

ROISERV 榮萬家

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)

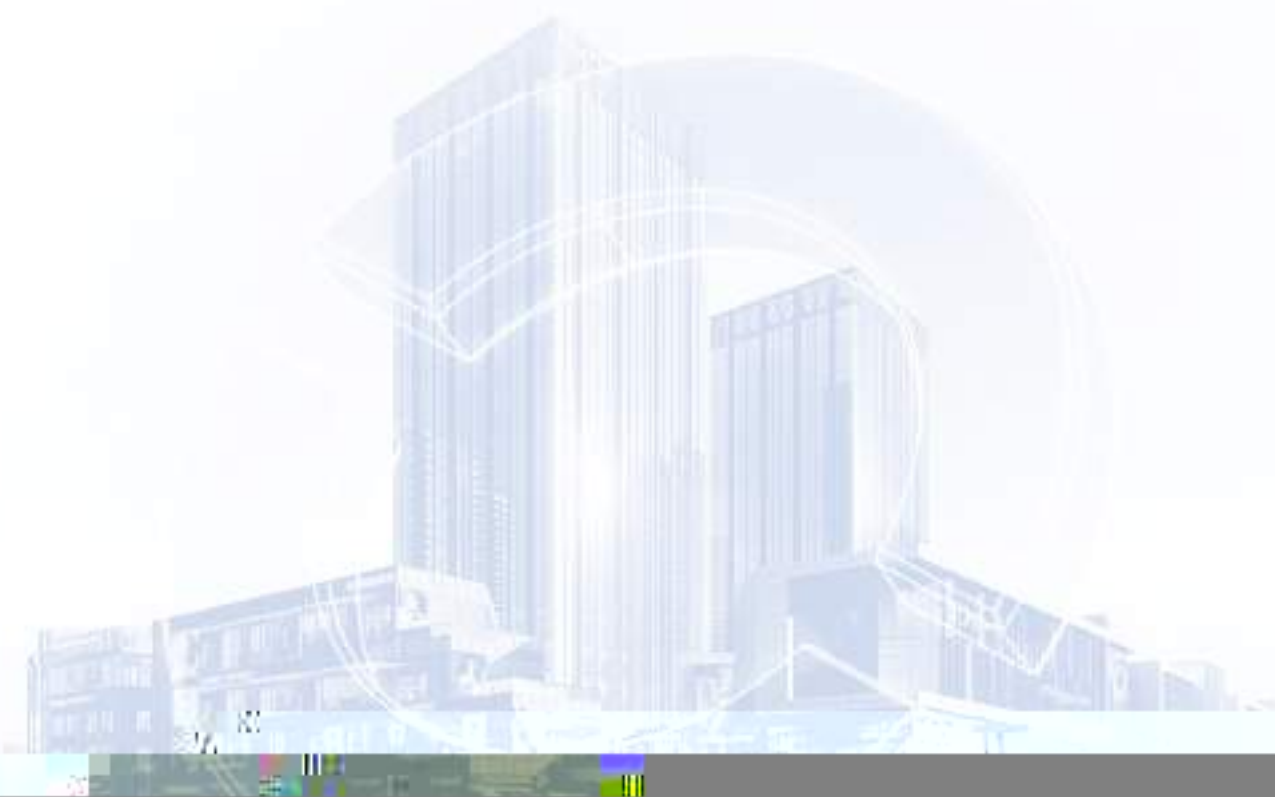
Stock Code: 2146

INTERIM REPORT 2024



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Geng Jianfu (*Chairman*)
Ms. Liu Hongxia
Mr. Xiao Tianchi (*resigned on June 28, 2024*)
Mr. Long Xiaokang (*appointed on June 28, 2024*)

Non-executive Director

Mr. Zhang Wenge

Independent Non-executive Directors

Mr. Jin Wenhui
Mr. Xu Shaohong Alex
Mr. Tang Yishu

PERFORMANCE COMMITTEE

Mr. Jing Zhonghua (*Chairman*)
Ms. Dong Hui
Ms. Wu Xiyang
Mr. Yang Xi
Mr. Zhang Yuanpeng

AUDIT COMMITTEE

Mr. Xu Shaohong Alex (*Chairman*)
Mr. Zhang Wenge
Mr. Jin Wenhui

REMUNERATION COMMITTEE

Mr. Tang Yishu (*Chairman*)
Mr. Geng Jianfu
Mr. Jin Wenhui

NOMINATION COMMITTEE

Mr. Geng Jianfu (*Chairman*)
Mr. Xu Shaohong Alex
Mr. Tang Yishu

JOIN COMPANIES

Mr. Xiao Tianchi (*resigned on June 28, 2024*)
Mr. Long Xiaokang (*appointed on June 28, 2024*)
Mr. Chung Ming Fai (*resigned on January 5, 2024*)
Mr. Diao Shaolong (*appointed on January 5, 2024*)

AHOLDERS REPRESENTATIVE

Mr. Xiao Tianchi (*resigned on June 28, 2024*)
Mr. Long Xiaokang (*appointed on June 28, 2024*)
Mr. Chung Ming Fai (*resigned on January 5, 2024*)
Mr. Diao Shaolong (*appointed on January 5, 2024*)

AUDITOR

ShineWing Certified Public Accountants (LLP)
Certified Public Accountants and Registered Public Interest Entity Auditor
9/F, Block A, Fu Hua Mansion
No. 8 Chaoyangmen Beidajie
Dongcheng District
Beijing

COMPLIANCE ADVISOR

Maxa Capital Limited
Room 2602, 26/F
Golden Centre
188 Des Voeux Road Central
Sheung Wan, Hong Kong

LEGAL ADVISOR

Sidley Austin (as to Hong Kong laws)

REGISTERED OFFICE IN THE PRC

No. 9 Office building, Ping'an Street
South Xia'an Highway
Xianghe County Development Zone
Langfang
Hebei Province
PRC

HEADQUARTERS IN HEBEI

81 Xiangyun Road
Economic and Technological Development Area, Langfang
Hebei Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

18/F, China Building
29 Queen's Road Central
Central
Hong Kong

HEAD OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

PRINCIPAL BANK

Agricultural Bank of China Co., Ltd.
Langfang Development Zone Branch

INVESTOR RELATION

Office of the Board
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Telephone: (86) 0316-5766562

WEBSITE

www.roiserv.com

ISIN CODE

2146

FINANCIAL HIGHLIGHTS

(Unaudited)	F		J 30,
	2024	2023	Change in percentage
Revenue (RMB'000)	995,168	947,682	5.0%
Gross profit (RMB'000)	239,735	221,476	8.2%
Net profit for the Period (RMB'000)	92,767	102,475	-9.5%
Adjusted profit for the Period (RMB'000)	92,767	104,182	-11.0%
Gross profit margin (%)	24.1%	23.4%	0.7 percentage point
Basic earnings per Share (RMB)	0.24	0.27	-11.1%
	A	As of	
	J 30,	December 31,	Change in
	2024	2023	percentage
	()	(audited)	
B			
Total assets (RMB'000)	4,163,688	4,154,225	0.2%
Cash and cash equivalents (RMB'000)	526,203	659,310	-20.2%
Total liabilities (RMB'000)	1,979,190	2,061,108	-4.0%
Total equity (RMB'000)	2,184,498	2,093,117	4.4%
Equity attributable to owners of the Company (RMB'000)	2,165,297	2,074,197	4.4%
Current ratio (times)	1.9	1.9	0.0%
Liabilities to assets ratio (%)	47.5%	49.6%	-2.1 percentage points

MAJOR HONORS AND AWARDS FROM JANUARY TO JUNE 2024

In May 2024, Roiserv ranked 14th of 2024 Top 100 Property Management Companies in China



In May 2024, Roiserv was honored with the title of 2024 Top 20 Companies in Residential Property Service in China



INTERIM REVIEW/HONORS AND AWARDS

In May 2024, Roiserv was honored with the title of 2024 Leading Property Management Companies of China in Value-added Services Operation



In May 2024, Roiserv was honored with the title of 2024 Top 30 Property Management Companies in North China



In May 2024, Roiserv was awarded the 2024 Model Projects of Property Management Service in China – Chengdu Bulumingdun Plaza Commercial Office Building



In May 2024, Roiserv was awarded the 2024 Model Projects of Property Management Service in China – Chongqing Fairview Park Nanshan Residence



INTERIM REVIEW/HONORS AND AWARDS

In May 2024, Roiserv was honored with the title of 2024 Top 100 of Most Valuable Brand of China Property Management Service



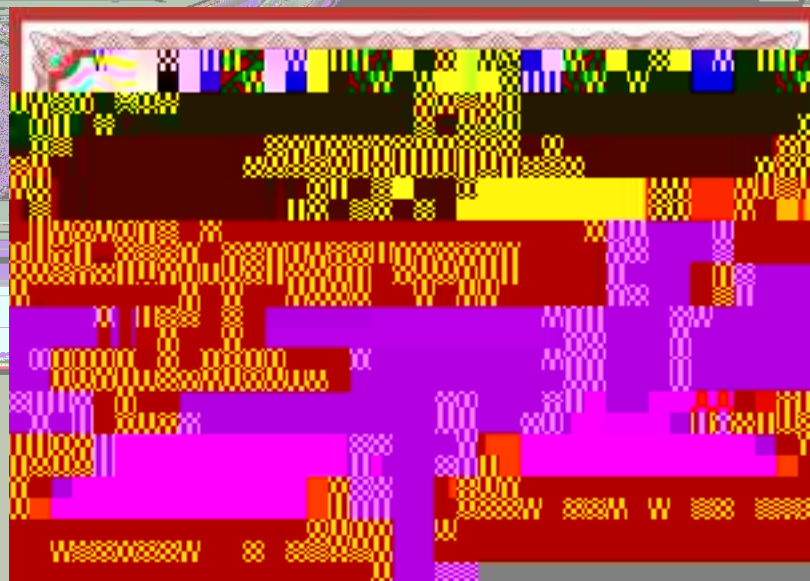
In May 2024, Roiserv was honored with the title of 2024 TOP 20 Companies of China in Residential Property Service



In May 2024, Roiserv was honored with the title of 2024 Leading Companies of China in Property Management Satisfaction



In May 2024, Roiserv was honored with the title of 2024 Leading Companies of China in Smart Residential Service



In May 2024, Roiserv was awarded the 2024 Serviceability Residential Benchmark Project – Zhanjiang Nanya Lidu



In May 2024, Roiserv was awarded the 2024 Serviceability Residential Benchmark Project – Shijiazhuang Rongsheng Yufu



