

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



2023
Interim Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Geng Jianfu (*Chairman*)
Ms. Liu Hongxia
Mr. Xiao Tianchi

Non-executive Director

Mr. Zhang Wenge

Independent non-executive Directors

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

SUPERVISORY COMMITTEE

Mr. Jing Zhonghua (*Chairman*)
Ms. Dong Hui
Ms. Wu Xiyang (*Appointed on July 17, 2023*)
Mr. Yang Xi (*Appointed on March 2, 2023*)
Mr. Zhang Yuanpeng
Mr. Wang Jiandong (*Resigned on March 2, 2023*)
Mr. Liu Jifeng (*Resigned on July 17, 2023*)

AUDIT COMMITTEE

Mr. Xu Shaohong (*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
Mr. Tang Yishu

JOINT COMPANY SECRETARIES

Mr. Xiao Tianchi
Mr. Chung Ming Fai (*Appointed on June 5, 2023*)
Ms. So Shuk Yi Betty (*Resigned on June 5, 2023*)

AUTHORISED REPRESENTATIVES

Mr. Xiao Tianchi
Mr. Chung Ming Fai (*Appointed on June 5, 2023*)
Ms. So Shuk Yi Betty (*Resigned on June 5, 2023*)

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
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Beijing

COMPLIANCE ADVISER

Maxa Capital Limited
Unit 1908 Harbour Center
25 Harbour Road
Wanchai, Hong Kong

LEGAL ADVISER

Sidley Austin (as to Hong Kong laws)

REGISTERED OFFICE IN THE PRC

East Daxiang Line and North Heyuan Road
(Within Xianghe Xiandai Water Industry Co., Ltd.*
(香河現代水業有限公司))
Jiangxintun Town
Xianghe County
Langfang
Hebei Province
PRC

HEADQUARTERS IN THE PRC

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Economic and Technological Development Area
Langfang
Hebei Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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248 Queen's Road East
Wanchai
Hong Kong

H SHARE REGISTRAR

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

PRINCIPAL BANKS

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

INVESTOR RELATIONS

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STOCK CODE

2146

FINANCIAL HIGHLIGHTS

For the six months ended June 30,

(Unaudited)	2023	2022	Change in percentage
Results Summary			
Revenue (RMB'000)	881,439	1,093,802	-19.42%
Gross profit (RMB'000)	210,569	329,303	-36.06%
Net profit for the Period (RMB'000)	97,350	183,224	-46.87%
Adjusted profit for the Period (RMB'000)	99,057	186,739	-46.95%
Gross profit margin (%)	23.9%	30.1%	-4.8%
Basic earnings per Share (Basic) (RMB)	0.26	0.49	-46.47%

(Unaudited)	As of June 30, 2023	As of December 31, 2022	Change in percentage
Balance Sheet Summary			
Total assets (RMB'000)	4,073,049	3,953,588	3.02%
Cash and cash equivalents (RMB'000)	748,091	821,693	-8.96%
Total liabilities (RMB'000)	1,893,056	1,882,908	0.54%
Total equity (RMB'000)	2,179,993	2,070,680	5.28%
Equity attributable to owners of the Company (RMB'000)	2,169,694	2,070,304	4.80%
Current ratio (times)	2.0	2.0	0.00%
Liabilities to assets ratio (%)	46.5%	47.6%	-4.0%

MAJOR HONORS AND AWARDS FROM JANUARY TO JUNE 2023

On April 26, 2023, Roiserv ranked 15th on the 2023 TOP 100 Property Management Companies in China, rising 1 position compared to 2022



On April 26, 2023, Roiserv ranked 2nd on the 2023 Excellent Companies in China’s Property Community Value Added Services



On May 30, 2023, Roiserv ranked 19th on the 2023 Top 20 Listed Company of Property Management Service



On June 28, 2023, Roiserv ranked 20th on the 2023 Top 20 of China Property Management Companies



On June 28, 2023, Roiserv was awarded 2023 Leading Property Management Companies of China in Value-added Services Operation



On June 28, 2023, Roiserv was awarded 2023 Leading Companies of China in Smart Property Service



On June 28, 2023, Roiserv was awarded 2023 Leading Companies of China in Residential Property Service



Dear Shareholders,

In 2023, we continued to uphold the customer-oriented service philosophy, improved the quality of services, put into practice the values of “sincerity, warmth and thoughtfulness”. Our goal was to become a caring, warm-hearted, trustworthy and well-received quality life service provider with a far-sighted service philosophy and a coverage across the whole life cycle and the entire community service chain. For the six months ended June 30, 2023, the Group accomplished revenue of approximately RMB881.4 million, representing a decrease of approximately 19.4% as compared to that for the six months ended June 30, 2022; gross profit of approximately RMB210.6 million, representing a period-over-period decrease of approximately 36.1%. Net profit for the Period amounted to approximately RMB97.3 million, representing a decrease of approximately 46.9% as compared to that of 2022. The gross profit margin for the Period was approximately 23.9%, representing a period-over-period decrease of approximately 6.2 percentage points. Profit attributable to the owners of the Company for the Period amounted to approximately RMB97.7 million, representing a decrease of approximately 46.5% as compared to that during the same period in 2022. Basic earnings per share amounted to approximately RMB0.26.

INDUSTRY STATUS

Chinese consumers' demand for better living conditions and high-quality property services has been increasing year by year, which has boosted the development of the property services industry, and redefined the standards and connotations of property services.

Propelled by the two drivers of the capital market and user demand, companies in the property services industry are no longer limited to the four traditional services of security, cleaning, greening and maintenance, but have been developed into comprehensive service providers with presence across multiple industries. Whether by way of consolidation or independent operation, companies in the property industry have currently been engaged in comprehensive competition with various industry verticals including property brokerage, chain retail, decoration, advertising media, chain catering, housekeeping and cleaning, maintenance and installation, online shopping mall and community finance, imposing high requirements on the understanding of user needs, the insight of benchmarking industries, the operating capability to rapidly incubate new businesses, and the capacity to integrate ecological layout. In particular, the introduction and assimilation of talents from various industries pose the greatest challenges to us.

In addition, with the support of new technologies such as the Internet, the Internet of Things, 5G, and AI, the competitors for property companies in the future are likely to come from BAT and other platform-based companies, a trend which requires us to equip ourselves with the capabilities for organizing, building and integrating business systems on top of basic property services, and requires our managers at all levels to possess the operational capability to respond to changes.

With the rapid advancement of science and technology, industry development and evolving customer demand, higher requirements are being imposed for the coordination of community software and hardware, as well as for the capabilities of the managers in the property services industry to predict and plan in advance in the face of diversified business patterns in the future, to integrate brand genes by virtue of capital strength, and to participate in government planning and industrial layout in advance.

CORPORATE STRATEGIES

Facing the rapid upgrading and transformation of the industry and the environment where opportunities and challenges coexist, the Company will adopt the following strategies:


Continue to enhance brand value

Our brand is our utmost important asset. Our brand represents our corporate mission of “the builder of ideal human settlements, the connector of space and behavior, the innovator of property service industry” and our corporate values of “sincerity, warmth and thoughtfulness”. Customer recognition of our brand will bring more business opportunities. We plan to continue enhancing our brand recognition through the following measures: (i) establishing a quality brand image with enhanced service quality. We strive to improve the service quality for each of our managed property, aiming to enhance the customer satisfaction level and improve brand recognition; (ii) launching robust brand building activities. We plan to organize community cultural activities and brand building campaigns to increase brand awareness through different channels; and (iii) gaining a foothold in industry development, including participating in the formulation of industry standards and attending industry summits and conferences. We believe that a trustworthy brand will enable us to obtain more property management projects, as well as enhancing our bargaining power, which will further improve our financial performance and competitiveness.

Further expand our business scale and market share

Leveraging our leading market position in the Bohai Economic Rim, strategic service network, and brand recognition and awareness, we aim to further expand our business and market share and achieve organizational growth.

We plan to expand and deepen our cooperation with RiseSun Group by improving our capabilities in managing diversified types of properties. Strengthening third-party external expansion and enhancing multi-business formats and expanding our market share in cities we currently have operations in, we penetrate into new regions and new service areas. Meanwhile, leveraging our extensive property management service experience, we also plan to offer property management consultancy services to property developers and small-sized and medium-sized property management service companies.



We attach importance to our collaboration with independent third-party property developers. Leveraging our strategic presence in the Bohai Economic Rim, the Yangtze River Delta region, the Greater Bay Area and Central and Western China, we expect to further penetrate into target markets across China by focusing on the expansion of new business services. For properties with a GFA of over 1 million sq.m. or municipal service properties, we may form joint ventures with independent third-party property developers to manage those properties developed by such developers. The independent third-party property developer and the Company will enter into agreements to form the joint venture, which will be the entity to procure property management service mandates and provide property management services. We believe the relationship with the property developer, the knowledge of the specific service needs of such property developer coupled with our property management experience, would increase the chances for the joint venture to secure property management services contracts for the property projects developed by such property developer. According to the China Index Academy, it is a common strategy for sizable property management companies, including many listed property management companies, to expand their market share and business scale rapidly through setting up joint ventures and developing business alliances with independent third-party property developers which do not have established property management businesses of their own. We believe these strategic collaborations will enable us to: (i) strengthen our business relationship with these business partners and increase our chances of securing property management service contracts for properties developed by them; (ii) share the risk and costs with them arising from venturing into new markets; and (iii) leverage the geographic coverage and customer base of our business partners to enlarge our market shares and diversify the sources and types of property projects under our management. The key factors we will consider in selecting targets for joint ventures include the credit worthiness of business partner, geographical location, legal compliance, target customer group, local population, project scale, construction standards and investment returns.

For new business expansion, we plan to further enrich our service to meet the current internal needs of the Company. Leveraging our sophisticated management model and extensive experience, we introduce urban services (smart services), hospitals, schools, municipal public construction and other new business services. We plan to expand our cooperation with independent third-party property developers to manage industry parks developed by them. We plan to seek cooperation with independent third-party property developers in cities where we have existing operations so as to expand our property management portfolio of logistics centers and other types of industry parks. Meanwhile, we focus on project acquisitions, mergers and acquisitions with high quality. We plan to engage in selective acquisitions to expand our business. Our selection criteria for potential target companies include but not limited to: (i) GFA under management of over 1.0 million sq.m.; (ii) operating revenue in the latest financial year of over RMB20.0 million; (iii) compliance of business operations with laws and regulations; and (iv) diversity in the portfolio of managed properties. We will prioritize in assessing potential acquisition or investment targets with a diversified portfolio of managed properties, such as public construction, urban services, commercial properties, industry parks, schools and hospitals. Through the investment in or acquisition of these companies, we expect to expand our geographic coverage, reinforce our competitive edge in economically developed regions, further diversify our portfolio of managed properties and enhance our brand awareness.

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 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. 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-kilometer 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. We expect to cooperate with suppliers of quality home furniture and appliances to decorate and renovate sample rooms as illustration to new property owners. In addition, we plan to offer renovation, cleaning and remodeling services for used properties. Moreover, 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, education and training and housekeeping services.

Further invest in technologies, develop and promote smart community management

We will further invest in information technology and digital operation platforms to enhance our service quality and operational efficiency. We plan to build a 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 build 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. 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 resources administration, and establish human resources 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 appropriate 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.

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 six months, and to all Shareholders and partners for their support and trust.

By Order of the Board

Geng Jianfu

Chairman and Executive Director

August 31, 2023

BUSINESS REVIEW

OVERVIEW

The Group is a comprehensive property management service provider with a strategic service network across China. As of June 30, 2023, the Group had a total of 420 property management projects under management with an aggregate GFA under management of approximately 81.2 million sq.m., covering 61 cities across 19 provinces, municipalities and autonomous regions in China. As of June 30, 2023, the Group was contracted to manage 505 property management projects with an aggregate contracted GFA of 99.9 million sq.m., covering 69 cities across 19 provinces, municipalities and autonomous regions in China.

The Group provides diversified services through three business lines, namely property management services, value-added services to non-property owners and community value-added 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, parks and hospitals.

BUSINESS MODEL

The Group owns three major business lines, namely (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added 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, parks and hospitals. During the six months ended June 30, 2023, 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.

PROPERTY MANAGEMENT SERVICES

Continuous high-quality growth in GFA size

The Group has been continuously expanding its property management service portfolio by obtaining new property management service contracts. As of June 30, 2023, the Group has contracted GFA of approximately 99.9 million sq.m., representing a decrease of 1.2% as compared with that as of June 30, 2022, and 505 contracted projects, representing an increase of 2.2% as compared with that as of June 30, 2022. As of June 30, 2023, the GFA under management was approximately 81.2 million sq.m. relating to 420 projects under management, representing an increase of approximately 11.3% and 10.2% as compared with those as of June 30, 2022, respectively.

In addition, as of June 30, 2023, the Group had entered into 17 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 2023 covered various types of businesses, such as government buildings, industrial parks, public buildings, residential buildings and landscaping. As at June 30, 2023, the properties managed by the Group under these formal cooperation agreements had an aggregate GFA of approximately 1.52 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, 2023 and 2022:

	For the six months ended June 30,			
	2023		2022	
	Contracted GFA (^{'000} sq.m.)	GFA under management (^{'000} sq.m.)	Contracted GFA (^{'000} sq.m.)	GFA under management (^{'000} sq.m.)
At the beginning of the Period	97,521	73,286	96,103	67,942
New engagements ⁽¹⁾	4,005	9,575	5,139	4,979
Terminations ⁽²⁾	(1,633)	(1,633)	0	0
At the end of the Period	99,893	81,228	101,242	72,921

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 optimise its property management portfolio.

