures including but not limited to realise assets to offset debts (including residences, shops, parking spaces, apartments).

The Group has fully considered bad debts provisions on the carrying value of other receivables from related parties. The Directors believe that the credit risk associated with other receivables from related parties has no material impact on the Group. The Group has assessed that the ECL rate for the amounts due from these entities are immaterial under the 12 months ECL method and considered them to have low credit risk, and thus the loss allowance is immaterial. Going forward, management will make periodic collective assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience.

### **Liquidity risk**

To manage the liquidity risk, the Group monitors and maintains an adequate level of cash and cash equivalents to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

## **CONTINGENT LIABILITIES AND LITIGATIONS**

As of June 30, 2024, the Group did not have any material contingent liabilities and litigations (December 31, 2023: nil).

## **COMMITMENTS**

As of June 30, 2024, the lease commitment of the Group as a lessee amounted to approximately RMB10.6 million (December 31, 2023: approximately RMB11.1 million).



## KEY FINANCIAL RATIOS

As of June 30, 2024, the current ratio was 1.9 (December 31, 2023: approximately 1.9) and its liabilities to assets ratio or gearing ratio was approximately 47.5% (December 31, 2023: approximately 49.6%).

Current ratio is calculated based on the total current assets divided by the total current liabilities as of the respective dates and multiplied by 100%.

Liabilities to assets ratio or gearing ratio is calculated based on total liabilities, which represent the sum of current liabilities and non-current liabilities, divided by total assets, which represent the sum of current assets and non-current assets, as at the respective dates and multiplied by 100%.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On November 16, 2023, in order to address the Group's receivables exposure, the Company entered into a debts settlement framework agreement with RiseSun Real Estate Development Co., Ltd.\* (榮盛房地產發展股份有限公司) and its subsidiaries and associates (excluding the Group) (the "**RiseSun Development Group**"), pursuant to which the Company acquired (i) a total of 10,870 parking spaces; and (ii) a total of 332 residential, office and retail units (with a total GFA of approximately 26,341.01 square meters) of the RiseSun Development Group in the PRC at a consideration of RMB567,857,855.55. It was agreed by the Company and the RiseSun Development Group under the debts settlement framework agreement that the consideration for the acquisition of settlement properties payable by the Group shall be offset against the receivables on a dollar-for-dollar basis, and thus no separate cash payment will be made by the Group to the RiseSun Development Group.

On January 31, 2024, the acquisition was approved by the Company in an extraordinary general meeting, after which the Group proceeded with the acquisition of settlement properties.

For further details, please refer to the circular of the Company dated January 12, 2024.

Save as disclosed above, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, during the six months ended June 30, 2024.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company had not executed any agreement in respect of material investment or capital asset and did not have any other plans relating to material investment or capital asset as at the date of this announcement. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the shareholders of the Company ("the **Shareholders**") as a whole. The potential investment opportunity will be funded by internal resources, including the net proceeds from the Listing.

## **PROCEEDS FROM LISTING**

H shares of the Company were listed on the Main Board of the Stock Exchange on January 15, 2021, with 94,000,000 new H Shares allotted and issued. The net proceeds from the Listing amounted to approximately HK\$1,168 million. Having considered the change in the market conditions and the business needs of the Group since the Listing, on June 16, 2023, the Board has resolved to change (the “**Change**”) the use of the net proceeds such that the unutilized net proceeds in the amounts of approximately HK\$385.4 million from “strategic acquisitions and investments in property management companies” under “business expansion” will be re-allocated to: (i) fund the strategic acquisitions and investments in target companies engaging in environmental sanitation, medical beauty and tourism and accommodation totalled of approximately HK\$151.8 million; (ii) allow a further allocation of approximately HK\$58.4 million to “further diversify the Group’s community value-added service offerings to cover housekeeping services, community elderly care and healthcare service” under “enrich community value-added service offerings” and expand the coverage to include also “agricultural and sideline products and breeding and decoration services”; and (iii) allow a further allocation of approximately HK\$175.2 million to be used for “working capital and other general corporate purposes”. Upon completion of the Change, the relevant proceeds will be utilized in the following manner:

- Approximately 40.0% will be used to pursue selective strategic investment and acquisition opportunities to further expand business scale and geographic coverage and broaden service offerings;
- Approximately 20.0% will be used to enrich the Group’s community value-added service offerings;
- Approximately 15.0% will be used to upgrade the Group’s information technology infrastructure and promote smart community management;
- Approximately 25.0% will be used for general business purpose and working capital.