In May 2024, Roiserv was honored with the title of 2024 China Property Services North China Brand Enterprises 30



In May 2024, Roiserv ranked 14th of 2024 Top 100 Property Management Companies in China



In June 2024, Roiserv ranked 19th of 2024 Top 20 Listed Companies of China Property Management Service



Dear Shareholders,

On behalf of the Board, I present the interim results of the Group for the six months ended June 30, 2024 to our Shareholders. In the first half of 2024, the Group continued to uphold the customer-oriented service philosophy, improve the quality of services, put into practice the values of sincerity, warmth and thoughtfulness, and strive for the goal of becoming a caring, warmhearted, trustworthy and well-received quality life service provider with a far-sighted service philosophy and a coverage on the whole life cycle and the entire community service chain. For the six months ended June

CHAIRMAN'S STATEMENT

As the property services industry is affected by the downward cycle of the upstream real estate industry, it is facing various pressure, such as slow growth of revenue and GFA under management as well as changes in the external environment. China's real estate market is undergoing a transformation from a "potential market" to a "developed market", and the property services industry will also be competitive in such a developed market. However, China implemented favourable policies to support the property services sector. For example, property service providers were encouraged to set up housekeeping service organizations, which are promoted to become an integral part of existing community public service facilities. The sector will become a major force in community building and play an important role in the construction of intelligent communities, community elderly care, and community transformation. The property services industry will also play an active role in responding to China's "comprehensive promotion of the construction of the quarter convenient living

We plan to improve our capabilities in managing diversified types of properties. Strengthening third-party external

Continue to enrich our community value-added services

Through analyzing data on property owners and residents' behaviors collected during the provision of property management services, we continuously enhance our understanding of our customers' needs and preferences. Leveraging our big data analytics capabilities, we can make considered business decisions to effectively market our services and improve our service quality. In particular, we utilize our big data analytics capabilities to enrich the services and products offerings of our community value-added services in response to the highly demanded services from property owners and residents in their daily life. Our plan is to adopt a new model aimed at building a quarter convenient living circle within cities. This will be achieved by focusing on marketization, leveraging relevant national policies, enriching the entire service chain, and integrating value-added community services into the quarter convenient living circle within the community to integrate "business" and "services" to provide property owners with value-added services in various aspects, such as spatial operation, retail services, home improvement services, economic services and housekeeping services.

Our one-stop omni-channel service platform is centered around the community living scenarios, allowing users to submit online requests for repair and maintenance and complaints and feedback, and also connecting users with offline convenience stores, property brokerage services and other door-to-door services. With respect to community retail services, we plan to increase the coverage of our offline convenience stores and further improve customers' shopping experience by expanding product offerings and adopting intelligent operation systems. S2B2C community retail services offered create a service model of easy order with convenience. Through a robust intelligent mid-platform system, we establish a dual advantage in the last 500 meters of purchase scenarios and purchase efficiency. While improving service efficiency, we further highlight the advantages on the supply chain end. In addition, we possess the ability for supply chain output and single-product original equipment manufacturer. This enables us to provide property owners with more diverse, convenient, and cost-effective products. With respect to our property brokerage services, we plan to further expand our services to cover upstream and downstream services relating to real estate transactions, such as intermediary services relating to the sales and leasing of properties managed by us. In addition, we plan to establish an "all-in-one community card" (社區一卡通) system which will integrate online and offline resources and provide property owners and residents with access to high-quality home living services offered by vendors located in the one-kilometre radius surrounding the communities.

We plan to further expand our turnkey furnishing services to provide property owners with services covering the whole life cycle of their properties. According to the diverse needs of property owners across different levels, differentiated and segmented services are provided to new and existing property owners. In terms of new house services, we collaborate 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. In addition, we plan to offer renovation, cleaning and remodeling services for used properties. We plan to further diversify our community value-added service offerings to cover housekeeping services, community elderly care and healthcare services. We also plan to provide integrated professional services such as indoor air quality improvement, housekeeping and cleaning, appliance cleaning services, and tailor make these services to property owners and residents based on their needs. We may also acquire downstream companies with community services that are complementary to our community value-added services, including, among others, companies engaged in decoration and renovation services.

Further invest in technologies, develop and promote smart community management

As we continue to increase the area under management, expand the scale of our management, diversify the types of industries under management, and increase our customer size and customer base, we intend to enhance our digital operational capabilities and utilize standardized, modularized and platform-based digital operational tools to improve our management level. With use of advanced artificial intelligence technology, we make property management services smarter and more efficient. We will further invest in information technology and digital operation platforms to enhance our service quality and operational efficiency. We plan to further upgrade the resource management system and a remote data and video surveillance center and to upgrade our Carpark Entry and Exit Management System to achieve functions such as car park management and electronic payment through scanning QR code. We also plan to further improve intelligent management platforms, property management service platforms and value-added service platforms to enrich service scenarios and improve user experience. These new systems and functions are expected to integrate into our existing digital systems using devices connected by the Internet of Things technology and other information technologies, which enable us to collect real-time data from our equipment and facilities and to remotely monitor their operation status and receive alerts of malfunction incidents. It is planned to build a smart command system with integrated functions such as smart vehicle monitoring, smart pedestrian monitoring, smart security and smart facilities to improve the efficiency of project operation and management. We expect that digitalized management will enhance our ability to collect and analyze operational data and thus our manpower and other resources can be allocated and utilized more efficiently without compromising our service quality.

Meanwhile, we plan to continuously upgrade our one-stop omni-channel service platform to enrich service scenarios and improve user experience. We expect that our service quality and customer satisfaction will be enhanced by such initiatives. We also plan to roll out digitalized and automated management tools to the communities managed by us, such as patrol vehicles, auto street-sweeping cars and surveillance drones, which are expected to improve service quality and reduce our reliance on manual labor. We expect the increased coverage of information technology systems and community management tools will enhance our service quality and operational efficiency.

Continue to improve staff motivation mechanism to attract, cultivate and retain talents

We will continue to adhere to the “talent-oriented” management policy, respond quickly to the human resources demands and adopt measures to optimize the allocation of human resources. We plan to further strengthen the functionality of our human resource administration, and establish human resource development plans. We have developed a “one thirds by three” talent system. For our key operational roles and management positions, one third are from external leading companies, one third from internal promotion, and one third from management trainees hired through on-campus recruitment. Meanwhile, to continue with innovation and creation, we also plan to recruit top-tier talents with advanced information technology skills. In addition, to enhance talents retention and promotion, we expect to continue providing a comprehensive and competitive compensation incentive system. Also, we will build career advancement tracks centered on leadership, professional skills and corporate culture for employees working at different lines of business and in different fields, and provide promotion opportunities based on the employees’ skills. With these measures, we expect to continue to enhance our human resources management and to foster the continuous improvement and sustainable development of our employees and the Group as a whole.

Carry out innovative ESG practices for sustainable development

We plan to integrate the ESG concept into the Group's operations in all aspects. We aim to meet the needs of property owners, advocate green properties, pursue sustainable development, and actively shoulder social responsibilities, committed to creating a "warm community culture" with a "technological" and "modern" community and living space for customers and property owners. The Group will implement the concept of low-carbon and green office, actively seek and adopt innovative practices to reduce the consumption of resources in the office process and enhance its energy management. We plan to create green community projects and utilize digital technology for integrated management of energy consumption to enhance energy use efficiency and reduce emissions while ensuring the service quality for property owners and residents. The Group will keep a close watch on the introduction of national climate change policies and the dynamic development trends, actively identify the major risks to be brought about by climate change and take measures in advance to minimize the losses. The Group actively undertakes its own social responsibilities. Under the motto of "creating wealth, serving the society, cultivating talents and serving the country", it actively participates in public welfare undertakings and launches a public welfare brand and leads property owners, community residents and employees in actively participating in public welfare activities to give back to the society and the country.

Last but not least, on behalf of the Board, I would like to express my sincere gratitude to all employees and management team who have made contributions to the development of the Company over the past half year, and to all Shareholders and partners for their support and trust.

By Order of the Board

G . J

Chairman and executive Director

August 30, 2024

BUSINESS MODEL

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 (“ . .”), 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 SERVICE

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:

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

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:

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

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

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 ("K") and approximately 1,150,000 registered users on Rice Mall (米飯公社).

BAN EICE

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 PERFORMANCE

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:

	F		J	
	2024	2023	30,	Change
	RMB'000	RMB'000		(%)
Property management services	711,623	621,779		14.5
Value-added services to non-property owners	51,768	83,903		-38.3
Community value-added services	146,558	175,756		-16.6
Urban services	85,218	66,243		28.7
Total	995,168	947,681		5.0

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:

	F 2024		J 30, 2023	
	RMB'000	%	RMB'000	%
Properties developed by RiseSun Group ⁽¹⁾	687,333	96.6	609,174	98.0
Properties developed by independent third-party property developers	24,290	3.4	12,605	2.0
Total	711,623	100.0	621,779	100.0

Note:

- (1) Representing the properties independently developed by 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:

J 30,

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:

	2024		J 30, 2023	
	RMB'000	%	RMB'000	%
Home-living services	104,725	71.5	114,365	65.1
Property space management services	41,833	28.5	61,391	34.9
Total	146,558	100.0	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.

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:

	2024	J 30,
	RMB’000	2023
		RMB’000
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

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.

CONINGEN LIABILITIES

As of June 30, 2024, the Group did not have any material contingent liabilities (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 RATIO

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 INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL 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 "Debt Settlement Agreement"), 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.

FORWARD PLAN FOR MATERIAL INVESTMENT OR CAPITAL ASSET

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 report. 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 as a whole. The potential investment opportunity will be funded by internal resources, including the net proceeds from the Listing.