Geographic presence

Since the establishment of the Group, its business footprint has extended across the country. As of June 30, 2023, the Group established business presence in 69 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:

	As of June 30,			
	2023 (’000 sq.m.)	%	2022 (’000 sq.m.)	%
Bohai Economic Rim ⁽¹⁾	47,794	58.8	42,930	58.9
Yangtze River Delta region ⁽²⁾	16,235	20.0	16,437	22.6
Greater Bay Area and surrounding regions ⁽³⁾	2,842	3.5	2,821	3.8
Central and Western China ⁽⁴⁾	14,357	17.7	10,733	14.7
Total	81,228	100.0	72,921	100.0

Notes:

- (1) In this region, we provided property management services to projects located in Hebei, Liaoning, Inner Mongolia and Shandong.
- (2) In this region, we provided property management services to projects located in Jiangsu and Zhejiang.
- (3) In these regions, we provided property management services to projects located in Huizhou in the Greater Bay Area and other cities in Guangdong.
- (4) In this region, we 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, parks 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:

	As of June 30,			
	2023	Number of	2022	Number of
	GFA under management ('000 sq.m.)	projects under management	GFA under management ('000 sq.m.)	projects under management
Residential properties	73,632	356	65,108	325
Non-residential properties				
– Commercial properties	3,534	42	3,517	41
– Public and other properties	4,062	22	4,296	15
Subtotal	7,596	64	7,813	56
Total	81,228	420	72,921	381

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, 2023, the revenue from value-added services to non-property owners decreased by approximately 74% from approximately RMB322.1 million for the corresponding period in 2022 to approximately RMB83.9 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 sharp decrease in the construction area and completed area of property developers in 2022 and thereafter, the property engineering services in the value-added services to non-property owners decreased significantly, and the revenue was significantly lower than the corresponding period in last year.

In order to cope with the overall downward economic situation of the upstream real estate industry, the Group has actively formulated plans to undertake new business. In the second quarter of 2023, the Group began undertaking projects such as aging renovation, local renovation and home improvement, conducted negotiations on renovation, maintenance and management of municipal works, parks, scenic spots and public parks, and deployed the whole construction business for the installation of charging piles for electric vehicles in residential communities to make up for the performance gap and expand into diversified business.

COMMUNITY VALUE-ADDED SERVICES

In order to improve the community living experience of owners and residents in the properties under the Group's management and create more value for its services, the Group provides a wide variety of community value-added services to property owners and residents, primarily including property space management services and home-living services. The revenue from community value-added services for the six months ended June 30, 2023 was approximately RMB175.8 million, representing an increase of approximately 16.3% from approximately RMB151.1 million for the corresponding period in 2022. Such increase was mainly due to the improvement of the professional service capabilities such as community retail, house improvement experience, housekeeping services and parking agent services.

Property space management services

The Group provides property space management services to 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, 2023 increased by approximately 13.8% from approximately RMB53.9 million for the corresponding period in 2022 to approximately RMB61.4 million.

For turnkey furnishing services, the Group has been linking up with property developers in advance, successfully held events such as meetings with property owners to build communication bridges for property owners and merchants, and provided merchants with more product demonstration opportunities by recruiting candidates for display flats, to enable property owners to experience the life scenes in future and release their needs, thereby providing property owners with one-stop shopping experience and professional decoration consultation services to achieve a win-win situation.

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, 2023 increased by approximately 17.7% from approximately RMB97.1 million for the corresponding period in 2022 to approximately RMB114.4 million.

For community retail and commercial procurement services, the Group launched a comprehensive retail model integrating its online shopping, offline convenience stores and home delivery services. Its online shopping mall focuses on high-end consumer goods and its offline convenience stores focus on groceries. The targeted retail model lowers its operating costs and ensures product quality. Its headquarters directly manage the offline convenience stores. With such a streamlined management structure, the Group is able to respond to requests and resolve issues in a timely manner. It believes its comprehensive retail model, coupled with its home delivery services where it helps customers shop and deliver groceries to the customer's door, provides convenient shopping experience for the customers. As of June 30, 2023, the Group had a total of 61 offline convenience stores which were located in the communities under its management, with over 45,000 stock keeping units ("SKUs") and approximately 1.10 million registered users on Rice Mall (米飯公社).

For the six months ended June 30, 2023, the Group's revenue was approximately RMB881.4 million, representing a decrease of approximately 19.4% as compared to the corresponding period in 2022; gross profit was approximately RMB210.6 million, representing a decrease of approximately 36.1% as compared to the corresponding period in 2022. Net profit for first half of 2023 amounted to RMB97.3 million, representing a decrease of approximately 46.9% as compared to corresponding period in 2022. For the six months ended June 30, 2023, the net profit attributable to the owners of the parent company amounted to approximately RMB97.7 million, representing a decrease of approximately 46.5% as compared to the corresponding period in 2022. Basic earnings per share amounted to approximately RMB0.26.

OUTLOOK

Looking forward to the second half of 2023, the Group will continue to (i) uphold the principle of customer-oriented services, maintain property service quality, upgrade the property service brand, and enhance the trust of owners and word-of-mouth effect through quality services to secure a solid market position; (ii) strategically invest in environment and sanitation, medical cosmetology, tourism and accommodation so as to expand its businesses and diversify its business portfolio. The Company completed the acquisition of 80% equity interest in Hebei Jinxiang on June 21, 2023, which is an important measure to formally deploy the urban service sector. The Group will improve the non-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; (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 elderly nursing service, healthcare service and other services, to provide owners with a "convenient and reassuring" community health experience to enable owners to feel our "caring" property services; (iv) at the same time strengthen the construction of financial management and control and capital support system to improve the financial management and control efficiency as well as the risk resistance capability of the enterprise; and (v) cultivate and introduce professional talent, optimize the talent structure, promote the information technology construction of the Company, achieve technology empowerment, thereby improving the efficiency and quality of the Company's decision-making process.

FINANCIAL REVIEW

Revenue

During the Relevant Period, the Group derived its revenue from three business lines, namely (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services. The following table sets forth the details of the Group's revenue recognised by business line for the periods indicated:

	Six months ended June 30,		Change in percentage %
	2023 RMB'000	2022 RMB'000	
Property management services	621,779	620,628	0.2
Value-added services to non-property owners	83,903	322,105	-74.0
Community value-added services	175,756	151,069	16.3
Total	881,438	1,093,802	-19.4

The Group's revenue decreased by approximately 19.4% from RMB1,093.8 million for the six months ended June 30, 2022 to RMB881.4 million for the six months ended June 30, 2023, mainly due to:

- (i) the revenue from property management services remained stable, representing an increase of approximately 0.2% from RMB620.6 million for the six months ended June 30, 2022 to RMB621.8 million for the six months ended June 30, 2023. There was a decrease in the revenue from public construction projects during the Relevant Period due to service expiry. Taking into account the existing adverse macro economic conditions, the payment ability of property owner clients was limited, the Group adjusted the management fees for certain vacant properties and parking spaces for property owners during the Period. As a result, revenue from property management services did not grow with the increase in the GFA of projects under management, but remained relatively stable.
- (ii) the decrease in revenue from value-added services to non-property owners by approximately 74.0% from approximately RMB322.1 million for the six months ended June 30, 2022 to approximately RMB83.9 million for the six months ended June 30, 2023, 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 2023; 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) the revenue from community value-added services increased by approximately 16.3% from approximately RMB151.1 million for the six months ended June 30, 2022 to approximately RMB175.8 million for the six months ended June 30, 2023. Such increase was mainly due to the growth of the Company's management scale and high-quality loyal users, laying a solid foundation for the growth of community value-added services. In addition, the Company upgraded and optimized its professional services such as community retail, house improvement, housekeeping and parking agent services according to customer needs, achieving steady business growth.

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:

	Six months ended June 30,			
	2023		2022	
	RMB'000	%	RMB'000	%
Properties developed by RiseSun Group ⁽¹⁾	609,174	97.97	597,322	96.24
Properties developed by independent third party property developers	12,605	2.03	23,307	3.76
Total	621,779	100.00	620,628	100.00

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:

	Six months ended June 30,			
	2023		2022	
	RMB'000	%	RMB'000	%
Property engineering services	42,440	50.58	148,525	46.11
On-site services	16,042	19.12	67,874	21.07
Other services ⁽¹⁾	25,422	30.30	105,706	32.82
Total	83,904	100.00	322,105	100.00

Note:

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

Community value-added services

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

The following table sets forth the components of the revenue from community value-added services for the periods indicated:

	Six months ended June 30,			
	2023		2022	
	RMB'000	%	RMB'000	%
Home-living services	114,365	65.07	97,144	64.30
Property space management services	61,391	34.93	53,924	35.70
Total	175,756	100.00	151,068	100.00

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 decreased by approximately 12.2% from approximately RMB764.5 million for the six months ended June 30, 2022 to approximately RMB670.9 million for the six months ended June 30, 2023. The decrease in the cost of sales was mainly due to the decrease in revenue and accordingly the reduction in costs.

Gross profit and gross profit margin

	Six months ended June 30,			
	2023		2022	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Property management services	138,993	22.4	208,865	33.7
Value-added services to non-property owners	44,947	53.6	101,418	31.5
Community value-added services	26,629	15.2	19,020	12.6
Total	210,569	23.9	329,303	30.1

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit decreased by approximately 36.1% from approximately RMB329.3 million for the six months ended June 30, 2022 to approximately RMB210.6 million for the six months ended June 30, 2023.

The gross profit margin of the Group decreased from approximately 30.1% for the six months ended June 30, 2022 to approximately 23.9% for the six months ended June 30, 2023, which was mainly attributable to the following reasons: (i) the Group recorded less gross profit from value-added services during the Period which has a higher gross profit margin; and (ii) the Group reduced management fees for certain idle properties and parking spaces during the Period as a result of the adverse macro economic conditions, coupling with the cost increase as a result of increasing investment for quality improvement.

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 selling expenses remained relatively stable at the level of about RMB3.2 million for the Period and the corresponding period of last year.

Administrative expenses

The Group's administrative expenses mainly consist of (i) employee benefit expenses; (ii) travelling and entertainment expenses; (iii) professional service fees, primarily including legal fees and information technology usage and maintenance fees for its mobile application; (iv) office expenses; (v) bank charges; (vi) listing expenses; (vii) depreciation and amortization charges for the Group's office equipment; (viii) auditors' remuneration; (ix) cost of consumables; and (x) others. The Group's administrative expenses decreased by approximately 28.2% from approximately RMB79.5 million for the six months ended June 30, 2022 to approximately RMB57.0 million for the six months ended June 30, 2023, mainly due to the streamlining of functional staff costs, reducing costs and improving efficiency during the Relevant Period, with various expenses being lower than those of 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 expenses decreased by approximately 64.4% from approximately RMB65.7 million for the six months ended June 30, 2022 to approximately RMB23.4 million for the six months ended June 30, 2023. Such decrease was primarily due to the decrease in the Group's profit before tax as a result of the decline of its business. The effective income tax rate of the Group was approximately 19.3% for the six months ended June 30, 2023. During the Relevant Period, more subsidiaries of the Group were qualified as "small low-profit enterprises" where their taxable incomes were less than RMB3 million, as such, more entities of the Group enjoyed preferential income tax treatment, which was calculated at 5% while the general income tax rate was calculated at 25%, which pushed down the effective tax rate for the 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 46.9% from approximately RMB183.2 million for the six months ended June 30, 2022 to approximately RMB97.3 million for the six months ended June 30, 2023. After excluding the share-based payments (net of tax), the Group's adjusted profit for the Period decreased by approximately 47.0% from approximately RMB186.7 million for the six months ended June 30, 2022 to approximately RMB99.0 million for the six months ended June 30, 2023.

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 CASBE. The adjusted profit takes out the impact of the 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 a clearer view of the Group's financial results, and with useful supplementary information to assess the performance of the Group's strategic operations. The following table sets forth a reconciliation between the profit for the periods and adjusted profit for the periods:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Profit for the Period	97,350	183,224
Adjusted for:		
Share-based payments (net of tax)	1,707	3,515
Adjusted profit for the Period	99,057	186,739

Profit attributable to owners of the Company

Profit attributable to owners of the Company amounted to approximately RMB97.7 million for the six months ended June 30, 2023, representing a decrease of approximately 46.5% from approximately RMB182.5 million for the corresponding period in 2022.

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. The Group's fixed assets, right-of-use assets and long-term prepaid expenses slightly increased for 0.8% from approximately RMB36.0 million as at December 31, 2022 to RMB36.3 million as at June 30, 2023.

Investment properties

The Group's investment properties represent car parks and retail units held to earn rentals and for capital appreciation. Its investment properties increased from approximately RMB60.8 million as of December 31, 2022 to approximately RMB61.2 million as of June 30, 2023.

Intangible assets

The Group's intangible assets mainly include computer software. The Group's intangible assets decreased from approximately RMB6.3 million as of December 31, 2022 to approximately RMB5.3 million as of June 30, 2023, representing a decrease of approximately 15.9%.

Trade and other receivables and prepayments

The Group's trade and other receivables comprise trade receivables, note receivables, finance lease receivables, other receivables and prepayments to suppliers. As at June 30, 2023, the Group's trade and other receivables and prepayments amounted to approximately RMB2,915.2 million, representing an increase of approximately 6.7% from approximately RMB2,732.4 million as at December 31, 2022.

The Group's trade receivables mainly arise from the services provided under the Group's property management services, value-added services to non-property owners and community value-added services. As at June 30, 2023, the Group's trade receivables amounted to approximately RMB2,046.5 million, representing an increase of approximately 5.0% from approximately RMB1,949.4 million as at December 31, 2022, primarily due to the fact that the payment of fees is generally completed in the second half of the year as affected by the payment habit of owners.

As of June 30, 2023, the Group recorded finance lease receivables in the amount of approximately RMB8.4 million.

The Group's other receivables primarily consist of other receivables from related parties, payments made on behalf of property owners and residents related to utility fees, collaboration deposits, tender deposits and advances to employees. Other receivables increased from approximately RMB689.1 million as of December 31, 2022 to approximately RMB771.3 million as of June 30, 2023.

As at June 30, 2023, the Group's prepayments amounted to approximately RMB88.9 million, representing an increase of approximately 7.4% from approximately RMB82.8 million as at December 31, 2022, primarily due to an increase in prepayments of materials procurement for property engineering business.

Trade and other payables

The Group's trade and other payables comprise trade payables, other payables, accrued payroll, other taxes payables and interests payable. As at June 30, 2023, the Group's trade and other payables amounted to approximately RMB1,380.7 million, representing a decrease of approximately 9.1% from approximately RMB1,518.7 million as at December 31, 2022.

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 at June 30, 2023, the Group's trade payables amounted to RMB729.0 million, representing a decrease of approximately 9.7% from approximately RMB807.4 million as at December 31, 2022.