Further details on the utilization of the net proceeds for the six months ended June 30, 2024 will be disclosed in the interim report of the Company for the six months ended June 30, 2024.

## **EMPLOYEES AND REMUNERATION POLICY**

Human resource has always been the most valuable resource of the Group. As of June 30, 2024, the Group had a total of 7,466 full-time employees. For the six months ended June 30, 2024, the staff cost recognized as expenses of the Group amounted to approximately RMB384.59 million (six months ended June 30, 2023: approximately RMB313.7 million).

The Group has established a competitive incentives and performance assessment system, providing equity incentives and performance-based salaries and bonuses. The Group provides incentives based on evaluation of employees' performance in a number of areas, such as business development, value-added services, basic service quality and overall performance. The Group provides incentives and bonuses on a combination of monthly, quarterly, annual and mid-to-long-term basis, and on regular and matter-specific basis, to motivate the employees' contribution. According to the relevant PRC laws and regulations, the Group makes contributions to social insurance fund, including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance, and housing provident fund for the benefit of the PRC employees.

The Group focuses on cultivating talents and providing different systematic training catering to individual needs. For example, the Group provides senior management with training on improvement of post-listing management and operational awareness, mid-level management with training on risk prevention and new business development empowerment, project managers with training on business professionalism and standardized operation, management trainees with training on improvement of basic-level management and professionalism etc., and continuously establishes and optimizes a hierarchical talent cultivation system to clear the development path for talents. During the Period, the Group organized approximately 863 training sessions, with nearly 43,237 participants.

#### **SIGNIFICANT EVENTS AFTER THE RELEVANT PERIOD**

There have not been any significant events taken place that have a material impact on the Group from June 30, 2024 and up to the date of this announcement.

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

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability system. The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company.

To the best knowledge of the Directors, the Company complied with all applicable code provisions under the CG Code during the Relevant Period.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the“**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by its Directors, supervisors of the Company (the“**Supervisors**”) and employees (the“**Securities Dealing Code**”). The Company has made specific enquiries with all the Directors and Supervisors on whether they have complied with the required standard as set out in the Model Code for the Relevant Period and all the Directors and Supervisors confirmed that they have complied with the Model Code and the Securities Dealing Code during the six months ended June 30, 2024.

No incident of non-compliance was found by the Company during the Relevant Period. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with the Securities Dealing Code and written guidelines on no less exacting terms than the Model Code.

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

For the Relevant Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **AUDIT COMMITTEE**

The Board has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and monitor 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 consists of three members, namely Mr. Xu Shaohong Alex, Mr. Zhang Wenge and Mr. Jin Wenhui. The chairman of the Audit Committee is Mr. Xu Shaohong Alex, while Mr. Jin Wenhui, a member of Audit Committee, who holds appropriate accounting qualification.

The Audit Committee has discussed with the management of the Company and reviewed the interim results of the Group for the six months ended June 30, 2024 together with the accounting standards and practices adopted by the Group. The Audit Committee has agreed with the management of the Company on the interim results of the Group for the six months ended June 30, 2024.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2024 (2023 interim dividend: Nil).

## **PUBLICATION OF THE INTERIM RESULTS AND THE 2024 INTERIM REPORT**

This announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) as well as the website of the Company at [www.roiserv.com](http://www.roiserv.com). An interim report of the Company containing all the information required under the Listing Rules will be despatched to the Shareholders (upon request) and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**Roiserv Lifestyle Services Co., Ltd.**  
**Geng Jianfu**  
*Chairman and executive Director*

Langfang, the PRC, August 30, 2024

*As at the date of this announcement, the executive Directors are Mr. Geng Jianfu, Ms. Liu Hongxia and Mr. Long Xiaokang; the non-executive Director is Mr. Zhang Wenge; and the independent non-executive Directors are Mr. Jin Wenhui, Mr. Xu Shaohong Alex and Mr. Tang Yishu.*

*Any discrepancy in any table between totals and sums of individual amounts listed in any table are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*