PROCEEDS FROM LISTING

The 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. Details of the intended usage of such proceeds at the relevant time were set out in the Properties. Having considered the change in the market conditions and the business needs of the Group since the Listing, on June 16, 2023, the Board 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” had been 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”. For further details regarding the Change, please refer to the announcements of the Company dated on June 16, 2023 and August 29, 2023 respectively. Details of the utilization of the net proceeds as at June 30, 2024 are set forth below:

	P		A		E	
	C	%	J 1, 2024	J 30, 2024	J 30, 2024	
	HK\$'million Approximate	Approximate	HK\$'million Approximate	HK\$'million Approximate	HK\$'million Approximate	
() B :	467.20	40.00	181.58⁽¹⁾	23.33	158.25	
(i) Strategic acquisitions and investments in property management companies	140.16	12.00	39.16 ⁽¹⁾	23.33	15.83	2026
(ii) Strategic acquisitions and investments in downstream companies	175.20	15.00	54.95	0.00	54.95	2024
(iii) strategic acquisitions and investments in companies engaged in environmental sanitation, cosmetic medicine, and tourism	151.84	13.00	87.47 ⁽¹⁾	0.00	87.47	2025

A

E

	P		J 1, 2024		J 30, 2024		E
	HK\$'million Approximate	% Approximate	HK\$'million Approximate	HK\$'million Approximate	HK\$'million Approximate		
() E	233.60	20.00	193.62	14.46	179.16		
(i) Increase the coverage of the Group's offline convenience stores, expand product offerings and enhance intelligent operations at the Group's offline convenience stores	46.70	4.00	19.79	8.12	11.67	2024	
(ii) Further develop and expand the Group's property brokerage services to cover intermediary services relating to the sales and leasing of properties managed by the Group	46.70	4.00	46.72	6.34 ⁽²⁾	40.38	2024	
(iii) Further diversify the Group's community value-added service offerings to cover housekeeping services, agricultural and aquaculture products and farming, renovation services, community elderly care and healthcare services	140.20	12.00	127.11	0.00	127.11	2025	

	A						E
	P		J 1, 2024		J 30, 2024		
	C	%	HK\$'million Approximate	HK\$'million Approximate	HK\$'million Approximate	HK\$'million Approximate	
()	175.20	15.00	156.38	4.21	152.17		
(i) Upgrade the Group's one-stop omni-channel service platform to enrich service scenarios and improve user experience	58.40	5.00	45.10	0.00	45.10	2024	
(ii) Build and upgrade information technology systems	43.80	3.75	42.74	0.00	42.74	2024	
(iii) Increase the coverage of information technology systems and roll out smart community management tools in the communities under the Group's management	43.80	3.75	39.34	4.21	35.13	2024	
(iv) Upgrade the Group's information management systems	29.20	2.50	29.20	0.00	29.20	2024	
()	292.00	25.00	33.59	33.59⁽²⁾	0.00	2024	
	1,168.00	100.00	565.17⁽¹⁾	75.59	489.58		

Notes:

- (1) As the Company's net proceeds were denominated in HK\$ and part of the net proceeds utilised for expenditure were denominated in RMB, the RMB/HK\$ exchange rate adjustment for part of the funds utilised for expenditure was made in accordance with the requirements of the depository bank of the net proceeds, which resulted in an increase in the amount of unutilized net proceeds at the beginning of the Period due to the change in the exchange rate.
- (2) As a result of certain legal proceedings brought against the Group, during the six months ended June 30, 2024, a total of approximately HK\$24.92 million was deducted from the bank account where the net proceeds were placed. The legal proceedings were brought by the Changzhou City District People's Court in Changzhou City and the People's Court of Langfang Economic and Technological Development Zone. Of this amount, approximately HK\$18.59 million was deducted from "working capital and other general corporate purposes", and approximately HK\$6.34 million was deducted from "further development and expansion of the Group's property brokerage business to cover intermediary services relating to the sales and leasing of properties managed by the Group".

EMPLOYEE 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 TAKEN PLACE DURING 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 report.

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 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 Corporate Governance Code during the Relevant Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES DEALING BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by its Directors, Supervisors and employees (the "Director 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICERS AND/OR HOLDERS OF SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR AN OF ITS ASSOCIATED CORPORATIONS

As of June 30, 2024, the interests and short positions of each of our Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO) which is required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which is required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

(1) Interests in the Company

NAME	POSITION	NATURE OF INTEREST	CLASS OF SHARES	LONG POSITION		SHORT POSITION	
				NUMBER OF SHARES	PERCENTAGE	NUMBER OF SHARES	PERCENTAGE
Ms. Liu Hongxia	Director	Interest in controlled corporations ⁽²⁾	Domestic Shares	23,733,000 (L)	8.42%		6.31%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares. As at June 30, 2024, the Company had 376,000,000 issued Shares, including 94,000,000 H Shares and 282,000,000 Domestic Shares.
- (2) Ms. Liu Hongxia was a general partner of and had full control over Shengyide Commercial. By virtue of the SFO, Ms. Liu Hongxia is deemed to be interested in the Shares held by Shengyide Commercial.

(2) Interest in associated corporations of the Company

NAME	CORPORATION	NATURE OF INTEREST	LONG POSITION	
			NUMBER OF SHARES	PERCENTAGE
Mr. Geng Jianfu	RiseSun Real Estate Development	Beneficial owner	9,540,432 (L)	0.22%
	RiseSun Holdings	Beneficial owner	32,200,000 (L)	5.00%
	RiseSun Construction Engineering	Beneficial owner	9,180,000 (L)	2.78%
Mr. Jin Wenhui	RiseSun Holdings	Beneficial owner	2,860,000 (L)	0.44%

Note:

- (1) The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, to the best knowledge of the Directors and as at June 30, 2024, none of the Directors, Supervisors and chief executive of the Company had or was deemed to have interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including their interests and short positions deemed or taken under the relevant provisions of the SFO), or which were required to be entered in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

PERSONS WHO ARE INTERESTED IN THE SHARES AND/OR UNDERLYING SHARES OF THE COMPANY

As of June 30, 2024, to the best of Directors' knowledge, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares, which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register of the Company required to be kept pursuant to section 336 of the SFO:

NAME	NATURE OF INTEREST	CLASS OF SHARES	NUMBER OF SHARES	PERCENTAGE OF TOTAL ISSUED SHARES	
				CLASS A	CLASS C
Mr. Geng ⁽²⁾	Interest in controlled corporations	Domestic Shares	235,527,000 (L)	83.52%	62.64%
RiseSun Holdings ⁽²⁾	Interest in controlled corporations	Domestic Shares	235,527,000 (L)	83.52%	62.64%
RiseSun Construction Engineering ⁽²⁾	Interest in controlled corporations	Domestic Shares	235,527,000 (L)	83.52%	62.64%
RiseSun Real Estate Development ⁽²⁾	Beneficial owner	Domestic Shares	235,527,000 (L)	83.52%	62.64%
Zhonghong Kaisheng ⁽³⁾	Beneficial owner	Domestic Shares	22,740,000 (L)	8.06%	6.05%
Ms. Geng Fanchao ⁽³⁾	Interest in controlled corporations	Domestic Shares	22,740,000 (L)	8.06%	6.05%
Mr. Xiao Tianchi ⁽⁴⁾	Interest of spouse	Domestic Shares	22,740,000 (L)	8.06%	6.05%
Shengyide Commercial	Beneficial owner	Domestic Shares	23,733,000 (L)	8.42%	6.31%
CITHARA GLOBAL MULTI-STRATEGY SPC – BOSIDENG INDUSTRY INVESTMENT FUND SP	Beneficial owner	H Shares	8,199,500 (L)	8.72%	2.18%
Cithara Investment International Limited	Investment manager	H Shares	17,999,500 (L)	19.15%	4.79%
Cithara Global Multi-Strategy SPC-Series 12 SP	Beneficial owner	H Shares	5,000,000 (L)	5.32%	1.33%
Tianjin Damai International Holdings Limited	Beneficial owner	H Shares	18,334,000 (L)	19.50%	4.88%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares. The letter “S” denotes the person’s short position in the Shares. As at June 30, 2024, the Company had 376,000,000 issued Shares, including 94,000,000 H Shares and 282,000,000 Domestic Shares.
- (2) The Company’s Domestic Shares was owned as to 83.52% by RiseSun Real Estate Development, which was controlled by Mr. Geng through RiseSun Holdings and RiseSun Construction Engineering. RiseSun Real Estate Development was owned as to 12.88% by Mr. Geng, 18.76% by RiseSun Holdings and 8.21% by RiseSun Construction Engineering. Mr. Geng owned 60.09% of the equity interest of RiseSun Holdings and 18.18% of the equity interest of RiseSun Construction Engineering, and RiseSun Holdings in turn owned 71.29% of the equity interest of RiseSun Construction Engineering. By virtue of the SFO, Mr. Geng, RiseSun Construction Engineering and RiseSun Holdings are deemed to be interested in Shares held by RiseSun Real Estate Development.
- (3) Zhonghong Kaisheng is owned as to 48.33% by Ms. Geng Fanchao. By virtue of the SFO, Ms. Geng Fanchao is deemed to be interested in the Shares held by Zhonghong Kaisheng.
- (4) By virtue of the SFO, Mr. Xiao Tianchi was deemed to be interested in the Shares held by his spouse, Ms. Geng Fanchao.

Save as disclosed above, as at June 30, 2024, the Directors were not aware of any persons (other than the Directors, Supervisors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which were required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register to be kept by the Company under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended June 30, 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares). As at June 30, 2024, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Audit Committee consists of one non-executive Director and two independent non-executive Directors, namely Mr. Zhang Wenge, Mr. Jin Wenhui and Mr. Xu Shaohong Alex (chairman). Mr. Jin Wenhui has the appropriate professional

CHANGE IN DIRECTORS, PERIOD AND CHIEF EXECUTIVE INFORMATION

The changes in the members of the Board of the Company during the Period and as at the date of this report are set out below:

Mr. Xiao Tianchi has resigned as an executive Director of the Company with effect from June 28, 2024, Mr. Long Xiaokang has been appointed as an executive Director of the Company with effect from June 28, 2024.