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 and utility fees paid on behalf of property owners and residents. As at June 30, 2023, the Group's other payables amounted to RMB520.1 million, representing a decrease of approximately 5.8% from approximately RMB552.0 million as at December 31, 2022.

As at June 30, 2023, accrued payroll amounted to approximately RMB65.2 million, representing a slightly decrease of approximately 1.8% from approximately RMB66.4 million as at December 31, 2022.

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 at June 30, 2023, the Group's net current assets amounted to approximately RMB1,881.8 million (December 31, 2022: approximately RMB1,786.4 million). The Group's total current assets increased by approximately 2.9% from approximately RMB3,659.5 million as at December 31, 2022 to approximately RMB3,765.4 million as at June 30, 2023. The Group's total current liabilities increased by approximately 0.6% from approximately RMB1,873.1 million as at December 31, 2022 to approximately RMB1,883.6 million as at June 30, 2023. The increase in the Group's total current assets was primarily attributable to the increase in receivables resulting from daily operations.

Cash and cash equivalents

As at June 30, 2023, the Group's cash and cash equivalents (excluding restricted bank deposits) amounted to approximately RMB748.0 million (December 31, 2022: approximately RMB821.7 million).

Indebtedness

As at June 30, 2023, the bank loans of the Group amounted to RMB2.0 million (December 31, 2022: nil), which will be due on March 27, 2024, arising from the acquisition of Hebei Jinxiang by the Group. Pursuant to the acquisition agreement, the principal and interest of the loan shall be repaid by the Vendor upon maturity. For further details of the acquisition, please refer to the section headed “SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES” below and the announcement of the Company dated June 21, 2023.

Pledge of assets

As at June 30, 2023, the Group did not have any pledged assets (December 31, 2022: 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, 2023, major non-RMB assets were cash and cash equivalents which amounted to RMB31.7 million and were denominated in HK\$. Fluctuation of the exchange rates of RMB against HK\$ could affect 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 fair value through profit or loss 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 does not expect that there will be any 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 assessed that the expected credit loss (ECL) rate for trade and note receivables and contract assets from related parties were low considering the good financial position and credit history of the related parties. The Directors believe that there is no material credit risk inherent in trade and note receivables and contract assets from related parties. 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.

For the receivables from related parties, the Group intends to take various measures, including but not limited to realize assets to offset debts (including residences, shops, parking spaces, apartments) etc., firstly to ensure the safety and control of the Group's accounts receivables and reduce the operating risks of the Group. Secondly, the Group will fully utilize the advantages of professional and customer resources in asset sales and leasing business, gradually eliminate repossessed assets and realize the return of funds.

The Group expects the credit risk associated with other receivables due from related parties (including the loans due from related parties) to be low, since these entities have a strong capacity to meet their contractual cash flow obligations in the near term. 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.

For other receivables due from third parties, the management makes periodic collective assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience. The Directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Liquidity risk

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

CONTINGENT LIABILITIES AND LITIGATIONS

As at June 30, 2023, the Group did not have any material contingent liabilities and litigations (December 31, 2022: nil).

COMMITMENTS

As at June 30, 2023, the lease commitment of the Group as a lessee amounted to approximately RMB1.0 million (December 31, 2022: approximately RMB0.2 million).

KEY FINANCIAL RATIOS

As at June 30, 2023, the current ratio was approximately 2.0 times (December 31, 2022: approximately 2.0 times) and its liabilities to assets ratio or gearing ratio was approximately 46.5% (December 31, 2022: approximately 47.6%).

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

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

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

On June 21, 2023, the Company, the Vendor and Hebei Jinxiang entered into the agreement in relation to the acquisition of 80% equity interest in Hebei Jinxiang by the Company from the Vendor (the “**Acquisition**”), pursuant to which the Company agreed to acquire, and the Vendor agreed to dispose of, 80% equity interest in Hebei Jinxiang at a consideration of RMB40.0 million.

As at June 30, 2023, the Acquisition was completed. Hebei Jinxiang has become a non-wholly owned subsidiary of the Company since such completion and its financial results will be consolidated into the financial results of the Group.

For further details of the Acquisition, please refer to the announcement of the Company dated June 21, 2023.

Save as disclosed above, the Group did not have any other significant investments, acquisitions, or disposals of subsidiaries, associates and joint ventures during the Relevant Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group has no plans for any material investments or capital assets as at June 30, 2023.

USE OF PROCEEDS FROM THE LISTING

The H Shares 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. Such proceeds were originally planned to be applied in the manner as set out in the Prospectus. On June 16, 2023, having considered the change in the market conditions and the business needs of the Group since the Listing, 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” will be re-allocated to: (i) fund the strategic acquisitions and investments in target companies engaging in environmental sanitation, medical beauty and tourism and accommodation totalled of approximately HK\$151.8 million; (ii) allow a further allocation of approximately HK\$58.4 million to “further diversify the Group’s community value-added service offerings to cover housekeeping services, community elderly care and healthcare service” under “enrich community value-added service offerings” and expand the coverage to include also “agricultural and sideline products and breeding and decoration services”; and (iii) allow a further allocation of approximately HK\$175.2 million to be used for “working capital and other general corporate purposes”. For further details, please refer to the announcements of the Company dated on June 16, 2023 and August 29, 2023 respectively. Details of the net proceeds as at June 30, 2023 is set forth below:

	Planned use of net proceeds after the Change		Net proceeds as of January 1, 2023	Actual use of net proceeds during the six months ended June 30, 2023	Unutilised net proceeds as of June 30, 2023	Expected timeline of the intended use of proceeds
	<i>HK\$'million</i>	<i>%</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	
	<i>approximately</i>	<i>approximately</i>	<i>approximately</i>	<i>approximately</i>	<i>approximately</i>	
(a) Business expansion:	467.20	40.00	283.78	47.95	235.83	
(i) Strategic acquisitions and investments in property management companies	140.16	12.00	131.94	47.95	83.99	2026
(ii) Strategic acquisitions and investments in downstream companies	175.20	15.00	0.00	0.00	0.00	N/A
(iii) Strategic acquisitions and investments in companies engaging in environmental sanitation, medical beauty and tourism and accommodation	151.84	13.00	151.84	0.00	151.84	2025

	Planned use of net proceeds after the Change		Net proceeds as of January 1, 2023	Actual use of net proceeds during the six months ended June 30, 2023	Unutilised net proceeds as of June 30, 2023	Expected timeline of the intended use of proceeds
	<i>HK\$'million approximately</i>	<i>% approximately</i>	<i>HK\$'million approximately</i>	<i>HK\$'million approximately</i>	<i>HK\$'million approximately</i>	
(b) Enrich community value-added service offerings:	233.60	20.00	218.30	19.02	199.28	
(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	43.71	18.26	25.45	2023
(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	0.00	46.72	2023
(iii) Further diversify the Group's community value-added service offerings to cover housekeeping services, agricultural and sideline products and breeding, decoration services, community elderly care and healthcare services	140.20	12.00	127.87	0.76	127.11	2025

	Planned use of net proceeds after the Change		Net proceeds as of January 1, 2023	Actual use of net proceeds during the six months ended June 30, 2023	Unutilised net proceeds as of June 30, 2023	Expected timeline of the intended use of proceeds
	<i>HK\$'million approximately</i>	<i>% approximately</i>	<i>HK\$'million approximately</i>	<i>HK\$'million approximately</i>	<i>HK\$'million approximately</i>	
(c) Upgrade information technology infrastructure:	175.20	15.00	163.16	6.15	157.01	
(i) Upgrade the Group's one-stop omnichannel service platform to enrich service scenarios and improve user experience	58.40	5.00	51.62	6.04	45.58	2023
(ii) Build and upgrade information technology systems	43.80	3.75	42.85	0.11	42.74	2023
(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	39.49	0.00	39.49	2023
(iv) Upgrade the Group's information management systems	29.20	2.50	29.20	0.00	29.20	2023
(d) Working capital and other general corporate purposes	292.00	25.00	191.26	18.29	172.97	2024
Total	1,168.00	100.00	856.50	91.41	765.09	

Save as disclosed above, the Directors are not aware of any change to the intended use of net proceeds as at the date of this report. The unutilised net proceeds and its intended timeframe for utilisation will be applied in a manner consistent with the disclosure above.

EMPLOYEES AND REMUNERATION POLICY

Human resources have always been the most valuable resource of the Group. As of June 30, 2023, the Group had a total of 6,625 full-time employees. For the six months ended June 30, 2023, the staff cost recognised as expenses of the Group amounted to approximately RMB278.6 million (June 30, 2022: RMB332.2 million).

The Group has established a competitive compensation structure and a 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. Since the adoption of a share incentive scheme on May 22, 2020, the Company has achieved good incentive results, thus effectively promoting the achievement of the Group's strategic and operating objectives, and retaining and attracting more excellent talents. 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. As of June 30, 2023, the Group organized approximately 840 training sessions, with nearly 38,000 attendees participated in these sessions.

EVENTS AFTER THE RELEVANT PERIOD

On July 28, 2023, the Group completed the acquisition of 70% equity interest in Wanjia Smart Environment (Beijing) Co., Ltd.* (萬家智慧環境(北京)有限公司) at a consideration of RMB50.155 million, details of which are set out in the announcement of the Company dated July 28, 2023.

Save as disclosed above, there were no material events affecting the Company which occurred subsequent to June 30, 2023 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 has complied with all applicable code provisions under the Corporate Governance Code during the Relevant Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS 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 “**Securities Dealing Code**”). The Company has made specific enquiries with all the Directors and Supervisors on whether they have complied with the required standard as set out in the Model Code during the Relevant Period and all the Directors and Supervisors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the above-mentioned period.

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.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of June 30, 2023, 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	Shares held in the relevant class of Shares		Percentage of the total share capital of the Company ⁽¹⁾ (approx.)
				Number ⁽¹⁾	Percentage ⁽¹⁾ (approx.)	
Mr. Xiao Tianchi	Director	Interest of spouse ⁽²⁾	Domestic Shares	22,740,000 (L)	8.06%	6.05%
Ms. Liu Hongxia	Director	Interest in controlled corporation ⁽³⁾	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, 2023, the Company had 376,000,000 issued Shares, including 94,000,000 H Shares and 282,000,000 Domestic Shares.
- (2) By virtue of the SFO, Mr. Xiao Tianchi is deemed to be interested in the Shares held by his spouse, Ms. Geng Fanchao.
- (3) Ms. Liu Hongxia is the general partner of and has 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) Interests in associated corporations of the Company

Name	Name of associated corporation	Nature of interest	Interest in shares ⁽¹⁾	Shareholding percentage (approx.)
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, 2023, 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.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As of June 30, 2023, 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 of Shareholder	Nature of interest	Class of shares	Shares held in the relevant class of Shares ⁽¹⁾		Percentage of shares held in the total share capital of the Company ⁽¹⁾ (approx.)
			Number	Approximate percentage	
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%
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%
Huatai Securities Co., Ltd. ⁽⁴⁾	Interest in controlled corporations	H Shares	6,700,500 (L) 5,924,000 (S)	7.12% 6.30%	1.78% 1.58%
Tianjin Damai International Holdings Limited	Beneficial owner	H Shares	10,440,500 (L)	11.11%	2.78%

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, 2023, 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, 35.65% by RiseSun Holdings and 11.43% 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) Huatai Securities Co., Ltd. was interested in the long position of 6,700,500 H Shares, representing 7.12% equity interest of H Shares in our Company and 5,924,000 short positions in H Shares, representing 6.30% equity interest of H Shares in our Company through its wholly-owned subsidiaries, Huatai International Financial Holdings Company Limited and Huatai Financial Holdings (Hong Kong) Limited indirectly. By virtue of SFO, Huatai Securities Co., Ltd. and Huatai International Financial Holdings Company Limited are deemed to be interested in the H Shares held by Huatai Financial Holdings (Hong Kong) Limited.

Save as disclosed above, as at June 30, 2023, 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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended June 30, 2023.

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 (chairman). Mr. Jin Wenhui has the appropriate professional qualifications as required under Rule 3.10(2) and 3.21 of the Listing Rules.

The main duties of the Audit Committee include examining independently the financial positions of the Company, overseeing the Company’s financial reporting system, risk management and internal control system, the audit process and proposals of internal management, communicating independently with, monitoring and verifying the work of internal audit and external auditors.

The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters. The Audit Committee has reviewed and agreed with the interim results and interim report of the Company for the six months ended June 30, 2023.

INTERIM DIVIDEND

The Board does not recommend the declaration of any interim dividend for the six months ended June 30, 2023 (2022 interim dividend: RMB0.25 per share (before tax)).

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

As disclosed in the announcement of the Company dated November 15, 2022, on June 30, 2022, the Company entered into a sales agency service agreement (the **“Sales Agency Agreement”**) with Langfang Junyi Building Materials Co., Ltd. (廊坊俊義建材有限公司) (**“Langfang Junyi”**). Pursuant to the Sales Agency Agreement, Langfang Junyi shall grant the right to the Company to provide sales agency services on an exclusive basis in respect of certain car parking lots (the **“Parking Lot(s)”**) of Langfang Junyi for a term of two years from June 30, 2022 to June 30, 2024 where the Company was required to pay a refundable performance deposit amounting to RMB614,700,000 (the **“Performance Deposit”**) to guarantee its performance of duty and obligation under the Sales Agency Agreement. For each Parking Lot, a based price (the **“Base Price”**), which is approximately 70% to 80% of the market value of each Parking Lot, has been agreed between the Company and Langfang Junyi. The Company will then sell the Parking Lot to a third party customer at a selling price (the **“Agreed Price”**) which shall not be lower than the Base Price of such Parking Lot. The proceeds from the sale of the Parking Lots will be collected by the Company to offset the Performance Deposit first on a dollar for dollar basis, subject to the maximum of the Base Price of each Parking Lot. After the Base Price of a Parking Lot had been offset against the Performance Deposit, the difference between such Agreed Price and Base Price shall be distributed to Langfang Junyi and the Company in the proportion of 30% and 70%. Any outstanding Performance Deposit shall be returned to the Company within seven business days upon the expiry of the Sales Agency Agreement. As at June 30, 2023, the outstanding Performance Deposit is RMB525,730,534.75, representing 13.49% of the total asset of the Group.