Save as set out above and the remuneration of Directors, Supervisors and employees as set out in Note 49(3) to the financial statements in this interim report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INTERIM CONSOLIDATED BALANCE SHEET

Unit: RMB

	Notes	J 30, 2024	December 31, 2023 (Audited)
I		()	

INTERIM CONSOLIDATED BALANCE SHEET

Unit: RMB

I	Notes	J 30, 2024 ()	December 31, 2023 (Audited)
C			
Short-term borrowings			2,000,000.00
Loans from central bank			
Placements from banks and other financial institutions			
Financial liabilities held-for-trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	21	742,352,248.98	859,998,232.83
Receipt in advance	22	1,704,781.57	3,854,809.60
Contract liabilities	23	528,636,990.80	391,835,268.79
Amount from sales of repurchased financial assets			
Deposits from customers and other banks			
Brokerage for securities trading			
Brokerage for underwriting securities			
Staff remuneration payable	24	121,080,734.04	93,814,976.86
Taxes payable	25	87,578,690.27	101,206,242.59
Other payables	26	449,454,277.94	565,706,023.66
Including: Interest payable			
Dividends payable		7,270.63	74,105,400.00
Handling charges and commission payable			
Reinsured accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	27	3,108,005.58	4,641,065.72
Other current liabilities	28	28,002,236.34	19,965,629.47
O		1,961,917,965.52	2,043,022,249.52

INTERIM CONSOLIDATED BALANCE SHEET

Unit: RMB

I	Notes	J 30, 2024 ()	December 31, 2023 (Audited)
N - :			
Reserves for insurance contracts			
Long-term borrowings			
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities	29	10,580,750.06	11,079,518.38
Long-term payables			
Long-term staff remuneration payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities	20	6,691,360.06	7,006,086.25
Other non-current liabilities			
-		17,272,110.12	18,085,604.63
		1,979,190,075.64	2,061,107,854.15
, :			
Share capital	30	376,000,000.00	376,000,000.00
Shareholders' equity			
Including: Preference shares			
Perpetual bonds			
Capital reserve	31	984,630,205.10	984,630,205.10
Less: Treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve	32	103,142,975.62	96,749,261.49
Provision for general risks			
Undistributed profit	33	701,523,739.68	616,817,866.41
		2,165,296,920.40	2,074,197,333.00
Minority interests		19,201,438.84	18,920,002.14
		2,184,498,359.24	2,093,117,335.14
		4,163,688,434.88	4,154,225,189.29

Legal representative:

Principal in charge of accounting:

Head of accounting department:

INTERIM CONSOLIDATED INCOME STATEMENT

Unit: RMB

I	Notes	J		January to June 2023 (Unaudited)
		J	2024	
		()	
I.		995,168,060.86		947,681,981.57
Including: Operating income	34	995,168,060.86		947,681,981.57
Interest income				
Premium earned				
Handling charges and commission income				
II.		819,790,907.54		794,256,347.75
Including: Operating cost	34	755,432,929.89		726,206,470.00
Interest expenses				
Handling charges and commission expenses				
Refunded premiums				
Net amount of compensation payout				
Net provisions for insurance reserve				
Policy dividend payment				
Reinsurance expenses				
Taxes and surcharges		5,451,174.92		4,483,144.16
Selling expenses	35	2,815,516.17		3,622,342.40
Administrative expenses	36	56,660,853.12		59,174,276.90
Research and development expenses				
Finance costs	37	-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	38	1,694,205.06		6,956,322.09
Investment income (Loss marked with "-")	39	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				
Exchange gain (Loss marked with "-")				
Net gain on exposure hedging (Loss marked with "-")				
Gain on change in fair value (Loss marked with "-")	40	-13,380.46		25,000.00
Loss on impairment of credit (Loss marked with "-")	41	-60,037,144.82		-34,948,688.98
Loss on impairment of assets (Loss marked with "-")	42	179,532.13		-265,633.25
Gain on disposal of asset (Loss marked with "-")	43	260,031.89		
III. O		117,720,399.89		127,512,352.25
Add: Non-operating income	44	3,450,178.11		1,438,746.32
Less: Non-operating expenses	45	1,467,845.31		2,754,095.31
I .		119,702,732.69		127,512,352.25
Less: Income tax expenses	46	26,935,595.36		25,037,395.05

INTERIM CONSOLIDATED INCOME STATEMENT

Unit: RMB

		Notes	J J 2024 ()	January to June 2023 (Unaudited)
I	N (N -)		92,767,137.33	102,474,957.20
	(I) B		92,767,137.33	102,474,957.20
	1. Net profit from continuing operations (Net loss marked with "-")		92,767,137.33	102,474,957.20
	2. Net profit of discontinuing operations (Net loss marked with "-")			
	(II) B		92,767,137.33	102,474,957.20
	1. Net profit attributable to owners of the parent company (Net loss marked with "-")		91,099,587.40	101,271,261.19
	2. Gain or loss of minority interests (Net loss marked with "-")		1,667,549.93	1,203,696.01
I.	N		0.00	0.00
	Net other comprehensive income after tax attributable to owners of the parent company		0.00	0.00
	(I) Other comprehensive income that cannot be reclassified into profit or loss		0.00	0.00
	1. Remeasurement of changes in defined benefit plans			
	2. Other comprehensive income not converted into profit or loss under the equity method			
	3. Changes in fair value of investments in other equity instruments			
	4. Changes in fair value of the company's own credit risk			
	5. Others			
	(II) Other comprehensive income reclassified into profit and loss		0.00	0.00
	1. Other comprehensive income converted into profit or loss under the equity method			
	2. Changes in fair value of other debt investments			
	3. Reclassification of financial assets to other comprehensive income			
	4. Provision for credit impairment of other debt investments			
	5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
	6. Exchange differences arising from translation of foreign currency financial statements			
	7. Others			
	Net other comprehensive income after tax attributable to minority interests			
II.			92,767,137.33	102,474,957.20
	Total comprehensive income attributable to shareholders of the parent company		91,099,587.40	101,271,261.19
	Total comprehensive income attributable to minority interests		1,667,549.93	1,203,696.01
III. E	:			
	(I) Basic earnings per share (RMB/share)		0.24	0.27
	(II) Diluted earnings per share (RMB/share)		0.24	0.27

Legal representative:

Principal in charge of accounting:

Head of accounting department:

INTERIM CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

I	Notes	J ()	J 2024 ()	January to June 2023 (Unaudited)
I. C				
Cash received from sales of goods or rendering services		1,328,072,998.00		1,106,833,601.85
Net increase in customer deposits and interbank deposits				
Net increase in borrowing from the central bank				
Net increase in borrowing from other financial institutions				
Cash received for original insurance contract premiums				
Net cash received from reinsurance business				
Net increase in funds and investments for policyholders				
Cash for interest, fees and commissions				
Net increase in borrowing funds				
Net increase in funds from repurchase business				
Net cash received from agency trading of securities				
Received tax refunds		602,435.34		99,478.20
Cash received related to other operating activities		265,590,293.99		132,777,659.54
		1,594,265,727.33		1,239,710,739.59
Cash paid for the purchase of goods and services		984,833,748.56		651,059,463.09
Net increase in customer loans and advances				
Net increase in the central bank and interbank deposits				
Cash payment for claims under original insurance contracts				
Net increase in funds disbursed				
Cash payment for interest, fees and commissions				
Cash paid for policy dividends				
Cash paid to and for employees		357,392,494.41		311,965,112.93
Taxes paid		109,007,489.19		93,700,560.55
Cash paid related to other operating activities		218,547,281.46		210,983,942.26
		1,669,781,013.62		1,267,709,078.83
N		-75,515,286.29		-27,998,339.24
II. C				
Cash received from the recovery of investment				
Cash received from the absorption of investment				
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		3,159,772.75		2,989,888.99
Net cash received from disposal of subsidiaries and other business units		463,210.07		
Cash received related to other investing activities				
		3,622,982.82		2,989,888.99

INTERIM CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

I	Notes	J ()	J 2024 ()	January to June 2023 (Unaudited)
	Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets		10,845,342.38	6,463,836.32
	Cash paid for investment			
	Net increase in pledged loans			
	Net cash paid for the acquisition of subsidiaries and other business units		18,609,831.99	38,717,970.84
	Cash paid related to other investing activities		880,956.47	1,350,000.00
			30,336,130.84	46,531,807.16
	N		-26,713,148.02	-43,541,918.17
III. C				
	Cash received from the absorption of investment Including: Cash received by subsidiaries from minority shareholders' investment			
	Cash received from loans granted			710,000.00
	Cash received relating to other financing activities			
			0.00	710,000.00
	Payment of debt in cash		2,916,606.78	1,788,090.66
	Cash used to pay dividends, profits, or interest Including: Dividends and profits paid to minority shareholders by subsidiaries		27,204,320.50	185,102.94
	Cash paid related to other financing activities		1,253,000.00	0.00
			31,373,927.28	1,700,000.00
			31,373,927.28	3,673,193.60
	N		-31,373,927.28	-2,963,193.60
I . I			495,483.24	988,537.71
. N	Add: Balance of cash and cash equivalents at the beginning of the period		-133,106,878.35	-73,514,913.30
			659,310,214.32	824,086,440.81
I. B			526,203,335.97	750,571,527.51

Legal representative:

Principal in charge of accounting:

Head of accounting department:

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB
(Unaudited)

Item	2023		2024		2024	
	January 1	December 31	January 1	December 31	January 1	December 31
I. C	376,000,000.00	984,630,205.10	96,749,261.49	616,817,866.41	2,074,197,333.00	18,920,002.14
Add: Impact from changes in accounting policies						
Impact from corrections of errors in prior period						
Business combinations under common control						
Others						
II. O	376,000,000.00	984,630,205.10	96,749,261.49	616,817,866.41	2,074,197,333.00	18,920,002.14
III. M						
(-)			6,393,714.13	84,705,873.27	91,099,587.40	281,436.70
(I) Total comprehensive income						
(II) Shareholder's contributions and withdrawals of capital						
1. Common stock contributed by shareholders						-1,491,000.00
2. Capital contributed by other equity instruments holders						-1,491,000.00
3. Share-based payment recorded in shareholder's equity						
4. Others						
(III) Profits distribution			6,393,714.13	-6,393,714.13		104,886.77
1. Appropriation of surplus reserve			6,393,714.13	-6,393,714.13		
2. Extraction of general risk reserves						
3. Distribution to shareholders						104,886.77
4. Others						
(IV) Internal transfer within shareholder's equity						
1. Conversion of capital reserve into share capital						
2. Conversion of surplus reserve into share capital						
3. Recover of loss by surplus reserve						
4. Movement in defined benefit plans carried forward to retained earnings						
5. Other comprehensive income carried forward to retained earnings						
6. Others						
(V) Special reserve						
1. Withdrawal for the year						
2. Utilization for the year						
(VI) Others						
I. C	376,000,000.00	984,630,205.10	103,142,975.62	701,523,739.68	2,165,296,920.40	19,201,438.84
						2,184,498,359.24

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB
(Unaudited)

Item	January to June 2023													Minority interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Equity attributable to shareholders of the parent company		Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
		Preferred share	Perpetual bond	Others		Less: Treasury shares	Other comprehensive income								
I. C	376,000,000.00	-	-	-	1,033,062,617.44	-	-	-	87,664,656.42	-	593,674,477.93	-	2,090,401,751.79	8,989,792.11	2,099,391,543.90
Add: Impact from changes in accounting policies															
Impact from corrections of errors in prior period															
Business combinations under common control															
Others															
II. O	376,000,000.00	-	-	-	1,033,062,617.44	-	-	-	87,664,656.42	-	593,674,477.93	-	2,090,401,751.79	8,989,792.11	2,099,391,543.90
III. M															
(-)															
(I) Total comprehensive income					1,706,989.18				9,084,605.07		-1,913,343.88		8,878,250.37	7,570,068.13	16,448,318.50
(II) Shareholder's contributions and withdrawals of capital					1,706,989.18								1,706,989.18	11,305,937.74	13,012,926.92
1. Common stock contributed by shareholders														1,050,000.00	1,050,000.00
2. Capital contributed by other equity instruments holders															
3. Share-based payment recorded in shareholder's equity					1,706,989.18								1,706,989.18		1,706,989.18
4. Others														10,255,937.74	10,255,937.74
(III) Profits distribution									9,084,605.07		-103,184,605.07		-94,100,000.00	-8,100,000.00	-102,200,000.00
1. Appropriation of surplus reserve									9,084,605.07		-9,084,605.07				
2. Extraction of general risk reserves															
3. Distribution to shareholders													-75,200,000.00		-75,200,000.00
4. Others													-18,900,000.00	-8,100,000.00	-27,000,000.00
(IV) Internal transfer within shareholder's equity															
1. Conversion of capital reserve into share capital															
2. Conversion of surplus reserve into share capital															
3. Recover of loss by surplus reserve															
4. Movement in defined benefit plans carried forward to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Others															
(V) Special reserve															
1. Withdrawal for the year															
2. Utilization for the year															
(VI) Others															
I . C	376,000,000.00	-	-	-	1,034,769,606.62	-	-	-	96,749,261.49	-	591,761,134.05	-	2,099,280,002.16	16,559,860.24	2,115,839,862.40

Legal representative:

Principal in charge of accounting:

Head of accounting department:

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION ABOUT THE COMPANY

Roiserv Lifestyle Services Co., Ltd. (hereinafter referred to as “the Company”, collectively referred to as “the Group” when including subsidiaries), formerly known as Langfang RiseSun Property Service Co., Ltd., was incorporated on November 2, 2000, and was converted from a limited liability company to a stock company limited on April 23, 2020. The registered address of the Company is East Daxiang Line and North Heyuan Road (within Xianghe Xiandai Water Industry Co., Ltd), Jiangxintun Town, Xianghe County, Langfang, Hebei Province, PRC.

The Group is principally engaged in the provision of property management and related value-added services.

The parent company of the Company is RiseSun Real Estate Development Co., Ltd. (“RiseSun Development”, a company incorporated in the PRC and whose shares are listed on Shenzhen Stock Exchange). 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 January 15, 2021, The Company’s shares were listed on the main board of the Stock Exchange of Hong Kong Limited.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(1) Basis for preparation

The Group’s financial statements have been prepared on the basis of actual transactions and events, in accordance with the Accounting Standards for Business Enterprises and their application guides, interpretations and other relevant requirements issued by the Ministry of Finance (collectively, “**ASBE**”), as well as related disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules of the Stock Exchange.

(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. Therefore, such financial statements have been prepared based on the assumption of a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumptions about the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In the preparation of the interim consolidated financial statements, the key sources of uncertainties about significant judgments and estimates management has made in the process of applying the Group’s accounting policies are consistent with those in the consolidated financial statements for the year ended December 31, 2023.

4. EGMENT INFORMATION

Management has identified the operating segments based on reports reviewed by the chief operating decision maker (“**C O D M**”). The Chief Operating Decision Maker has been identified as the executive Director of the Company, who is responsible for allocating resources and assessing the performance of the operating segments.

During the six months ended June 30, 2023 and 2024, the Group is principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners and urban services in the PRC. Management considers the operating results of the underlying business as a segment when making decisions about resource allocation. Accordingly, the Chief Operating Decision Maker of the Company believes that only one segment should be used in making strategic decisions.

The Group’s principal operating entities are located in the PRC and therefore its revenue is generated in the country.

As at June 30, 2024, cash and cash equivalents of HK\$24,602.73 (equivalent to RMB22,454.42) were temporarily held in the Group’s bank accounts in Hong Kong. Other than that, all the assets of the Group are located in Chinese Mainland.

5. CASH BANK AND ON HAND

	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Cash on hand	25,241.61	90.81
Bank deposits	561,835,850.50	677,747,032.68
Other cash at bank and on hand	821,926.31	885,995.32
	562,683,018.42	678,633,118.81
Including: Total amount deposited abroad	22,454.42	22,246.90

	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Judicial freeze	36,479,682.45	19,322,904.49
	36,479,682.45	19,322,904.49

6. ACCOUNTS RECEIVABLE

(1) Accounts receivable shown by aging

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

A	B J 30, 2024 ()	Book balance as of December 31, 2023 (Audited)
Within 1 year (including 1 year)	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
	2,343,180,911.29	2,419,155,699.67

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

	B A	B (%)	J 30, 2024 B A	A (%)	B
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
	2,343,180,911.29	100.00	359,919,853.16	15.36	1,983,261,058.13

	Balance as of December 31, 2023 (Audited)				
	Book balance Amount	Ratio (%)	Bad debt provision Amount Accrual ratio (%)		Book value
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
	2,419,155,699.67	100.00	326,891,005.43	13.51	2,092,264,694.24

6. ACCOUNTS RECEIVABLE (continued)

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

1) Accounts receivable with provision for bad debts on a group basis

A	B	J 30, 2024 ()	A	(%)
Within 1 year (including 1 year)	1,349,184,716.26	73,474,933.94		5.45
1-2 years	436,526,301.85	52,962,089.96		12.13
2-3 years	363,819,644.03	126,816,433.28		34.86
More than 3 years	193,650,249.15	106,666,395.98		55.08
Including: 3-4 years	169,675,733.00	92,731,037.07		54.65
4-5 years	21,718,600.01	11,679,442.77		53.78
More than 5 years	2,255,916.14	2,255,916.14		100.00
	2,343,180,911.29	359,919,853.16		

7. PREPAYMENTS

(1) Aging of prepayments

I	J 30, 2024 ()		Balance as of December 31, 2023 (Audited)	
	B A	(%)	Amount	Ratio (%)
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
	164,176,499.94	100.00	149,138,378.60	100.00

8. RECEIVABLE

8. OTHER RECEIVABLE (continued)

8.2 Other receivables

(1) Classification of other receivables by nature of payment

N	B J 30, 2024 ()	Book balance as of December 31, 2023 (Audited)
Deposit and margin	427,603,237.16	534,688,747.45
Advances for utilities, etc.	116,809,644.94	117,283,773.79
Current accounts	73,603,438.57	73,051,514.59
Provisional payments	79,751,304.58	68,898,708.20
Amount due from a third-party platform	50,502,734.88	94,398,119.55
Reserves	2,543,258.94	7,499,318.48
Maintenance fund	1,677,857.22	2,995,336.72
Social security and provident fund payment on behalf of others	1,981,106.24	2,879,141.73
Others	5,488,297.28	6,144,059.91
	759,960,879.81	907,838,720.42

(2) Other receivables presented by aging

A	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Within 1 year (including 1 year)	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
	759,960,879.81	907,838,720.42

8. OTHER RECEIVABLES (continued)

8.2 Other receivables (continued)

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

	B		J 30, 2024 ()		B
	A	(%)	A	A	
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	759,960,879.81	100.00	159,504,289.65	20.99	600,456,590.16
	759,960,879.81	100.00	159,504,289.65	20.99	600,456,590.16

	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
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	907,838,720.42	100.00	131,140,608.34	14.45	776,698,112.08
	907,838,720.42	100.00	131,140,608.34	14.45	776,698,112.08

1) Bad debt provision for other receivables by portfolio

A	B		J 30, 2024 ()		A	(%)
	B	B	A	A		
Within 1 year						
(including 1 year)	330,729,715.71		18,801,012.79			5.68
1-2 years	149,271,436.48		17,122,493.42			11.47
2-3 years	206,827,613.99		63,538,287.37			30.72
More than 3 years	73,132,113.63		60,042,496.07			82.10
Including: 3-4 years	21,546,888.52		12,066,685.97			56.00
4-5 years	8,121,963.38		4,512,548.37			55.56
More than 5 years	43,463,261.73		43,463,261.73			100.00
	759,960,879.81		159,504,289.65			

8. OTHER RECEIVABLE (continued)

8.2 Other receivables (continued)

(4) Provisions for bad debts that are made, recovered or reversed for the year in respect of other receivables

	B D	31, 2023	A	A	C	0	B J	30, 2024
Provision for bad debts								
by portfolio		131,140,608.34	26,984,135.13	0.00	1,413.52	1,380,959.70		159,504,289.65

9. INVENTORY

I	B			Balance as of December 31, 2023 (Audited)		
	B	J P	30, 2024 ()	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
	434,890,742.86	0.00	434,890,742.86	54,760,705.59	0.00	54,760,705.59

10. CONTRACT ASSETS

(1) Detail of contract assets

	B 31, 2023	J 30, 2024 ()	P 31, 2023	B 30, 2024
Engineering construction	33,202,104.86	1,660,105.26		31,541,999.60

Balance as of December 31, 2023 (Audited)

	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

	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
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	31,541,999.60	28,149,875.98

(3) Provisions for bad debts that are made, recovered or reversed for the year in respect of contract assets

	B D 31, 2023	A	C - /	B J 30, 2024
Engineering construction	1,839,637.39	-179,532.13	0.00	1,660,105.26

11. NON-CURRENT ASSETS DUE WITHIN ONE YEAR

I	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Long-term receivables due within one year	1,002,145.80	1,872,205.80

12. OTHER CURRENT ASSETS

I	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Prepaid corporate income tax	23,784,535.64	15,403,416.87
Input value-added tax credit	5,187,048.90	4,948,971.20
Prepaid personal income tax	17,649.81	26,219.61
Prepaid urban construction tax	4,231.95	18,130.13
Prepaid education surcharge	2,230.15	7,694.74
Prepaid local education surcharge	1,118.38	5,129.80
Prepaid stamp duty	500.00	544.68
Others	182,272.41	79,637.45
	29,179,587.24	20,489,744.48

13. LONG-TERM RECEIVABLE

I	B J 30, 2024			Balance as of December 31, 2023			
	B	(B)	B	Book balance	Bad debt provision	Book value	Discount rate interval
Receivables from the assignment of operating rights of commercial parking spaces	6,049,861.29	0.00	6,049,861.29	6,025,040.65	0.00	6,025,040.65	-

14. LONG-TERM EQUITY INSTRUMENTS

I	B D 31, 2023		G A		D P		B J 30, 2024		
	()	A					()	C	
		2,085,519,216.72	2,085,544,925.20	2,085,578,720.85	4,492,511,187.82	2,492,950,449.57	2,085,124,251.97	684,128,850.00	(1,407,726,926.53)
									0.7294545425