CHANGES IN DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INFORMATION

After making specific enquiries by the Company and confirmed by the Directors and Supervisors, there was no change in the information of the Directors and Supervisors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONSOLIDATED BALANCE SHEET

Unit: RMB

Items	Notes	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Current assets:			
Cash at bank and on hand	VI.1	767,669,376.78	848,846,927.69
Settlement reserve			
Placements with banks and non-bank financial institutions			
Financial assets held-for-trading			
Derivative financial assets			
Notes receivable	VI.2	0.00	2,197,656.75
Accounts receivable	VI.3	2,046,574,525.93	1,949,399,158.32
Receivables financing			
Prepayments	VI.4	88,949,092.18	82,773,348.13
Insurance premium receivable			
Reinsurance premium receivable			
Reserves for reinsurance contracts receivable			
Other receivables	VI.5	771,346,648.72	689,071,682.41
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under agreements to resell			
Inventories	VI.6	52,463,081.35	44,981,237.06
Contract assets	VI.7	30,941,561.01	27,838,699.18
Assets held for sale			
Non-current assets due within one year	VI.8	1,002,145.80	1,872,205.80
Other current assets	VI.9	6,440,122.94	12,556,863.39
Total current assets		3,765,386,554.71	3,659,537,778.73

CONSOLIDATED BALANCE SHEET

Unit: RMB

Items	Notes	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Non-current assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables	VI.10	7,416,896.10	7,043,303.54
Long-term equity investments	VI.11	105,718,115.69	101,642,922.94
Investment in other equity instruments			
Other non-current financial assets			
Investment properties	VI.12	61,177,435.00	60,841,725.00
Fixed assets	VI.13	20,911,111.39	21,943,637.01
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VI.14	883,639.25	342,031.55
Intangible assets	VI.15	5,374,967.06	6,279,308.44
Development expenses			
Goodwill			
Long-term prepaid expenses	VI.16	14,555,924.71	13,722,881.31
Deferred tax assets	VI.17	88,024,976.53	78,635,195.30
Other non-current assets	VI.18	3,599,181.00	3,599,181.00
Total non-current assets		307,662,246.73	294,050,186.09
Total assets		4,073,048,801.44	3,953,587,964.82

Unit: RMB

Items	<i>Notes</i>	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Current liabilities:			
Short-term borrowings	<i>VI.19</i>	2,000,000.00	0.00
Loans from central bank			
Borrowings from other banks and other financial institutions			
Financial liabilities held-for-trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	<i>VI.20</i>	729,054,863.51	807,414,568.00
Receipt in advance	<i>VI.21</i>	18,078,806.64	2,958,279.78
Contract liabilities	<i>VI.22</i>	454,647,170.01	332,486,360.39
Amount from sales of repurchased financial assets			
Deposits from customers and other banks			
Brokerage for securities trading			
Brokerage for underwriting securities			
Staff remuneration payable	<i>VI.23</i>	65,233,675.24	66,388,409.74
Taxes payable	<i>VI.24</i>	66,312,972.69	92,830,085.13
Other payables	<i>VI.25</i>	520,156,044.87	552,047,414.55
Including: Interest payable			
Dividends payable			
Fee and commission payable			
Reinsured accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	<i>VI.26</i>	2,423,050.77	1,872,205.80
Other current liabilities	<i>VI.27</i>	25,703,865.61	17,091,435.80
Total current liabilities		1,883,610,449.34	1,873,088,759.19

CONSOLIDATED BALANCE SHEET

Unit: RMB

Items	Notes	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings			
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities	VI.28	7,037,320.83	7,411,035.92
Long-term payables			
Long-term staff remuneration payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities	VI.17	2,408,341.67	2,408,341.67
Other non-current liabilities			
Total non-current liabilities		9,445,662.50	9,819,377.59
Total liabilities		1,893,056,111.84	1,882,908,136.78
Shareholders' equity			
Share capital	VI.29	376,000,000.00	376,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	VI.30	1,034,769,606.62	1,033,062,617.44
Less: Treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve	VI.31	94,776,172.97	87,664,656.42
Provision for general risks			
Undistributed profit	VI.32	664,148,505.68	573,576,276.83
Total shareholders' equity attributable to the parent company		2,169,694,285.27	2,070,303,550.69
Minority interests		10,298,404.33	376,277.35
Total shareholders' equity		2,179,992,689.60	2,070,679,828.04
Total liabilities and shareholders' equity		4,073,048,801.44	3,953,587,964.82

Legal representative:

Principal in charge of accounting:

Head of accounting department:

PARENT COMPANY'S BALANCE SHEET

Unit: RMB

Items	Notes	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Current assets:			
Cash at bank and on hand		678,554,484.75	776,406,963.26
Financial assets held-for-trading			
Derivative financial assets			
Notes receivable			628,583.84
Accounts receivable	XVII.1	1,355,570,489.41	1,293,302,518.06
Receivables financing			
Prepayments		53,127,107.54	51,871,973.89
Other receivables	XVII.2	1,410,956,577.01	1,314,022,695.74
Including: Interest receivable			
Dividends receivable		48,871,200.00	48,871,200.00
Inventories		17,743,969.79	16,860,877.80
Contract assets		15,388,020.41	15,166,043.05
Assets held for sale			
Non-current assets due within one year		1,002,145.80	1,872,205.80
Other current assets		2,800,555.46	10,245,219.53
Total current assets		3,535,143,350.17	3,480,377,080.97
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables		7,416,896.10	7,043,303.54
Long-term equity investments	XVII.3	203,547,866.65	158,438,922.94
Investment in other equity instruments			
Other non-current financial assets			
Investment properties		61,177,435.00	60,841,725.00
Fixed assets		13,611,107.15	14,515,515.22
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		878,109.89	303,326.02
Intangible assets		3,162,550.20	3,520,832.81
Development expenses			
Goodwill			
Long-term prepaid expenses		4,015,389.75	4,152,623.80
Deferred tax assets		63,906,176.34	52,961,817.56
Other non-current assets		3,599,181.00	3,599,181.00
Total non-current assets		361,314,712.08	305,377,247.89
Total assets		3,896,458,062.25	3,785,754,328.86

PARENT COMPANY'S BALANCE SHEET

Unit: RMB

Items	Notes	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Current liabilities:			
Short-term borrowings			
Financial liabilities held-for-trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		364,772,409.75	439,130,265.26
Receipt in advance		9,855,617.01	2,123,579.58
Contract liabilities		378,037,382.94	276,726,498.76
Staff remuneration payable		48,775,493.46	51,325,601.88
Taxes payable		43,982,352.64	62,249,306.93
Other payables		1,007,900,360.47	991,195,712.47
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		2,247,939.18	1,872,205.80
Other current liabilities		21,938,256.88	14,811,897.47
Total current liabilities		1,877,509,812.33	1,839,435,068.15
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities		7,212,432.42	7,370,502.39
Long-term payables			
Long-term staff remuneration payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities		2,401,291.67	2,401,291.67
Other non-current liabilities			
Total non-current liabilities		9,613,724.09	9,771,794.06
Total liabilities		1,887,123,536.42	1,849,206,862.21

PARENT COMPANY'S BALANCE SHEET

Unit: RMB

Items	<i>Notes</i>	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Shareholders' equity:			
Share capital		376,000,000.00	376,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve		1,014,777,141.30	1,013,105,247.58
Less: Treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve		94,776,172.97	87,664,656.42
Undistributed profit		523,781,211.56	459,777,562.65
Total shareholders' equity		2,009,334,525.83	1,936,547,466.65
Total liabilities and shareholders' equity		3,896,458,062.25	3,785,754,328.86

Legal representative:

Principal in charge of accounting:

Head of accounting department:

CONSOLIDATED INCOME STATEMENT

Unit: RMB

Items	Notes	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
I. Total operating income		881,438,961.07	1,093,801,946.97
Including: Operating income	VI.33	881,438,961.07	1,093,801,946.97
Interest income			
Premium earned			
Fee and commission income			
II. Total operating costs		735,936,770.29	832,839,334.81
Including: Operating cost	VI.33	670,869,720.09	764,498,231.81
Interest expense			
Fee and commission expenses			
Refunded premiums			
Net amount of compensation payout			
Net provisions for insurance contracts reserve			
Policy dividend payment			
Reinsured expenses			
Taxes and surcharges	VI.34	4,324,922.29	5,868,318.11
Selling expenses	VI.35	3,177,942.32	3,225,805.94
Administrative expenses	VI.36	57,026,904.66	79,451,233.04
Research and development expenses			
Finance cost	VI.37	537,280.93	-20,204,254.09
Including: Interest expenses		11,283.94	
Interest income		855,119.34	732,835.47
Add: Other income	VI.38	6,558,519.06	7,209,022.82
Investment income (loss expressed with "-")	VI.39	3,635,067.56	19,648,761.97
Including: Income from investment in associates and joint ventures		4,075,192.75	
Derecognition income of financial assets measured at amortized cost			
Exchange gain (loss expressed with "-")			
Net gain on exposure hedging (loss expressed with "-")			
Gain on change in fair value (loss expressed with "-")	VI.40	25,000.00	-4,576,014.03
Loss on impairment of credit (loss expressed with "-")	VI.41	-33,386,956.07	-35,566,936.92
Loss on impairment of assets (loss expressed with "-")	VI.42	-265,633.25	2,194,952.63
Gain on disposal of asset (loss expressed with "-")	VI.43	0.00	-10,100.13
III. Operating profit (loss expressed with "-")		122,068,188.08	249,862,298.50
Add: Non-operating income	VI.44	1,396,785.82	500,523.04
Less: Non-operating expenses	VI.45	2,697,702.23	1,415,935.63
IV. Total profit (total loss expressed with "-")		120,767,271.67	248,946,885.91
Less: Income tax expenses	VI.46	23,417,337.03	65,723,370.38

Unit: RMB

Items	Notes	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
V. Net profit (net loss expressed with "-")		97,349,934.64	183,223,515.53
(I) By continuity of operations		97,349,934.64	183,223,515.53
1. Net profit from continuing operations (net loss expressed with "-")		97,349,934.64	183,223,515.53
2. Net profit from discontinued operations (net loss expressed with "-")			
(II) By ownership		97,349,934.64	183,223,515.53
1. Net profit attributable to owners of parent company (net loss expressed with "-")		97,683,745.40	182,497,569.04
2. Gain or loss attributable to minority interests (net loss expressed with "-")		-333,810.76	725,946.49
VI. Net other comprehensive income after tax		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 may not be subsequently reclassified to profit and loss		0.00	0.00
1. Change in remeasurement of defined benefit plans			
2. Other comprehensive income that may not be reclassified to profit or loss under equity method			
3. Change in fair value of investments in other equity instruments			
4. Change in fair value of enterprise's own credit risk			
5. Others			
(II) Other comprehensive income that will be subsequently reclassified to profit or loss		0.00	0.00
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Change in fair value of other debt investments			
3. Amount included in other comprehensive income on reclassification of financial assets			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
6. Translation difference of foreign currency statements			
7. Others			
Net other comprehensive income after tax attributable to minority interests			
VII. Total comprehensive income		97,349,934.64	183,223,515.53
Total comprehensive income attributable to shareholders of the parent company		97,683,745.40	182,497,569.04
Total comprehensive income attributable to minority interests		-333,810.76	725,946.49
VIII. Earnings per share			
(I) Basic earnings per share (yuan/share)		0.26	0.49
(II) Diluted earnings per share (yuan/share)		0.26	0.49

For business combinations under common control that occur in the current year, the net profit realized by the consolidated party before consolidation was RMB6,260,367.69.

The net profit realized by the consolidated party in the previous year was RMB-3,188,316.08.

Legal representative:

Principal in charge of accounting:

Head of accounting department:

PARENT COMPANY'S INCOME STATEMENT

Unit: RMB

Items	Notes	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
I. Operating income	<i>XVII.4</i>	635,599,891.65	740,285,382.77
Less: Operating cost	<i>XVII.4</i>	463,532,245.49	481,366,041.57
Tax and surcharges		3,138,215.89	4,652,254.14
Selling expenses		2,800,950.03	2,517,962.31
Administrative expenses		56,581,984.82	62,732,440.45
Research and development expenses			
Finance cost (income expressed with "-")		-9,918.49	-20,950,912.84
Including: Interest expenses		10,882.35	37,489.39
Interest income		541,815.66	4,967,531.88
Add: Other income		4,424,895.29	5,179,694.39
Investment income (loss expressed with "-")	<i>XVII.5</i>	3,596,607.84	19,648,761.97
Including: Income from investment in associates and joint ventures		4,075,192.75	
Derecognition income of financial assets measured at amortized cost			
Net gain on exposure hedging (loss expressed with "-")			
Gain on change in fair value (loss expressed with "-")		25,000.00	-4,576,014.03
Loss on impairment of credit (loss expressed with "-")		-22,258,435.17	-25,355,750.65
Loss on impairment of assets (loss expressed with "-")		-1,159,240.11	1,823,802.77
Gain on disposal of asset (loss expressed with "-")			-10,100.13
II. Operating profit (loss expressed with "-")		94,185,241.76	206,677,991.46
Add: Non-operating income		1,104,132.14	300,330.62
Less: Non-operating expenses		1,437,382.18	1,217,767.58
III. Total profit (total loss expressed with "-")		93,851,991.72	205,760,554.50
Less: Income tax expenses		22,736,826.26	56,565,355.69
IV. Net profit (net loss expressed with "-")		71,115,165.46	149,195,198.81
(I) Net profit from continuing operations (net loss expressed with "-")		71,115,165.46	149,195,198.81
(II) Net profit from discontinued operations (net loss expressed with "-")			

Unit: RMB

Items	Notes	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
V. Net other comprehensive income after tax		0.00	0.00
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss		0.00	0.00
1. Change in remeasurement of defined benefit plans			
2. Other comprehensive income that may not be reclassified to profit or loss under equity method			
3. Change in fair value of investments in other equity instruments			
4. Change in fair value of enterprise's own credit risk			
5. Others			
(II) Other comprehensive income that will be subsequently reclassified to profit or loss		0.00	0.00
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Change in fair value of other debt investments			
3. Amount included in other comprehensive income on reclassification of financial assets			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
6. Translation difference of foreign currency statements			
7. Others			
VI. Total comprehensive income		71,115,165.46	149,195,198.81
VII. Earnings per share			
(I) Basic earnings per share (yuan/share)			
(II) Diluted earnings per share (yuan/share)			