15. IN E M E N P O P E I E

I	H	C	
I. Balance as of December 31, 2023	11,246,517.84	44,062,551.16	55,309,069.00
II. Change for the year	-3,644,180.02	3,428,945.02	-215,235.00
Add: Outsourcing	-35,432.48	30,561,129.08	30,525,696.60
Less: Disposal	2,484,417.58	27,598,799.86	30,083,217.44
Add: Fair value changes	-562,164.98	233,307.90	-328,857.08
III. Balance as of June 30, 2024	7,602,337.82	47,491,496.18	55,093,834.00

16. F I E D A E

I	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Fixed assets	34,638,926.29	36,411,987.89
Disposal of fixed assets	8,658.96	0.00
	34,647,585.25	36,411,987.89

16. FI ED A E (continued)

(1) Details of fixed assets

	G			O		
I						
I. O						
1. Balance as of						
December 31, 2023	35,184,061.85	27,492,938.74	11,682,719.70	2,282,620.36	76,642,340.65	
2. Increase in current year						
(1) Acquisition	3,039,229.73	4,192,751.10	107,502.11	79,308.85	7,418,791.79	
3. Decrease in current year						
(1) Disposal or retirement	2,124,630.23	2,532,617.02	330,898.00	17,157.50	5,005,302.75	
4. Balance as of						
June 30, 2024	36,098,661.35	29,153,072.82	11,459,323.81	2,344,771.71	79,055,829.69	
II. A						
1. Balance as of						
December 31, 2023	20,683,846.15	11,101,963.55	6,590,071.17	1,854,471.89	40,230,352.76	
2. Increase in current year						
(1) Accrual	2,481,014.81	2,142,766.22	790,740.65	152,429.42	5,566,951.10	
3. Decrease in current year						
(1) Disposal or retirement	774,490.20	206,196.51	330,639.34	69,074.41	1,380,400.46	
4. Balance as of						
June 30, 2024	22,390,370.76	13,038,533.26	7,050,172.48	1,937,826.90	44,416,903.40	
III. P						
1. Balance as of						
December 31, 2023	0.00	0.00	0.00	0.00	0.00	
2. Increase in current year						
(1) Accrual	0.00	0.00	0.00	0.00	0.00	
3. Decrease in current year						
(1) Disposal or retirement	0.00	0.00	0.00	0.00	0.00	
4. Balance as of						
June 30, 2024	0.00	0.00	0.00	0.00	0.00	
I . B						
1. C	13,708,290.59	16,114,539.56	4,409,151.33	406,944.81	34,638,926.29	
2. O	14,500,215.70	16,390,975.19	5,092,648.53	428,148.47	36,411,987.89	

(2) Disposal of fixed assets

I	B	J 30, 2024	Balance as of December 31, 2023 (Audited)
Disposal of fixed assets	()	8,658.96	0.00

17. HIGH-OF-LEASE

	H			
I				
I. O				
1. Balance as of				
December 31, 2023	3,874,740.09	22,820,625.22	1,808,014.57	28,503,379.88
2. Increase in current year	0.00	0.00	0.00	0.00
(1) New leases	0.00	0.00	0.00	0.00
3. Decrease in current year	0.00	0.00	0.00	0.00
(1) Lease termination	0.00	0.00	0.00	0.00
4. Balance as of				
June 30, 2024	3,874,740.09	22,820,625.22	1,808,014.57	28,503,379.88
II. A				
1. Balance as of				
December 31, 2023	2,301,626.10	22,465,783.99	1,226,127.68	25,993,537.77
2. Increase in current year	133,635.92	0.00	0.00	133,635.92
(1) Accrual	133,635.92	0.00	0.00	133,635.92
3. Decrease in current year	0.00	0.00	0.00	0.00
(1) Lease termination	0.00	0.00	0.00	0.00
4. Balance as of				
June 30, 2024	2,435,262.02	22,465,783.99	1,226,127.68	26,127,173.69
III. P				
1. Balance as of				
December 31, 2023	0.00	0.00	0.00	0.00
2. Increase in current year	0.00	0.00	0.00	0.00
(1) Accrual	0.00	0.00	0.00	0.00
3. Decrease in current year	0.00	0.00	0.00	0.00
(1) Lease termination	0.00	0.00	0.00	0.00
4. Balance as of				
June 30, 2024	0.00	0.00	0.00	0.00
I . B				
1. C	1,439,478.07	354,841.23	581,886.89	2,376,206.19
2. O	1,573,113.99	354,841.23	581,886.89	2,509,842.11

18. IN ANGIBLE A E

I

I. O

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: Disposals	52,432.95

4. Closing balance	17,166,596.01
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II. A

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: Disposals	46,473.92

4. Closing balance	7,832,006.28
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III. P

1. Opening balance	0.00
2. Increase during the Period	0.00
Including: Accrual	0.00
3. Decrease during the Period	0.00
Including: Disposals	0.00

4. Closing balance	0.00
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I . B

1. C	9,334,589.73
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2. O	10,571,332.75
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19. LONG-TERM DEFERRED EXPENSES

	B D	31, 2023 (A)	I	A	O	B J	30, 2024 ()
Decoration costs		10,665,530.86	158,132.18	1,239,176.74	0.00		9,584,486.30
Others		3,369,010.95	1,115,629.91	1,232,053.84	0.00		3,252,587.02
		14,034,541.81	1,273,762.09	2,471,230.58	0.00		12,837,073.32

20. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

(1) Deferred tax assets without offsetting

	B D	J D	31, 2023 (Audited)	Balance as of December 31, 2023 (Audited)
	1. 9	1. 5, 2024	Deductible temporary differences	Deferred tax assets
Bad debt provision	519,424,142.81	114,018,903.81	458,031,613.77	99,137,928.93
Provision for asset impairment	1,660,105.26	396,922.38	1,839,637.39	360,676.77
Deductible losses	74,940,475.93	10,079,100.08	58,597,557.37	8,035,448.28
Lease liabilities arising from leases	8,426,067.48	2,098,775.78	8,534,882.76	2,125,979.60
Contract liabilities (shopping voucher)	738,503.33	110,569.78	790,456.50	118,735.87
Advertising and promotion expenses	0.00	0.00	306,613.05	76,653.26
	605,189,294.81	126,704,271.83	528,100,760.84	109,855,422.71

(2) Deferred tax liabilities without offsetting

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21. ACCOUNTS PAYABLE

(1) Accounts payable

I	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Construction fees	496,308,699.04	542,992,345.59
Service fees	133,757,493.68	163,754,805.12
Payments for goods purchased	112,286,056.26	153,251,082.12
	742,352,248.98	859,998,232.83

(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:

A	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
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
	742,352,248.98	859,998,232.83

22. RECEIVABLE IN ADVANCE

	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Rent	1,704,781.57	3,854,809.60

23. CONTRACT LIABILITIES**(1) Detail of contract liabilities**

I	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Property fees	404,070,672.63	274,265,008.80
Engineering construction	57,899,665.96	61,467,997.29
Garbage disposal fees and self-heating	33,433,808.50	24,195,157.18
Others	13,418,702.94	11,329,721.36
Other community value-added services	4,635,675.85	5,491,107.27
Pre-intervention services	3,133,579.12	4,113,824.01
Sales payment	2,111,014.00	3,866,744.58
Elevator usage fees	1,152,193.18	1,843,197.06
Start-up costs	8,781,678.62	5,262,511.24
	528,636,990.80	391,835,268.79

24. DEFERRED REMUNERATION PAYABLE**(1) Classification of staff remuneration payable**

I	D B 31, 2023 (A)	I	D	B J 30, 2024 ()
Short-term compensation	86,703,193.35	346,882,336.47	324,352,461.18	109,233,068.64
Post-employment benefits – Defined contribution plan	7,109,286.51	37,515,945.86	32,780,063.97	11,845,168.40
Termination benefits	2,497.00	193,276.41	193,276.41	2,497.00
	93,814,976.86	384,591,558.74	357,325,801.56	121,080,734.04

24. AFFILIATE EMPLOYMENT EXPENSES (continued)

(2) Short-term compensation

	D	B 31, 2023 (A)	I	D	J	B 30, 2024 ()
Salaries, bonuses, allowances and subsidies		68,898,064.28	307,140,793.56	288,924,094.37		87,114,763.47
Employee benefit costs		474,523.65	5,154,819.47	3,346,799.07		2,282,544.05
Social security fee		3,673,895.12	19,727,795.51	18,817,959.76		4,583,730.87
Including: Medical insurance premium		2,945,814.77	18,212,385.44	17,194,540.13		3,963,660.08
Industrial injury insurance premium		247,307.32	1,342,640.50	1,322,463.94		267,483.88
Birth insurance premium		480,773.03	172,769.57	300,955.69		352,586.91
Housing provident fund		1,905,997.99	10,937,984.38	10,988,029.50		1,855,952.87
Labor union expenditure and personnel education fund		11,750,712.31	3,920,943.55	2,275,578.48		13,396,077.38
		86,703,193.35	346,882,336.47	324,352,461.18		109,233,068.64

(3) Defined contribution plan

	D	B 31, 2023 (A)	I	D	J	B 30, 2024 ()
Basic endowment insurance		6,888,852.66	36,260,407.78	31,590,447.94		11,558,812.50
Unemployment insurance expense		220,433.85	1,255,538.08	1,189,616.03		286,355.90
		7,109,286.51	37,515,945.86	32,780,063.97		11,845,168.40

25. A E P A A B L E

I	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Value added tax	23,015,468.30	22,680,414.20
Corporate income tax	61,737,626.95	75,946,028.53
Personal income tax	645,034.18	575,923.33
Urban construction tax	393,881.39	468,635.75
Property tax	263,650.55	241,332.63
Stamp duty	175,814.95	160,202.28
Land use tax	68,022.68	67,078.13
Education fee surcharge	45,800.23	69,481.78
Local education fee surcharge	24,715.74	24,327.90
Water conservancy fund	4,557.83	5,872.04
Others	1,204,117.47	966,946.02
	87,578,690.27	101,206,242.59

26. O H E P A A B L E

I	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Dividends payable	7,270.63	74,105,400.00
Other payables	449,447,007.31	491,600,623.66
	449,454,277.94	565,706,023.66

26. OTHER PAYABLE (continued)

26.1 Dividends payable

I	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Dividends payable	7,270.63	74,105,400.00