Legal representative:

Principal in charge of accounting:

Head of accounting department:

CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

Item	Notes	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
I. Cash flow arising from operating activities:			
Cash received from sales of goods or rendering services		1,036,904,405.67	981,295,959.84
Net increase in customer deposits and interbank deposits			
Net increase in loans from 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 received from interest, fees and commissions			
Net increase in borrowing funds			
Net increase in funds from repurchase business			
Net cash received from agency trading of securities			
Tax refunds received		94,777.02	468,777.45
Other cash received related to operating activities	VI.47 (1)	132,542,426.61	82,271,518.77
Subtotal of cash inflows from operating activities		1,169,541,609.30	1,064,036,256.06
Cash paid for purchase of goods or services		631,798,043.60	543,718,832.94
Net increase in customer loans and advances			
Net increase in central bank and interbank deposits			
Cash payment of original insurance contract benefits			
Net increase in funds disbursed			
Cash paid for interest, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		279,271,441.44	354,272,871.36
Taxes paid		88,825,113.46	109,701,223.24
Other cash paid related to operating activities	VI.47 (1)	202,712,274.87	625,855,733.19
Subtotal of cash outflows from operating activities		1,202,606,873.37	1,633,548,660.73
Net cash flow from operating activities		-33,065,264.07	-569,512,404.67
II. Cash flow from investing activities:			
Cash received from disinvestment			600,000,000.00
Cash received from return on investment			20,827,687.69
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		2,989,888.99	
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investing activities			
Subtotal of cash inflows from investing activities		2,989,888.99	620,827,687.69

CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

Item	Notes	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		5,797,110.66	3,437,310.52
Cash paid for acquisition of investments			
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other business units		38,717,970.84	
Other cash paid related to investing activities			
Subtotal of cash outflows from investing activities		44,515,081.50	3,437,310.52
Net cash flow from investing activities		-41,525,192.51	617,390,377.17
III. Cash flow from financing activities:			
Cash received from investors			60,000.00
Including: Cash received from minority's investment to subsidiaries			60,000.00
Cash received from borrowings			
Other cash received related to financing activities			
Subtotal of cash inflows from financing activities		0.00	60,000.00
Cash repayments of borrowings			
Cash paid for dividends, profits distribution, or interest payments			
Including: Dividends and profits paid to minority interests by subsidiaries			
Other cash paid related to financing activities			
Subtotal of cash outflows from financing activities		0.00	0.00
Net cash flow from financing activities		0.00	60,000.00
IV. Impact of exchange rate fluctuations on cash and cash equivalents		988,537.71	21,530,575.79
V. Net (decrease) / increase in cash and cash equivalents		-73,601,918.87	69,468,548.29
Add: Balance of cash and cash equivalents at the beginning of the period		821,692,844.20	918,715,148.68
VI. Balance of cash and cash equivalents at the end of the period		748,090,925.33	988,183,696.97

Legal representative:

Principal in charge of accounting:

Head of accounting department:

CASH FLOW STATEMENT OF PARENT COMPANY

Unit: RMB

Item	Notes	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
I. Cash flow arising from operating activities:			
Cash received from sales of goods or rendering services		706,123,104.98	641,887,233.25
Tax refunds received			365,598.78
Other cash received related to operating activities		161,966,083.00	51,063,916.23
Subtotal of cash inflows from operating activities		868,089,187.98	693,316,748.26
Cash paid for purchase of goods or services		370,990,104.08	312,618,175.60
Cash paid to and for employees		204,001,418.47	262,356,613.96
Taxes paid		74,107,552.64	88,912,764.86
Other cash paid related to operating activities		270,715,383.11	552,391,501.27
Subtotal of cash outflows from operating activities		919,814,458.30	1,216,279,055.69
Net cash flow from operating activities		-51,725,270.32	-522,962,307.43
II. Cash flow from investing activities:			
Cash received from disinvestment			600,000,000.00
Cash received from return on investment			20,827,687.69
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		3,010,574.24	
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investing activities			
Subtotal of cash inflows from investing activities		3,010,574.24	620,827,687.69
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		2,776,407.86	2,483,323.09
Cash paid for acquisition of investments			187,000.00
Net cash paid for acquisition of subsidiaries and other business units		40,010,000.00	
Other cash paid related to investing activities			
Subtotal of cash outflows from investing activities		42,786,407.86	2,670,323.09
Net cash flow from investing activities		-39,775,833.62	618,157,364.60

Unit: RMB

Item	Notes	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
III. Cash flow from financing activities:			
Cash received from investors			
Cash received from borrowings			
Other cash received related to financing activities			
Subtotal of cash inflows from financing activities		0.00	0.00
Cash repayments of borrowings			
Cash paid for dividends, profits distribution, or interest payments			
Other cash paid related to financing activities			
Subtotal of cash outflows from financing activities		0.00	0.00
Net cash flow from financing activities		0.00	0.00
IV. Impact of exchange rate fluctuations on cash and cash equivalents			
		988,537.71	21,530,575.79
V. Net (decrease) / increase in cash and cash equivalents			
Add: Balance of cash and cash equivalents at the beginning of the period		-90,512,566.23	116,725,632.96
		752,359,615.49	811,561,054.58
VI. Balance of cash and cash equivalents at the end of the period			
		661,847,049.26	928,286,687.54

Legal representative:

Principal in charge of accounting:

Head of accounting department:

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB
(Unaudited)

Item	January to June 2023														Total shareholders' equity
	Other equity instruments					Equity attributable to shareholders of the parent company						Minority interests	Total shareholders' equity		
	Share capital	Preference share	Perpetual bond	Others	Capital reserve	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit			Others	
I. Closing balance of last year	376,000,000.00	-	-	-	1,033,062,617.44	-	-	-	87,664,656.42	-	573,576,276.83	-	2,070,303,560.69	376,277.35	2,070,679,828.04
Add: Impact from changes in accounting policies															
Impact from corrections of errors in prior period															
Business combinations under common control															
Others															
II. Opening balance of current year	376,000,000.00	-	-	-	1,033,062,617.44	-	-	-	87,664,656.42	-	573,576,276.83	-	2,070,303,560.69	376,277.35	2,070,679,828.04
III. Movement for current year															
(+/- for decrease)					1,706,989.18				7,111,516.55		90,572,228.85		99,390,734.58	9,922,126.98	109,312,861.56
(I) Total comprehensive income											97,683,745.40		97,683,745.40	-333,810.76	97,349,934.64
(II) Shareholder's contributions and withdrawals of capital					1,706,989.18								1,706,989.18	10,255,937.74	11,962,926.92
1. Common stock contributed by shareholders															
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									7,111,516.55		-7,111,516.55				
1. Appropriation of surplus reserve									7,111,516.55		-7,111,516.55				
2. Extraction of general risk reserve															
3. Distribution to shareholders															
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. Movement in defined benefit plans carried forward to retained earnings															
6. Others															
(V) Special reserve															
1. Amount established during the year															
2. Amount utilized during the year															
(VI) Others															
IV. Closing balance of current year	376,000,000.00	-	-	-	1,034,769,606.62	-	-	-	94,776,172.97	-	664,148,505.68	-	2,169,694,285.27	10,298,404.33	2,179,992,689.60

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB
(Unaudited)

Item	January to June 2022													Total shareholders' equity	
	Share capital	Other equity instruments			Capital reserve	Equity attributable to shareholders of the parent company					General risk reserve	Undistributed profit	Others		Sub-total
	Preference share	Perpetual bond	Others	Less: treasury share		Other comprehensive income	Special reserve	Surplus reserve							
I. Closing balance of last year	376,000,000.00	-	-	-	1,071,044,130.78	-	-	-	68,458,186.26	-	451,210,297.43	-	1,966,712,614.47	-322,901.97	1,966,389,712.50
Add: Impact from changes in accounting policies															
Impact from corrections of errors in prior period															
Business combinations under common control															
Others															
II. Opening balance of current year	376,000,000.00	-	-	-	1,071,044,130.78	-	-	-	68,458,186.26	-	451,210,297.43	-	1,966,712,614.47	-322,901.97	1,966,389,712.50
III. Movement for current year ("A")															
for decrease					-37,981,513.34				-19,206,470.16		-122,365,979.40		-103,590,936.22	699,179.32	104,290,115.54
(I) Total comprehensive income											235,572,449.56		235,572,449.56	699,179.32	236,211,628.88
(II) Shareholder's contributions and withdrawals of capital					-37,981,513.34								-37,981,513.34	60,000.00	-37,921,513.34
1. Common stock contributed by shareholders														60,000.00	60,000.00
2. Capital contributed by other equity instruments holders															
3. Share-based payment recorded in shareholder's equity					7,371,486.66								7,371,486.66		7,371,486.66
4. Others					-45,353,000.00								-45,353,000.00		-45,353,000.00
(III) Profits distribution									-19,206,470.16		-113,206,470.16		-94,000,000.00		-94,000,000.00
1. Appropriation of surplus reserve									19,206,470.16		-19,206,470.16				
2. Extraction of general risk reserve															
3. Distribution to shareholders											-94,000,000.00		-94,000,000.00		-94,000,000.00
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. Amount established during the year															
2. Amount utilized during the year															
(VI) Others															
IV. Closing balance of current year	376,000,000.00	-	-	-	1,033,062,617.44	-	-	-	87,664,656.42	-	573,576,276.83	-	2,070,303,550.69	376,277.35	2,070,679,828.04

Legal representative:

Principal in charge of accounting:

Head of accounting department:

PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB
(Unaudited)

Item	Other equity instruments				Capital reserve	January to June 2023					Total shareholders' equity	
	Share capital	Preferred share	Perpetual bond	Other		Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit		Others
1. Closing balance of last year	376,000,000.00	-	-	-	1,013,105,247.58	-	-	-	87,664,656.42	459,777,562.65	-	1,936,547,466.65
Add: Impact from changes in accounting policies												-
Impact from corrections of errors in prior period												-
Others												-
2. Opening balance of current year	376,000,000.00	-	-	-	1,013,105,247.58	-	-	-	87,664,656.42	459,777,562.65	-	1,936,547,466.65
3. Movement for current year ("-" for decrease)	-	-	-	-	1,671,893.72	-	-	-	7,111,516.55	64,003,648.91	-	72,787,059.18
(1) Total comprehensive income										71,115,165.46		71,115,165.46
(2) Shareholder's contributions and withdrawals of capital					1,671,893.72							1,671,893.72
1) Common stock contributed by shareholders												
2) Capital contributed by other equity instruments holders												
3) Share-based payment recorded in shareholder's equity					1,671,893.72							1,671,893.72
4) Others												
(3) Profits distribution									7,111,516.55	-7,111,516.55		
1) Appropriation of surplus reserve									7,111,516.55	-7,111,516.55		
2) Distribution to shareholders												
3) Others												
(4) 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) Benefit plans are carried forward to retained earnings												
5) Other comprehensive income are carried forward to retained earnings												
6) Others												
(5) Special reserve												
1) Withdrawal of special reserve												
2) Use of special reserve												
(6) Others												
4. Closing balance of current year	376,000,000.00	-	-	-	1,014,777,141.30	-	-	-	94,776,172.97	523,781,211.56	-	2,009,334,525.83

PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB
(Unaudited)

Item	Other equity instruments				Capital reserve	January to June 2022			Surplus reserve	Undistributed profit	Others	Total shareholders' equity
	Share capital	Preferred share	Perpetual bond	Other		Less: treasury share	Other comprehensive income	Special reserve				
1. Closing balance of last year	376,000,000.00	-	-	-	1,051,238,317.69	-	-	-	68,458,186.26	380,919,331.24	-	1,876,615,835.19
Add: Impact from changes in accounting policies												-
Impact from corrections of errors in prior period												-
Others												-
2. Opening balance of current year	376,000,000.00	-	-	-	1,051,238,317.69	-	-	-	68,458,186.26	380,919,331.24	-	1,876,615,835.19
3. Movement for current year ("-" for decrease)	-	-	-	-	-38,133,070.11	-	-	-	19,206,470.16	78,858,231.41	-	59,931,631.46
(1) Total comprehensive income										192,064,701.57		192,064,701.57
(2) Shareholder's contributions and withdrawals of capital					-38,133,070.11							-38,133,070.11
1) Common stock contributed by shareholders												-
2) Capital contributed by other equity instruments holders												-
3) Share-based payment recorded in shareholder's equity					7,219,929.89							7,219,929.89
4) Others					-45,353,000.00							-45,353,000.00
(3) Profits distribution									19,206,470.16	-113,206,470.16		-94,000,000.00
1) Appropriation of surplus reserve									19,206,470.16	-19,206,470.16		-
2) Distribution to shareholders										-94,000,000.00		-94,000,000.00
3) Others												-
(4) 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) Benefit plans are carried forward to retained earnings												-
5) Other comprehensive income are carried forward to retained earnings												-
6) Others												-
(5) Special reserve												-
1) Withdrawal of special reserve												-
2) Use of special reserve												-
(6) Others												-
4. Closing balance of current year	376,000,000.00	-	-	-	1,013,105,247.58	-	-	-	87,664,656.42	459,777,562.65	-	1,936,547,466.65

Legal representative:

Principal in charge of accounting:

Head of accounting department:

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

I. GENERAL INFORMATION ABOUT THE COMPANY

Roiserv Lifestyle Service 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. (hereinafter referred to as **“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 Holding 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.

II. SCOPE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group include 225 subsidiaries, of which 209 are wholly-owned subsidiaries and 16 are controlled. During the year, there is an increase of 22 subsidiaries due to new establishments, an increase of 5 subsidiaries through business mergers and acquisitions not under uncommon control, and a decrease of 3 subsidiaries due to business cancellation.

The relevant information is detailed in Note VII. Changes in the scope of consolidation and Note VIII. Interests in other entities.

III. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

(1) Preparation basis

The Group’s financial statements have been prepared on a going concern basis, based on transactions and events that have actually occurred, in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance and relevant regulations, as well as related disclosure requirements of the Hong Kong Companies Ordinance and Listing Rules of the Stock Exchange of Hong Kong Limited, and the accounting policies and accounting estimates described in Note IV. Significant accounting policies and accounting estimates.

(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.

III. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS (Continued)

(3) Effect of Business Combination under Common Control on Opening Balance and that for the Corresponding Period of Last Year

In December 16, 2022, the Company entered into an equity transfer agreement with Qinhuangdao Rongsheng Real Estate Development Co., Ltd. (秦皇島榮盛房地產開發有限公司) to acquire 77% equity interest in Shengxing Living Service (Hebei) Co., Ltd. (盛行旅居生活服務(河北)有限公司) (“**Shengxing Living**”) in cash at a consideration of RMB45,353,000. Both the Company and Shengxing Living are controlled by RiseSun Development, and such control is not temporary, therefore the combination is a business combination under common control.

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

The Company included Shengxing Living in the scope of combination at December 31, 2022 and adjusted the opening balance on the consolidated balance sheet, together with the relevant items on the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in shareholders' equity. The relevant items and changes in the income statement before and after consolidation for the period from January 1, 2022 to June 30, 2022 are set out as follows:

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

III. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS (Continued)

(3) Effect of Business Combination under Common Control on Opening Balance and that for the Corresponding Period of Last Year (Continued)

Unit: RMB

Items	January to June 2022 (after mergers and acquisitions) (Unaudited)	January to June 2022 (before mergers and acquisitions) (Unaudited)	Change in the amount from January to June 2022 resulting from mergers and acquisitions (Unaudited)
I. Total operating income	1,093,801,946.97	1,063,574,349.30	30,227,597.67
Including: Operating income	1,093,801,946.97	1,063,574,349.30	30,227,597.67
Interest income			
Premium earned			
Fee and commission income			
II. Total operating costs	832,839,334.81	808,484,819.62	24,354,515.19
Including: Operating cost	764,498,231.81	743,419,941.83	21,078,289.98
Interest expense			
Handling charges and commission expenses			
Refunded premiums			
Net amount of compensation payout			
Net provisions for insurance contracts reserve			
Policy dividend payment			
Reinsured expenses			
Taxes and surcharges	5,868,318.11	5,775,947.74	92,370.37
Selling expenses	3,225,805.94	3,039,064.28	186,741.66
Administrative expenses	79,451,233.04	76,491,405.11	2,959,827.93
Research and development expenses			
Finance cost	-20,204,254.09	-20,241,539.34	37,285.25
Including: Interest expenses			
Interest income	732,835.47	729,659.84	3,175.63
Add: Other income	7,209,022.82	7,020,137.34	188,885.48
Investment income (loss expressed with "-")	19,648,761.97	19,648,761.97	-
Including: Investment income from associates and joint ventures			
Gain on derecognition of financial assets measured at amortized cost			
Exchange gain (loss expressed with "-")			
Net gain on exposure hedging (loss expressed with "-")			
Gain on change in fair value (loss expressed with "-")	-4,576,014.03	-4,576,014.03	-
Loss on impairment of credit (loss expressed with "-")	-35,566,936.92	-33,307,510.99	-2,259,425.93
Loss on impairment of assets (loss expressed with "-")	2,194,952.63	2,194,952.63	-
Gain on disposal of asset (loss expressed with "-")	-10,100.13	-10,100.13	-

III. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS (Continued)

(3) Effect of Business Combination under Common Control on Opening Balance and that for the Corresponding Period of Last Year (Continued)

Unit: RMB

Items	January to June 2022 (after mergers and acquisitions) (Unaudited)	January to June 2022 (before mergers and acquisitions) (Unaudited)	Change in the amount from January to June 2022 resulting from mergers and acquisitions (Unaudited)
III. Operating profit (loss expressed with “-”)	249,862,298.50	246,059,756.47	3,802,542.03
Add: Non-operating income	500,523.04	491,731.15	8,791.89
Less: Non-operating expenses	1,415,935.63	1,413,672.11	2,263.52
IV. Total profit (total loss expressed with “-”)	248,946,885.91	245,137,815.51	3,809,070.40
Less: Income tax expenses	65,723,370.38	64,112,712.18	1,610,658.20
V. Net profit (net loss expressed with “-”)	183,223,515.53	181,025,103.33	2,198,412.20
(I) By continuity of operations	183,223,515.53	181,025,103.33	2,198,412.20
1. Net profit from continuing operations (net loss expressed with “-”)	183,223,515.53	181,025,103.33	2,198,412.20
2. Net profit from discontinued operations (net loss expressed with “-”)			
(II) By ownership	183,223,515.53	181,025,103.33	2,198,412.20
1. Net profit attributable to owners of parent company (net loss expressed with “-”)	182,497,569.04	180,912,030.37	1,585,538.67
2. Gain or loss attributable to minority interests (net loss expressed with “-”)	725,946.49	113,072.96	612,873.53
VI. Net other comprehensive income after tax	-	-	-
Net other comprehensive income after tax attributable to owners of the parent company	-	-	-
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss	-	-	-
1. Change in remeasurement of defined benefit plans			
2. Other comprehensive income that may not be reclassified to profit or loss under equity method			
3. Change in fair value of investments in other equity instruments			
4. Change in fair value of enterprise’s own credit risk			
5. Others			

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

III. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS (Continued)

(3) Effect of Business Combination under Common Control on Opening Balance and that for the Corresponding Period of Last Year (Continued)

Unit: RMB

Items	January to June 2022 (after mergers and acquisitions) (Unaudited)	January to June 2022 (before mergers and acquisitions) (Unaudited)	Change in the amount from January to June 2022 resulting from mergers and acquisitions (Unaudited)
(II) Other comprehensive income that will be subsequently reclassified to profit or loss	-	-	-
1. Other comprehensive income that may be reclassified to profit or loss under equity method			
2. Change in fair value of other debt investments			
3. Amount included in other comprehensive income on reclassification of financial assets			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedges reserve (effective part of hedging gains and losses from cash flows)			
6. Exchange differences arising from translation of foreign currency financial statements			
7. Others			
Net other comprehensive income after tax attributable to minority interests			
VII.Total comprehensive income	183,223,515.53	181,025,103.33	2,198,412.20
Total comprehensive income attributable to shareholders of the parent company	182,497,569.04	180,912,030.37	1,585,538.67
Total comprehensive income attributable to minority interests	725,946.49	113,072.96	612,873.53
VIII.Earnings per share:	-	-	-
(I) Basic earnings per share (RMB/share)	0.49	0.48	0.01
(II) Diluted earnings per share (RMB/share)	0.49	0.48	0.01

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and give a true and complete view of the financial position, results of operations and cash flows of the Company and the Group and other relevant information.

2. Accounting period

The Group's accounting period is also the calendar year, from January 1 to December 31.

3. Functional currency

Renminbi (RMB) is the functional currency of the Group.

4. Accounting treatment for business combinations under common control and not under common control

Assets and liabilities acquired by the Group as a consolidator in a business combination under common control are measured at the carrying amount of the consolidated party in the consolidated statements of the ultimate controlling party at the date of consolidation. The difference between the book value of the net assets acquired and the book value of the consideration paid for the consolidation is adjusted to capital reserve; if the capital reserve is not sufficient to offset the difference, retained earnings are adjusted.

The identifiable assets, liabilities and contingent liabilities of the acquire acquired in a business combination not under common control are measured at fair value at the acquisition date. The cost of the combination is the sum of the fair value of cash or non-cash assets paid, liabilities issued or assumed and equity securities issued by the Group to obtain control of the acquire at the date of acquisition, and all directly related costs incurred in the business combination (for a business combination achieved in stages through multiple transactions, the cost of the combination is the sum of the costs of each transaction). The excess of the cost of the combination over the fair value of the share of identifiable net assets of the acquire acquired in the combination is recognized as goodwill; if the cost of the combination is less than the fair value of the share of identifiable net assets of the acquire acquired in the combination, the fair value of each identifiable asset, liability and contingent liability acquired in the combination, as well as the fair value of non-cash assets or equity securities issued in consideration of the combination, are first reviewed. If, after the review, the cost of combination is still less than the fair value of the share of identifiable net assets of the acquire acquired in the combination, the difference is recognized as non-operating income in the period of combination.

5. Preparation of the consolidated financial statements

The Group includes all controlled subsidiaries in the scope of the consolidated financial statements.

In preparing the consolidated financial statements, if the accounting policies or accounting periods adopted by a subsidiary and the Company are not consistent, the necessary adjustments are made to the financial statements of the subsidiary in accordance with the Company's accounting policies or accounting periods.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. Preparation of the consolidated financial statements (Continued)

All significant internal transactions, transaction balances and unrealized profits within the scope of consolidation are eliminated in the preparation of the consolidated financial statements. The shares of ownership interests of subsidiaries that do not belong to the parent company and the shares of net profit or loss, other comprehensive income and total comprehensive income for the period that belong to non-controlling interests are presented in the consolidated financial statements under “non-controlling interests, profit or loss of non-controlling interests, other comprehensive income attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests”, separately.

For subsidiaries acquired in a business combination under common control, their operating results and cash flows are included in the consolidated financial statements from the beginning of the period of combination. When preparing the comparative consolidated financial statements, the relevant items in the prior year’s financial statements are adjusted as if the reporting entity formed after the combination had been in existence since the point at which the ultimate controlling party began to exercise control.

In the case of a business combination ultimately formed by acquiring an equity interest in an investee under common control through multiple transactions, when the consolidated statements are prepared, they are adjusted as if the present status had been in existence at the time when the ultimate controlling party began to exercise control. When the comparative statements are prepared, the combined party’s assets and liabilities are included in the comparative statements of the Group’s consolidated financial statements, and the increased net assets as a result of the combination are adjusted to the relevant items under owners’ equity in the comparative statements, to the extent that it is no earlier than the point at which the Group and the combined party are both under the control of the ultimate controlling party. In order to avoid double counting the value of the net assets of the combined party, relevant gains or losses of long-term equity investments held by the Group before reaching combination, other comprehensive income and other changes in net assets that are recognized between the later of the date of the acquisition of the original equity interest and the date when the Group and the combined party are under the ultimate control of the same party and the date of combination should be eliminated from opening retained earnings and current profit or loss in the comparative statement period, separately.

For a subsidiary acquired through a business combination not under common control, the results of operations and cash flows are included in the consolidated financial statements from the date the Group obtains control. In the preparation of the consolidated financial statements, the financial statements of the subsidiary are adjusted on the basis of the fair value of each identifiable asset, liability and contingent liability determined at the purchase date.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. Preparation of the consolidated financial statements (Continued)

When a step-by-step acquisition of an equity interest in an investee not under common control through multiple transactions eventually results in a business combination, in the preparation of the consolidated statements, the equity interest of the acquire held prior to the date of purchase is remeasured at the fair value of the equity interest at the date of purchase, and the difference between the fair value and its carrying amount is recognized as investment income in the current period; the equity interest of the acquire held prior to the date of purchase which relates to other comprehensive income under the equity method and the changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution is recognized as investment income or loss in the period to which the date of purchase belongs, except for other comprehensive income resulting from the remeasurement of the net liabilities or changes in net assets of the defined benefit plans of the investee.

When the Group partially disposes of its long-term equity investments in subsidiaries without loss of control, the difference between the disposal price and the share of the net assets of the subsidiaries corresponding to the disposal of the long-term equity investments calculated on an ongoing basis from the date of purchase or the date of combination is adjusted to capital premium or equity premium in the consolidated financial statements, and retained earnings are adjusted if the capital reserve is not sufficient to cover the reduction.

If the Group loses control over an investee due to, for example, the disposal of a portion of its equity investment, the remaining equity interest is remeasured at its fair value at the date of loss of control in the preparation of the consolidated financial statements. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the net assets of the original subsidiary calculated on a continuing basis from the date of purchase or the date of combination in proportion to the original shareholding, is recognized as investment gain or loss in the period in which control is lost, and goodwill is eliminated. Other comprehensive income related to the equity investment in the original subsidiary, etc., is transferred to current investment gain or loss when control is lost.

If the Group disposes of its equity investment in a subsidiary through multiple transactions, which is a package deal, until it loses control, each transaction is accounted for as a disposal of the subsidiary and loss of control; however, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment in each disposal prior to the loss of control is recognized in the consolidated financial statements as other comprehensive income and is transferred to investment income or loss in the period in which control is lost.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Cash and cash equivalents

Cash in the Group's cash flow statement represents cash on hand and deposits readily available for payment. Cash equivalents in the cash flow statement represent investments that are held for less than three months, are highly liquid, easily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

7. Foreign currency operations and translation of foreign currency statements

(1) Foreign currency operations

The Group's foreign currency operations are translated into RMB at the spot exchange rate at the date of the transaction. At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rate at the balance sheet date. The resulting translation differences are recognized directly in profit or loss, except for exchange differences arising from special borrowings in foreign currencies for the purpose of acquiring or producing assets eligible for capitalization, which are treated on the basis of capitalization.

(2) Translation of foreign currency financial statements

Asset and liability items in the foreign currency balance sheet are translated using the spot exchange rate at the balance sheet date; owner's equity items, except for "undistributed profits", are translated at the spot exchange rate at the time when the business occurred; income and expense items in the income statement are translated using the spot exchange rate at the date of the transaction. The translation differences arising from the above translation are presented under the item of other comprehensive income. Cash flows in foreign currencies are translated using the spot exchange rates at the dates when the cash flows occur. The effect of exchange rate changes on cash is shown separately in the cash flow statement.

8. Financial assets and financial liabilities

A financial asset or financial liability shall be recognized when the Group becomes a party to a financial instrument contract.

(1) Financial assets

1) *Classification, recognition and measurement of financial assets*

The Group classifies financial assets into financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, in accordance with a business model for managing financial assets and contract cash flow characteristics of financial assets.