26.2 Other payable

Other payables by nature of payment

N	B J 30, 2024 ()	Book balance as of December 31, 2023 (Audited)
Receipts on behalf of others	215,194,797.28	250,986,136.30
Deposit and margin	86,667,202.70	80,651,174.08
Current accounts	83,263,532.97	74,502,666.43
Maintenance fund	25,456,358.48	67,956,847.39
Operating debits	26,454,729.87	5,014,087.87
Accrued expenses	2,021,668.01	1,925,853.40
Start-up costs	1,692,929.42	1,692,929.42
Indemnity and fines	692,385.13	1,620,300.31
Maintenance fee	922,538.80	943,535.23
Social security and provident fund payment on behalf of others	674,653.78	609,072.63
Others	6,406,210.87	5,698,020.60
	449,447,007.31	491,600,623.66

27. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Lease liabilities due within one year	1,907,893.78	3,497,140.44
Long-term loans due within one year	197,966.00	1,114,572.78
Long-term payables due within one year	1,002,145.80	29,352.50
	3,108,005.58	4,641,065.72

28. OTHER CURRENT LIABILITIES

	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Deferred output tax	28,002,236.34	19,965,629.47

29. LEASE LIABILITIES

	B J 30, 2024 ()	Balance as of December 31, 2023 (Audited)
Lease liabilities	10,580,750.06	11,079,518.38

30. SHARE CAPITAL

	B D 31, 2023 (A)		C (+,)		B J 30, 2024 ()	
Total number of shares	376,000,000.00	0.00	0.00	0.00	0.00	376,000,000.00

31. CAPITAL RESERVE

I	B		I		B	
	D	31, 2023 (A)	P	P	J	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
		984,630,205.10	0.00	0.00		984,630,205.10

32. RESERVE

I	B		I		B	
	D	31, 2023 (A)	P	P	J	30, 2024 ()
Statutory surplus reserve		96,749,261.49	6,393,714.13	0.00		103,142,975.62

33. UNDISTRIBUTED PROFITS

I	C	Previous year
Undistributed profits at the end of the previous year before adjustment	616,817,866.41	593,674,477.93
Adjustments to total opening undistributed profits (increase +, decrease -)	0.00	0.00
Including: Change in scope of combinations under common control	0.00	0.00
Adjusted opening undistributed profits	616,817,866.41	593,674,477.93
Add: Net profit attributable to owners of the parent company for the year	91,099,587.40	126,327,993.55
Less: Withdrawal of statutory surplus reserves	6,393,714.13	9,084,605.07
Dividends payable on ordinary shares	0.00	75,200,000.00
Others (dividends payable by Wanjia Smart)	0.00	18,900,000.00
Closing balance of current year	701,523,739.68	616,817,866.41

35. SELLING EXPENSE

	J J 2024 ()	January to June 2023 (Unaudited)
Employee benefits	1,609,126.54	1,208,035.78
Entertainment expenses	564,461.03	874,467.10
Travel expenses	381,113.33	185,400.78
Depreciation of fixed assets	15,005.48	24,801.90
Amortization of intangible assets	566.60	8,766.27
Agency consultancy fees	0.00	267,619.93
Promotion fees	0.00	330,188.68
Others	245,243.19	723,061.96
	2,815,516.17	3,622,342.40

36. ADMINISTRATIVE EXPENSE

	J J 2024 ()	January to June 2023 (Unaudited)
Employee benefits	37,202,090.85	37,896,259.11
Intermediary service fee	6,653,739.52	8,391,335.25
Entertainment expenses	6,016,551.98	3,453,290.52
Amortization of intangible assets	1,198,123.20	878,774.16
Disabled persons security fund	1,186,849.90	1,211,274.43
Travel expenses	704,085.80	677,339.44
Depreciation charge	688,526.71	720,276.78
Amortization of long-term deferred expenses	552,714.37	522,409.42
Transport costs	500,051.09	484,962.66
Office expenses	165,665.46	892,623.37
Share-based payments	0.00	1,706,989.18
Others	1,792,454.24	2,338,742.58
	56,660,853.12	59,174,276.90

37. FINANCE CO

	J J 2024 ()	January to June 2023 (Unaudited)
Interest charges	73,775.05	243,354.22
Less: Interest income	2,356,651.78	856,854.52
Add: Loss on exchange	-495,483.24	-988,537.71
Other expenditures	2,208,793.41	2,372,152.30
	-569,566.56	770,114.29

38. OTHER INCOME

	J J 2024 ()	January to June 2023 (Unaudited)
Value-added tax and additional tax credits	1,063,680.28	3,516,058.29
Value-added tax and additional tax refunds	315,552.32	465,171.32
Government grants	252,809.35	385,628.05
Personal tax handling fee refunds	62,014.11	89,030.63
Refund of trade union funds	149.00	433.80
Incentive payment	0.00	2,500,000.00
	1,694,205.06	6,956,322.09

39. INVESTMENT INCOME

	J J 2024 ()	January to June 2023 (Unaudited)
Investment income from long-term equity investments accounted for under the equity method	233,775.83	4,075,192.75
Investment income from disposal of long-term equity investments	317,381.28	0.00
Gain from debt restructuring	-291,154.34	-440,125.19
	260,002.77	3,635,067.56

40. GAIN ON CHANGE IN FAIR VALUE

	J J 2024 ()	January to June 2023 (Unaudited)
Investment properties measured at fair value	-13,380.46	25,000.00

41. LOSS ON IMPAIRMENT OF CREDIT

	J J 2024 ()	January to June 2023 (Unaudited)
Bad debt losses on notes receivable	0.00	683,535.87
Bad debt losses on receivables	-33,053,009.69	-25,456,403.23
Bad debt losses on other receivables	-26,984,135.13	-10,175,821.62
	-60,037,144.82	-34,948,688.98

42. LOSS ON IMPAIRMENT OF ASSETS

	J J 2024 ()	January to June 2023 (Unaudited)
Impairment loss on contractual assets	179,532.13	-265,633.25

43. GAIN ON DISPOSAL OF ASSETS

	J J 2024 ()	January to June 2023 (Unaudited)
Gains on disposal of fixed assets	260,031.89	0.00

44. NON-OPERATING INCOME

	J J 2024 ()	January to June 2023 (Unaudited)	Amount recorded in non-recurring gains and losses during the year
Business combination not under common control	3,106,732.47	1,023,750.96	3,106,732.47
Default payments	20,010.78	47,137.23	20,010.78
Gains on disposal of fixed assets	17,166.17	1,749.55	17,166.17
Gain on retirement of non-current assets	16,689.59	8,289.10	16,689.59
Forfeiture income	8,014.91	8,307.93	8,014.91
Long-term income	1,062.71	3,659.17	1,062.71
Others	280,501.48	345,852.38	280,501.48
	3,450,178.11	1,438,746.32	3,450,178.11

45. NON-OPERATING EXPENSE

	J J 2024 ()	January to June 2023 (Unaudited)	Amount recorded in non-recurring gains and losses during the year
Tax penalty and late payment	661,045.64	432,332.94	661,045.64
Forfeiture expenses	421,768.04	115,340.00	421,768.04
Compensation payments	132,354.20	1,612,761.79	132,354.20
Losses on retirement of non-current assets	10,188.41	66,129.93	10,188.41
Donations	3,000.00	1,000.00	3,000.00
Others	239,489.02	526,530.65	239,489.02
	1,467,845.31	2,754,095.31	1,467,845.31

46. INCOME TAX EXPENSE

	2024	J 30, 2023 (Unaudited)
	()	
Current income tax calculated on the basis of the tax laws and relevant regulations	44,099,170.67	36,082,866.70
—Corporate income taxes in Mainland of China	44,099,170.67	36,082,866.70
Deferred income tax expenses	-17,163,575.31	-11,045,471.65
	26,935,595.36	25,037,395.05

47. ITEM IN CASH FLOW STATEMENT**(1) Cash related to operating activities****1) Cash received related to other operating activities**

	J J 2024 ()	January to June 2023 (Unaudited)
Receipts from agency sales of parking spaces offset against performance deposits	136,344,418.62	29,979,434.98
Current accounts	110,713,721.39	82,102,817.76
Government grants	252,809.35	386,538.05
Listing incentive payment	0.00	2,500,000.00
Cash income from interest income	11,695,942.17	857,910.70
Cash income from non-operating income	309,589.88	362,086.21
Release of frozen funds from banks	6,211,649.47	16,498,672.24
Personal tax handling fee refunds	62,014.11	89,765.80
Refund of trade union funds	149.00	433.80
	265,590,293.99	132,777,659.54

47. I TEM IN CA H FLOW A EMEN (continued)**(1) Cash related to operating activities** (continued)**2) Cash paid related to other operating activities**

	J J 2024 ()	January to June 2023 (Unaudited)
Current accounts	173,885,070.00	177,267,084.96
Selling expenses, cash out expenses in administrative expenses	17,627,333.72	19,733,720.02
Bank charges	2,208,793.41	2,372,131.70
Cash paid in non-operating expenses	1,457,656.90	2,687,965.38
Funds frozen in banks	23,368,427.43	8,923,040.20
	218,547,281.46	210,983,942.26

(2) Cash related to investing activities**1) Cash paid related to other investing activities**

	J J 2024 ()	January to June 2023 (Unaudited)
Payment of investments in related parties	0.00	1,350,000.00
Loss of cash on disposal of controlled subsidiaries	880,956.47	0.00
	880,956.47	1,350,000.00

47. INTERIM INCOME STATEMENT (continued)

(3) Cash relating to financing activities

1) Cash received relating to other financing activities

	J J 2024	January to June 2023 (Unaudited)
	()	
Loans received from related parties	0.00	710,000.00

2) Cash paid related to other financing activities

	J J 2024	January to June 2023 (Unaudited)
	()	
Loans paid to related parties	0.00	1,700,000.00
Payment of principal and interest on lease liabilities	812,000.00	0.00
Repayment of capital injection from minority shareholders upon the cancellation of subsidiaries	441,000.00	0.00
	1,253,000.00	1,700,000.00

48. SUPPLEMENTARY INFORMATION OF THE CASH FLOW STATEMENT

(1) Components of cash and cash equivalents

	B J 30, 2024	Balance as of December 31, 2023 (Audited)
	()	
Cash	526,203,335.97	659,310,214.32
Including: Cash on hand	25,241.61	90.81
Bank deposits available for payment at any time	525,356,168.05	658,424,128.19
Other funds available for payment at any time		

49. RELATED PARTY AND RELATED PARTY TRANSACTIONS

(1) Related party transactions

1) Purchase of goods/acceptance of services

			J J 2024 ()	January to June 2023 (Unaudited)
	C			
RiseSun Group	Engineering materials and labor services		1,668,959.62	4,929,687.76

(2) Sales of goods/provision of services

			J J 2024 ()	January to June 2023 (Unaudited)
	C			
RiseSun Group	Services		82,119,175.01	144,665,512.67
A company controlled by the ultimate holding company	Services		1,258,539.45	429,766.97
	-		83,377,714.46	145,095,279.64

3) Mortgaged real estate and parking spaces

			J J 2024 ()	January to June 2023 (Unaudited)
	C			
RiseSun Group	Mortgaged real estate and parking spaces		261,567,745.25	0.00

49. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

(2) Balance of receivables from and payables to related parties
1) Receivables

N		B		Opening book balance	Bad debt provision
		J	30, 2024		
Accounts receivable	RiseSun Group	1,172,083,759.37	242,683,936.45	1,374,178,692.70	224,171,471.45
Accounts receivable	A company controlled by the ultimate holding company	36,231,823.07	13,240,472.80	36,387,930.48	10,386,427.53
Accounts receivable	An associate of RiseSun Group	3,075,836.12	532,022.04	2,805,274.79	514,652.00
Prepayments	RiseSun Group	2,679,469.88	0.00	37,537,727.49	0.00
Prepayments	A company controlled by the ultimate holding company	1,650.00	0.00	940,000.00	0.00
Other receivables	RiseSun Group	273,859,957.95	77,927,739.30	258,054,654.51	61,899,161.09
Other receivables	A company controlled by the ultimate holding company	13,494,142.61	909,428.89	14,455,085.82	971,121.44
Contract assets	RiseSun Group	26,521,206.05	1,702,661.45	23,955,049.44	1,537,914.19
		1,527,947,845.05	336,996,260.93	1,748,314,415.23	299,480,747.70

2) Payables

N		B		Opening book balance
		J	30, 2024	
Accounts payable	RiseSun Group	40,358,585.36		34,633,196.55
Accounts payable	A company controlled by the ultimate holding company	6,697,876.48		8,302,084.40
Other payables	RiseSun Group	93,767,153.22		84,602,864.24
Other payables	A company controlled by the ultimate holding company	5,610,725.03		2,849,925.03
Contract liabilities	RiseSun Group	55,155,228.47		47,105,400.00
Contract liabilities	A company controlled by the ultimate holding company	326,653.44		268,779.97
Dividends payable	RiseSun Group	0.00		27,000,000.00
Dividends payable	A company controlled by the ultimate holding company			

49. RELATED PARTY AND RELATED PARTY TRANSACTIONS (continued)

(3) Remuneration of Directors, Supervisors and employees

1) The remunerations of Directors and Supervisors are detailed as follows

I	B					
J E	J D	2024				
		2,311,959.65	263,469.01	0.00	0.00	2,575,428.66
Geng Jianfu		816,666.65	43,180.99	0.00	0.00	859,847.64
Liu Hongxia		674,400.00	80,550.42	0.00	0.00	754,950.42
Xiao Tianchi (resigned on June 28, 2024)		261,078.00	74,220.72	0.00	0.00	335,298.72
Long Xiaokang (appointed June 28, 2024)		559,815.00	65,516.88	0.00	0.00	625,331.88
		445,386.00	84,042.61	0.00	0.00	529,428.61
Dong Hui		254,934.00	43,173.35	0.00	0.00	298,107.35
Wu Xiyong		130,452.00	40,869.26	0.00	0.00	171,321.26
Yang Xi		30,000.00	0.00	0.00	0.00	30,000.00
Zhang Yuanpeng		30,000.00	0.00	0.00	0.00	30,000.00
N - D		262,044.48	65,516.88	0.00	0.00	327,561.36
Zhang Wenge		37,044.48	65,516.88	0.00	0.00	102,561.36
Jin Wenhui		75,000.00	0.00	0.00	0.00	75,000.00
Tang Yishu		75,000.00	0.00	0.00	0.00	75,000.00
Xu Shaohong Alex		75,000.00	0.00	0.00	0.00	75,000.00
		3,019,390.13	413,028.50	0.00	0.00	3,432,418.63
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J E	J D	2023				
		2,053,359.75	185,338.61	0.00	0.00	2,238,698.36
Geng Jianfu		990,001.98	40,951.46	0.00	0.00	1,030,953.44
Liu Hongxia		772,045.77	78,870.27	0.00	0.00	850,916.04
Xiao Tianchi		291,312.00	65,516.88	0.00	0.00	356,828.88
		453,345.19	81,702.50	0.00	0.00	535,047.68
Jing Zhonghua		0.00	0.00	0.00	0.00	0.00
Dong Hui		272,089.60	40,854.56	0.00	0.00	312,944.16
Wu Xiyong		131,428.00	40,847.93	0.00	0.00	172,275.93
Yang Xi		19,827.59	0.00	0.00	0.00	19,827.59
Zhang Yuanpeng		30,000.00	0.00	0.00	0.00	30,000.00
N - D		323,596.32	65,516.88	0.00	0.00	389,113.20
Zhang Wenge		98,596.32	65,516.88	0.00	0.00	164,113.20
Jin Wenhui		75,000.00	0.00	0.00	0.00	75,000.00
Tang Yishu		75,000.00	0.00	0.00	0.00	75,000.00
Xu Shaohong Alex		75,000.00	0.00	0.00	0.00	75,000.00
		2,830,301.26	332,557.99	0.00	0.00	3,162,859.24

49. RELATED PARTY AND RELATED PARTY TRANSACTION (continued)

(3) Remuneration of Directors, Supervisors and employees (continued)

2) The top five highest-paid persons

Three of the top five with the highest remuneration for the Period are Directors (previous period: 2 people), among which the remuneration of Directors is set out in Note “49(3). Remuneration of Directors, Supervisors and employees”. The remuneration of the other two (previous year: 3 people) is as follows:

	J J 2024 ()	January to June 2023 (Unaudited)
Salaries and allowances	757,163.62	1,423,945.74
Social security, housing fund and related pension costs	129,953.31	196,550.64
Bonus	0.00	0.00
Share-based payments	0.00	0.00
	887,116.93	1,620,496.38

	J J 2024 ()	January to June 2023 (Unaudited)
RMB50,0000 or less	2.00	2.00
RMB50,0001 to 1,000,000	3.00	3.00
RMB1,000,001 to 1,500,000	0.00	0.00
RMB1,500,001 to 2,000,000	0.00	0.00
RMB2,000,001 to 2,500,000	0.00	0.00

3) During the track record period, none of the Directors waived or agreed to waive any remuneration. During the track record period, no remunerations were paid by the Company to any of the Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office.

49. RELATED PARTY AND RELATED PARTY TRANSACTIONS (continued)

(3) Remuneration of Directors, Supervisors and employees (continued)

4) Key management remuneration

Key management compensation, including amounts paid and payable to Directors, Supervisors and senior management, is as follows:

I	J J 2024 ()	January to June 2023 (Unaudited)
Salaries and allowances	3,639,525.54	3,240,841.58
Social security, housing fund and related pension costs	458,702.10	352,353.07
Bonus	0.00	0.00
Share-based payments	0.00	0.00
	4,098,227.64	3,593,194.65

50. SUPPLEMENTARY INFORMATION OF THE FINANCIAL STATEMENTS

(1) Return on net assets and earnings per share

P	B	E	D
Net profit attributable to ordinary shareholders of the parent company	4.30	0.24	0.24
Net income attributable to ordinary shareholders of the parent company after deducting non-recurring gains and losses	4.20	0.24	0.24

51. DIVIDEND

	J 1, J 30, 2024	J 30, 2023
Dividends recognized as distribution during the Period:	0	0

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).

GLOSSARY AND DEFINITIONS

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“CASBE”	the China Accounting Standards for Business Enterprises
“China” or “PRC”	the People’s Republic of China
“Company” or “Roiserv”	Roiserv Lifestyle Services Co., Ltd. (榮萬家生活服務股份有限公司) (formerly known as Rongwanjia Life Services Co., Ltd.* (榮萬家生活服務有限公司) and Langfang RiseSun Property Services Company Limited* (廊坊榮盛物業服務有限公司)), a limited liability company established in the PRC on November 2, 2000, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2146.HK)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to RiseSun Real Estate Development, RiseSun Holdings, RiseSun Construction Engineering and Mr. Geng
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“GFA”	gross floor area
“gross profit margin”	annual gross profit divided by annual revenue and multiplied by 100%
“Group”, “we” or “us”	the Company and its subsidiaries
“H Share(s)”	the overseas-listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and are listed on the Stock Exchange
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Company on the Main Board of the Stock Exchange on January 15, 2021
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Mr. Geng”	Mr. Geng Jianming (耿建明), one of the Controlling Shareholders and the brother of Mr. Geng Jianfu, the chairman of our Board and an executive Director
“non-GAAP”	non-generally accepted accounting principles
“Period” or “Relevant Period”	Six months ended June 30, 2024
“Prospectus”	the prospectus of the Company dated December 31, 2020
“RiseSun Construction Engineering”	榮盛建設工程有限公司 (RiseSun Construction Engineering Co., Ltd.*), a limited liability company established in the PRC on November 12, 1998 and one of the Controlling Shareholders
“RiseSun Group”	RiseSun Real Estate Development and its subsidiaries, which exclude the Group
“RiseSun Holdings”	RiseSun Holdings Co., Ltd.* (榮盛控股股份有限公司), a joint stock company with limited liability established in the PRC on July 31, 2002 and one of the Controlling Shareholders
“RiseSun Real Estate Development”	榮盛房地產發展股份有限公司 (RiseSun Real Estate Development Co., Ltd.*) (formerly known as 廊坊開發區榮盛房地產開發有限公司 (RiseSun Property Development Co., Ltd.*)), a joint stock company with limited liability established in the PRC on December 30, 1996, listed on the Shenzhen Stock Exchange (stock code: 002146) and one of the Controlling Shareholders
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each
“Shengyide Commercial”	香河盛繹德商務信息諮詢中心(有限合夥) (Xianghe Shengyide Commercial Consulting Center (Limited Partner)*), a limited partnership established in the PRC on May 13, 2020 and one of our Shareholders
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

GLOSSARY AND DEFINITIONS

“Supervisor(s)”	the supervisor(s) of the Company
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“Zhonghong Kaisheng”	河北中鴻凱盛投資股份有限公司(Hebei Zhonghong Kaisheng Investment Co., Ltd.*), a joint stock company with limited liability established in the PRC on December 12, 2015 and one of the Shareholders
“%”	per cent