The Group classifies a financial asset as a financial asset at amortized cost if both of the following conditions are met: ① the business model for managing the financial asset is to collect the contractual cash flows. ② the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding. Such financial assets are initially measured at their fair value, the relevant transaction expenses recognized in the initially recognized amount, and subsequently measured at amortized cost. For the portion of such financial assets that do not belong to any hedging relationship, the amortization by effective interest method, impairment and exchange profits or losses, as well as gains and losses arising from the derecognition are included in profit or loss. The Group's financial assets at the amortized cost specifically include accounts receivable, notes receivable, and other receivables.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

8. Financial assets and financial liabilities (Continued)

(1) Financial assets (Continued)

1) *Classification, recognition and measurement of financial assets* (Continued)

The Group classifies a financial asset as a financial asset at fair value through other comprehensive income if both of the following conditions are met: ① the business model for managing the financial asset is to both collect the contractual cash flows and sell the financial asset. ② the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding. Such financial assets are initially measured at fair value, the relevant transaction expenses recognized in the initially recognized amount. All gains and losses arising from the portion of such financial assets that do not belong to any hedging relationship and other gains or losses are both recognized in other comprehensive income, except for gains or losses caused by credit impairment, exchange profits and losses, and the financial assets' interest calculated by the effective interest method. On derecognition of the financial assets, the accumulated gains or losses previously recognized in other comprehensive income shall be transferred out and recognized in profit or loss for the current period. The Group's financial asset at fair value through other comprehensive income specifically includes other debt investments.

Interest income shall be recognized based on the effective interest method. It is determined by multiplying the carrying amount of the financial asset by the effective interest rate, but except for the following situations: ① for purchased or originated financial assets with credit impairment, their interest income shall be recognized based on amortized costs of the financial assets and effective interest rate being adjusted by credit since initial recognition. ② for purchased or originated financial assets that are not impaired on credit but, in subsequent periods, have credit impairment, their interest income shall be recognized based on amortized costs of the financial assets and effective interest rate in subsequent periods.

The Group designates non-trading equity instrument investments as financial assets at fair value through other comprehensive income. Once the designation is made, it cannot be revoked. The designated non-trading equity instrument investments measured at fair value through other comprehensive income shall be initially measured at their fair value, and the relevant transaction expenses are included in the initially recognized amount. All other relevant gains and losses (including exchange profits and losses), other than dividends received (except those belonging to the recovery of investment costs) that are recorded in profit or loss, shall be recognized in other comprehensive income and cannot be transferred into profit or loss in subsequent periods. On derecognition of the financial assets, the accumulated gains or losses previously recognized in other comprehensive income shall be transferred out and recognized in retained earnings. The designated equity instrument investments at fair value through other comprehensive income include other equity instrument investments.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

8. Financial assets and financial liabilities (Continued)

(1) Financial assets (Continued)

1) *Classification, recognition and measurement of financial assets* (Continued)

Except for the above-mentioned financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the Group classifies other financial assets as financial assets at fair value through profit or loss. Such financial assets shall be initially measured at their fair value, and the relevant transaction expenses are directly recognized in profit or loss. Gains or losses arising from such financial assets shall be included in profit or loss. The Group's financial assets at fair value through profit or loss specifically include financial assets held for trading.

If contingent considerations recognized in a business combination not under common control constitute financial assets, the Group classifies them as financial assets at fair value through profit or loss.

2) *Recognition and measurement of the transfer of financial assets*

The Group shall derecognize the financial assets that satisfy one of the following conditions: ① the contract rights to receive the cash flows of the financial assets expire; ② the financial assets are transferred and the Group has transferred almost all risks and rewards of ownership of the financial assets; ③ the financial assets are transferred and the Group has neither transferred, nor retained almost all risks and rewards of ownership of the financial assets, and nor retained control over the financial assets.

If the overall transfer of the financial assets satisfies the conditions for derecognition, the difference between the carrying amount of the transferred financial assets at the date of derecognition and the sum of the consideration received for the transfer and the amount corresponding to the derecognition portion of the cumulative amount of changes in fair value previously recognized directly in other comprehensive income (financial assets involved in the transfer meet the following conditions at the same time: ① the Group's business model for managing the financial assets is aimed at both the collection of the contractual cash flows and the sale of the financial assets; ② the contract terms of the financial assets stipulate that the cash flows arising on a specific date are only payments for principal and interest based on the principal amount outstanding) is recognized in profit or loss for the current period.

If partial transfer of financial assets satisfies the conditions for derecognition, the carrying amount of the transferred financial assets as a whole shall be allocated at their respective relative fair values into derecognition portion and non-derecognition portion, and the difference between the sum of the consideration received for the transfer and the amount corresponding to the derecognition portion of the accumulated changes in fair value that should be apportioned to the derecognition portion (financial assets involved in the transfer satisfy the following conditions at the same time: ① the Group's business model for managing the financial assets is aimed at both the collection of the contractual cash flows and the sale of the financial assets; ② the contract terms of the financial assets stipulate that the cash flows arising on a specific date are only payments for principal and interest based on the principal amount outstanding) and the whole carrying amount of above financial assets allocated is included in profit or loss for the current period.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

8. Financial assets and financial liabilities (Continued)

(2) Financial liabilities

1) *Classification, recognition and measurement of financial liabilities*

The Group classifies financial liabilities as financial liabilities at amortized cost that are subsequently measured at amortized cost by effective interest method, except for the following:

① financial liabilities at fair value through profit or loss (including derivative instruments belonging to financial liabilities) include financial liabilities held for trading and financial liabilities designated as those measured at fair value through profit or loss at initial recognition. Such financial liabilities are subsequently measured at fair value, gains and losses arising from changes in fair value, dividends and interests relating to the financial liabilities are recorded in profit or loss.

② for transfer of financial assets that do not meet the conditions of derecognition or financial liabilities resulting from continuing to involve in transferred financial assets, the Group shall measure such financial liabilities in accordance with the relevant regulations of transfer of financial assets.

③ for financial guarantee contracts that do not fall under above ① or ②, and loan commitments loaning at below-market interest rate that does not belong to the situation of above ①, the Group, as an issuer, shall measure such financial liabilities after initial recognition at the higher of the amount of allowance of losses recognized in accordance with the relevant regulations of impairment of financial instruments and the balance of initial amount net of the accumulated amortization recognized based on the revenue standards.

If a financial liability results from contingent considerations in a business combination not under common control with the Group as a purchaser, the Group shall account for it at fair value through profit or loss.

2) *Conditions of derecognition of financial liabilities*

As the present obligations of a financial liability are wholly or partially discharged, the financial liability or the portion with discharged obligation shall be derecognized. If the Group, with a creditor, signs an agreement whereby the existing financial liabilities are replaced by the new financial liabilities assumed whose contract terms are materially different from those of the existing ones, the Group shall derecognize the existing financial liabilities, while recognize a new financial liability. If contract terms of the existing financial liabilities are amended wholly or partially in essence, the Group shall derecognize the existing financial liabilities or part of them, while recognizing the post-amendment financial liabilities as a new financial liability. The difference between the carrying amount of the derecognition portion and considerations paid is included in profit or loss.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

8. Financial assets and financial liabilities (Continued)

(3) Determination of fair value of financial assets and financial liabilities

The Group shall measure fair values of financial assets and financial liabilities at their prices in the principal market, if there is no principal market, at their prices in the most advantageous market with a valuation technique applicable to the current situation and supported by sufficiently available data and other information. Inputs used in the measurement of fair value divide into three levels, i.e. the first level inputs are the price quotations of the same assets or liabilities obtained at an active market on the date of measurement without adjustment; the second level inputs are observable inputs, directly or indirectly, of the relevant assets or liabilities other than those of the first level inputs; the third level inputs are unobservable inputs of the related assets or liabilities. The Group prioritizes the use of the first-level inputs and then the third-level inputs last. The level to which results of fair value measurement belong is determined by the lowest level to which the inputs that are significant to the fair value measurement as a whole belong.

The Group recognizes equity instrument investments at fair value. But in a limited situation, if the recent information used to determine fair values is not sufficient, or the possibly estimated amounts of fair values are distributed widely, and costs are the best estimates of fair values in such distribution scope, such costs can represent appropriate estimates of fair value in such scope.

(4) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities of the Group are reported separately in the balance sheet, not offsetting mutually, however, they can be presented at a net value after offsetting, if the following conditions are both met: (1) the Group has a legal right to offset the recognized amounts, and the right is executable at present; (2) the Group plans to settle accounts with a net amount, or realize the financial assets and liquidate the financial liabilities at the same time.

(5) Distinction between financial liabilities and equity instruments and their treatment

The Group distinguishes financial liabilities and equity instruments in accordance with the following principles: (1) if the Group cannot avoid performing a contractual obligation by delivery of cash or other financial assets, unconditionally, the contractual obligation satisfies the definition of financial liabilities. Although some financial instruments do not contain the terms and conditions for which the obligation is conducted by delivery of cash or other financial assets, such contractual obligation may be formed indirectly through other terms and conditions. (2) if a financial instrument can or needs to be settled by equity instruments of the Group itself, the Group's equity instruments used in settlement of the instrument shall be considered either as substitutes of cash or other financial assets or for making the holder of the instrument enjoying the remaining equity in assets net of all liabilities by the issuer. If it is the former, the instrument is a financial liability of the issuer, conversely, it is an equity instrument. Under certain situations, a financial instrument contract stipulates that the Group can or needs to settle the instrument by its own equity instruments, of which, the amount of contractual right or contractual obligation equals the quantity of its own equity instruments obtainable or to be delivered multiplying their fair values at the time of settlement, the contract shall be classified as a financial liability, whether the amount of contractual right or contractual obligation is fixed or changeable by changes wholly or partially based on variates other than those of market prices of the Group's own equity instruments.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

8. Financial assets and financial liabilities (Continued)

(5) Distinction between financial liabilities and equity instruments and their treatment (Continued)

All terms and conditions reached between the Group's members and holders of financial instruments shall be considered when the Group makes a classification of financial instruments (or their components) in the consolidated statements. If the Group undertakes an obligation whereby the instrument would be settled by delivery of cash, other financial assets or other ways resulting in the instrument as a financial liability, the instrument shall be classified as a financial liability.

If financial instruments or their components belong to financial liabilities, the relevant interests, dividends (other distributions) and gains or losses, as well as gains or losses arising from redemption or refinancing, etc. shall be recognized in profit or loss for the current period.

If financial instruments or their components belong to equity instruments, the Group shall treat them as equity changes and not recognize fair value change of equity instruments when issuing (including refinancing), repurchasing, selling or cancelling them.

9. Notes receivable

Determination of expected credit losses of notes receivable and their treatment:

For notes receivable not containing a significant financing component that resulted from transactions governed by the Accounting Standards for Business Enterprises No. 14 – Revenue, the Group shall measure their allowance for losses at an amount of expected credit losses over their entire duration.

The Group's accounting estimate policies that expected credit losses would be measured by a single instrument or portfolio based on practical credit losses of previous years and with a consideration of forward-looking information of the current year, are as follows:

Level of single instrument	
Single asset	Accrual of provision for bad debt
Commercial acceptance bill	Loss given default is measured by portfolio
Banker's acceptance bill (held to maturity)	Risk of expected credit losses is minimal

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Notes receivable (Continued)

Determination of expected credit losses of notes receivable:

Below is the judgement on whether credit risk has increased significantly since initial recognition. The Group determines whether the credit risk of a financial instrument has increased significantly by comparing the probability of default over the expected life of the financial instrument as determined at initial recognition with the probability of default over the expected life of the instrument as determined at the balance sheet date. For lower credit risk, it can be assumed that the credit risk of the financial instrument has not increased significantly since initial recognition. Normally, if a financial instrument is more than 30 days past due, it indicates that the credit risk of the financial instrument has increased significantly. This is unless the Group can obtain reasonable and substantiated forward-looking information without undue additional costs or efforts to demonstrate that the credit risk has not increased significantly since initial recognition even if it is more than 30 days past due, it can be determined that the financial instrument has not increased significantly.

Below is the assessment based on the portfolio. For notes receivable, if the Group cannot obtain sufficient information about credit risk increasing significantly at a reasonable cost on a level of single instrument, while it is feasible to assess whether credit risk has increased significantly on the portfolio basis, the Group shall group notes receivable and consider assessing whether credit risk has increased significantly based on the portfolio in accordance with the type of financial instrument, credit risk rating, initial recognition date, and remaining contract period as common risk characteristics.

Below is the measurement of expected credit losses. Expected credit losses are the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows receivable under the contracts and all cash flows expected to be received by the Group, discounted at the original effective interest rate, which is the present value of the total cash shortfall.

The Group calculates the expected credit loss on notes receivable at the balance sheet date. If the expected credit loss is greater than the current carrying amount of the provision for impairment of notes receivable, the Group recognizes the difference as an impairment loss on notes receivable, debiting “loss on impairment of credit” and crediting “provision for bad debts”. Conversely, the Group recognizes the difference as an impairment gain and makes the opposite accounting entry.

The Group incurs credit losses in practice and identifies the related notes receivable are irrecoverable, after approval, their value could be written off. Based on the approved write-off amount, the Group debits “provision for bad debts” and credits “notes receivable”. If the write-off amount is greater than the provision amount made, their difference is debited to “loss on impairment of credit”.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Accounts receivable

Determination of expected credit losses of accounts receivable and their treatment:

For accounts receivable not containing a significant financing component that resulted from transactions governed by the Accounting Standards for Business Enterprises No. 14 – Revenue, the Group shall measure their allowance for losses at an amount of expected credit losses over their entire duration.

Below is the judgement on whether credit risk has increased significantly since initial recognition. The Group determines whether the credit risk of a financial instrument has increased significantly by comparing the probability of default over the expected life of the financial instrument as determined at initial recognition with the probability of default over the expected life of the instrument as determined at the balance sheet date. However, if the Group determines that a financial instrument has only low credit risk at the balance sheet date, it can assume that the credit risk of the financial instrument has not increased significantly since initial recognition. Normally, if a financial instrument is more than 30 days past due, it indicates that the credit risk of the financial instrument has increased significantly. This is unless the Group can obtain reasonable and substantiated information without undue additional costs or efforts to demonstrate that the credit risk has not increased significantly since initial recognition even if it is more than 30 days past due. In determining whether there has been a significant increase in credit risk since initial recognition, the Group considers reasonable and substantiated information, including forward-looking information, that is available without undue additional costs or efforts.

Below is the assessment based on the portfolio. For accounts receivable, if the Group cannot obtain sufficient information about credit risk increasing significantly at a reasonable cost on a level of single instrument, while it is feasible to assess whether credit risk has increased significantly on the portfolio basis, the Group shall group accounts receivable and consider assessing whether credit risk has increased significantly based on the portfolio in accordance with the type of financial instrument, credit risk rating, initial recognition date, and remaining contract period as common risk characteristics.

Below is the measurement of expected credit losses. Expected credit losses are the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows receivable under the contracts and all cash flows expected to be received by the Group, discounted at the original effective interest rate, which is the present value of the total cash shortfall.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Accounts receivable (Continued)

The Group calculates the expected credit loss on accounts receivable at the balance sheet date. If the expected credit loss is greater than the current carrying amount of the provision for impairment of accounts receivable, the Group recognizes the difference as an impairment loss on accounts receivable, debiting “loss on impairment of credit” and crediting “provision for bad debts”. Conversely, the Group recognizes the difference as an impairment gain and makes the opposite accounting entry.

The Group incurs credit losses in practice and identifies the related accounts receivable are irrecoverable, after approval, their value could be written off. Based on the approved write-off amount, the Group debits “provision for bad debts” and credits “accounts receivable”. If the write-off amount is greater than the provision amount made, their difference is debited to “loss on impairment of credit”.

The Group’s accounting estimate policies that expected credit losses would be measured by a single instrument or portfolio based on practical credit losses of previous years and with a consideration of forward-looking information of the current year, are as follows:

Level of single instrument	
Single asset	Accrual of provision for bad debt
Decline in credit rating of transaction objects	Significant increase in credit risk
Aging portfolio	Loss given default is measured by portfolio
Portfolio for low-recovery risk	Risk of expected credit losses is minimal

For long-term receivables containing a significant financing component that is resulted from transactions governed by the Accounting Standards for Business Enterprises No. 14 – Revenue, the Group shall measure their allowance for losses at an amount of expected credit losses over their entire duration. Determination of expected credit losses of long-term receivables is as follows:

Level of single instrument	
Single asset	Accrual of provision for bad debt
Repayment is not due and credit risk is relatively low	Credit impairment has not occurred
Repayment is due and credit risk has not increased significantly since the initial recognition	Loss given default is measured by portfolio

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Receivables financing

Receivables financing describes notes receivable, accounts receivables and others that are measured at fair value through other comprehensive income at the balance sheet date. The Group classifies banker's acceptance bills that have purposes of both collecting contractual cash flows and selling, as well as having a relatively high credit rating, as receivables financing.

The accounting treatment refers to those of financial assets at fair value through other comprehensive income in Note 8. Financial assets and financial liabilities.

12. Other receivables

Determination of expected credit losses of other receivables and their treatment:

The Group measures allowances for losses of other receivables in the following situations: ① for financial assets whose credit risks have not increased significantly since initial recognition, the Group measures them at an amount of expected credit losses over the next 12 months; ② for financial assets whose credit risks have increased significantly since initial recognition, the Group measures them at an amount of expected credit losses over their entire duration; ③ for purchased or originated financial assets that have been impaired on credit, the Group measures them at an amount of expected credit losses over their entire duration.

Below is the assessment based on the portfolio. For other receivables, if the Group cannot obtain sufficient information about credit risk increasing significantly at a reasonable cost on a level of single instrument, while it is feasible to assess whether credit risk has increased significantly on the portfolio basis, the Group shall group other receivables and consider assessing whether credit risk has increased significantly based on the portfolio in accordance with the type of financial instrument, credit risk rating, initial recognition date, and remaining contract period as common risk characteristics.

The Group's accounting estimate policies that expected credit losses would be measured by single instrument or portfolio based on practical credit losses of previous years and with a consideration of forward-looking information of the current year, are as follows:

Level of single instrument	
Single asset	Accrual of provision for bad debt
Decline in credit rating of transaction objects	Aging portfolio increase in credit risk
Aging portfolio	Loss given default is measured by portfolio
Portfolio for low-recovery risk	Risk of expected credit losses is minimal

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

13. Inventories

The Group's inventories mainly include goods in stock, raw materials, circulation materials, etc.

Inventories are valued at actual cost at the time of acquisition under the perpetual inventory system. The actual cost of inventories received or issued is determined by the first-in-first-out method. Low-value consumables and packaging materials are amortized by the 50/50 amortization method.

The net realizable value of inventories of goods held for sale, such as goods in stock, work in process and materials for sale, is determined by the estimated selling price of the inventories, less estimated selling expenses and related taxes; the net realizable value of materials held for production is determined by the estimated selling price of their finished goods, less estimated costs to be incurred to completion, estimated selling expenses and related taxes.

14. Contract assets

(1) Methods and criteria for recognition of contract assets

A contract asset is a right to receive consideration for merchandise that the Group has transferred to a customer and that is dependent on factors other than the passage of time. If the Group sells two clearly distinguishable commodities to a customer and is entitled to receive payment because one of the commodities has been delivered, but the receipt of such payment is also dependent on the delivery of the other commodity, the Group treats the right to receive payment as a contract asset.

(2) Determination of expected credit losses on contract assets and accounting treatment

The method of determining expected credit losses on contract assets refers to the above Note 9. Notes receivable and Note 10. Accounts receivable.

Accounting treatment is as below: if the expected credit loss is greater than the current carrying amount of the provision for impairment of contract assets, the Group recognizes the difference as an impairment loss and debits "Impairment loss on assets" and credits "Provision for impairment of contract assets". Conversely, the Group recognizes the difference as an impairment gain and makes the opposite accounting entry.

The Group incurs credit losses in practice and identifies the related contract assets are irrecoverable, after approval, their value could be written off. Based on the approved write-off amount, the Group debits "provision for impairment of contract assets" and credits "contract assets". If the write-off amount is greater than the provision amount made, their difference is debited to "impairment loss of assets".

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

15. Contract costs

(1) Determination of the amount of assets related to contract costs

The Group's assets related to contract costs include contract performance costs and contract acquisition costs.

Contract performance costs, which are costs incurred by the Group to perform a contract that is not regulated by the relevant regulations of the Accounting Standards for Business Enterprises and meet the following conditions at the same time, are recognized as a contract performance cost as an asset: the cost is directly attributable to a current or expected contract, including direct labor, direct materials, manufacturing costs (or similar costs), costs explicitly borne by the customer and other costs incurred solely in connection with that contract; the cost increases the Group's future resources available to meet its performance obligations; and the cost is expected to be recovered.

Contract acquisition costs, which are incremental costs incurred by the Group to obtain a contract that is expected to be recovered, are recognized as contract acquisition costs as an asset; if the asset is amortized over a period of not more than one year, it is recognized in profit or loss as incurred. Incremental costs are costs that the Group would not have incurred without obtaining the contract (e.g., sales commissions, etc.). Expenses incurred by the Group to obtain a contract other than incremental costs that are expected to be recovered (such as travel expenses that would have been incurred regardless of whether the contract was obtained) are recognized in profit or loss as incurred, except for those explicitly borne by the customer.

(2) Amortization of assets related to contract costs

The Group's assets related to contract costs are amortized to current profit or loss using the same basis as the revenue recognition of the commodity to which the asset relates.

(3) Impairment of assets related to contract costs

In determining loss on impairment of assets related to contract costs, the Group first determines impairment losses on other assets related to contracts recognized in accordance with the relevant regulations of the Accounting Standards for Business Enterprises; then, based on the difference between the carrying value of the assets and the remaining consideration that the Group expects to obtain for the transfer of the commodity-related to the assets and the estimated costs to be incurred for the transfer of the related commodity, the excess should be provided for impairment and recognized as an asset impairment loss.

If there is a subsequent change in the factors for impairment in previous periods, such that the aforementioned difference is higher than the carrying amount of the assets, the original provision for impairment is reversed and recognized in profit or loss, but the carrying amount of the reversed assets should not exceed the carrying amount of the assets at the date of reversal assuming no provision for impairment was made.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

16. Long-term equity investments

The Group's long-term equity investments are mainly investments in subsidiaries, associates, and joint ventures.

The Group's judgement basis on joint control is that all parties or groups of parties jointly control the arrangement, and its relevant activities require the unanimous consent of the parties sharing control.

If the Group holds, directly or indirectly through subsidiaries, more than 20% but less than 50% of the voting power of the investee, it is normally presumed that the Group has a significant influence on the investee; if the voting power held is below 20%, it is also required to judge that it has significant influence over the investee by taking into account the facts and circumstances such as having representatives on the Board of Directors or similar authority of the investee, or participating in the process of formulating financial and operating policies of the investee, or having significant transactions with the investee, or sending management personnel to the investee, or providing key technical information to the investee.

An investee shall be considered a subsidiary of the Group if the Group controls it. Long-term equity investments acquired through business combinations under common control are measured at the initial investment cost at the date of combination based on the acquisition of the combined party's share of the carrying value of the net assets of the ultimate controlling party in the consolidated statements. If the carrying value of the net assets of the combined party at the date of combination is negative, the cost of long-term equity investments is determined at zero.

When the Group acquires an equity interest in an investee under common control through multiple transactions in stages, resulting in a business combination, the Group accounts for each transaction as a single transaction for the acquisition of control. If the transactions do not belong to a package deal, the initial investment cost of the long-term equity investment is based on the share of the carrying value of the net assets of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the initial investment cost and the sum of the book value of the long-term equity investment before reaching combination plus the book value of the consideration paid for further acquisition of shares at the date of combination is adjusted against the capital reserve, and if the capital reserve is not sufficient to cover the reduction, it is offset against retained earnings.

For a long-term equity investment acquired in a business combination not under common control, the Group shall use the cost of the combination as the initial investment cost of the long-term equity investment.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

16. Long-term equity investments (Continued)

If the Group acquires the equity of the investee by steps through multiple transactions not under common control, eventually forming a business combination, and which belongs to a package deal, each transaction shall be regarded as a single transaction that acquires control. Conversely, if that is not a package deal, the sum of the carrying amount of equity investment originally held plus additional investment costs shall be accounted for as initial investment cost under the cost method. If the equity held before the date of purchase is accounted for under the equity method, the relevant other comprehensive income accounted by the original equity method shall not be adjusted temporarily, and the disposal of such investment shall be based on the same basis as related assets or liabilities by the investee. For equity held before the date of purchase that is designated as a non-trading equity instrument, the accumulated changes in fair value previously recognized in other comprehensive income shall not be transferred into profit or loss.

Except for the above long-term equity investments acquired through business combinations, if a long-term equity investment is acquired by paying cash, the investment cost shall be recognized as the purchase price actually paid, if by issuing equity securities, as the fair value of equity securities issued; for a long-term equity investment invested by the investor, its investment cost shall be reported at the agreed value under the investment contract or agreement; if the Group has a long-term equity investment that is acquired by debt restructuring, exchange of non-monetary assets and other ways, its investment costs shall be determined in accordance with the relevant regulations of the Accounting Standards for Business Enterprises and considering the disclosures on practical situations of the Company.

The Group uses the cost method for investments in subsidiaries, and the equity method for investments in joint ventures and associates.

If additional investment is made on long-term equity that is subsequently measured under the cost method, the carrying amount of the investment cost shall be increased by the fair value of the cost paid in additional investment and the related transaction expenses. For the cash dividends or profits distributed by the investee, the investment income shall be recognized in accordance with the amount to be entitled.

The carrying amount of a long-term equity investment that is subsequently accounted for under the equity method shall be increased or decreased according to the changes in the owner's equity of the investee. In particular, the share of net profits or losses of the investee to be entitled shall be recognized based on the fair value of identifiable assets as acquiring investment, in accordance with the accounting policies and accounting periods of the Group, after adjusting the net profits of the investee with offsetting the portion of unrealized internal transaction gains or losses incurred with associates and joint ventures that are attributable to the investee on the basis of shareholding percentage.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

16. Long-term equity investments (Continued)

Upon the disposal of a long-term equity investment, the difference between the carrying amount and the price actually received is included in investment income. For long-term equity investments accounted for under the equity method, when the equity method is terminated, the relevant other comprehensive income recognized by the original equity method shall be accounted for on the same basis as the direct disposal of the relevant assets or liabilities by the investee, and the owner's equity arising from the changes in other owner's equity of the investee other than net profits or losses, other comprehensive income and profit distribution shall be fully transferred into investment income on a pro-rata basis.

If the Group has no longer joint control of, or significant influence over, the investee due to the disposal of part of the equity investment or other reasons, and the Accounting Standards for Business Enterprises No.22 – Recognition and Measurement of Financial Instruments (Caikuai [2017] No. 7) can be applied to the accounting of the remaining equity after the disposal, the difference between the fair value and the carrying amount of the remaining equity, at the date the joint control or significant influence loses, shall be included in profit or loss. When the equity method is terminated, the other comprehensive income arising from the original equity investment under the equity method shall be accounted for on the same basis as the direct disposal of the relevant assets or liabilities by the investee and carried forward by proportion, the owner's equity resulting from the changes in other owner's equity of the investee other than net profits or losses, other comprehensive income and profit distribution shall be transferred proportionally into investment income.

If the Group loses control of the investee because of disposal of part of the long-term equity investment, and the remaining equity after the disposal shall enable the Group to exercise joint control of, or have significant influence over, the investee, the remaining equity shall be accounted for in accordance with the equity method, and the difference between the carrying amount of disposed equity and the consideration for disposal shall be included in investment income, as well as the remaining equity shall be adjusted regarding as being accounted for under the equity method since the time of acquisition; if the remaining equity after the disposal shall not exercise the joint control of, or have significant influence over, the investee and be accounted for to which the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (Caikuai [2017] No. 7) is applied, the difference between the carrying amount of disposed equity and the consideration for disposal shall be included in investment income, and the difference between the fair value and the carrying amount of the remaining equity, at the date the control loses, shall be included in profit or loss.

For all transactions that dispose of equity by steps to lose control of the equity that is not a package deal, the Group shall separately account for each transaction. If they belong to a package deal, all transactions shall be treated as a single transaction that disposes of a subsidiary to lose control; however, the difference between the disposal price of each transaction and the carrying amount of long-term equity investment corresponding to the disposed of equity shall be recognized as other comprehensive income before losing the control, then shall be fully transferred into profit or loss in the period control loses.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

17. Investment properties

The Group's investment properties include buildings and parking spaces that have been acquired for rental purposes and are measured using the fair value model.

When self-use properties or inventories are converted to investment properties or investment properties are converted to self-use properties, the book value before conversion is used as the carrying amount after conversion.

Investment properties are derecognized when they are disposed of, or permanently withdrawn from use and no economic benefits are expected from their disposal. Proceeds from the disposal of investment properties that are sold, transferred, scrapped or destroyed, net of their carrying amounts and related taxes, are recognized in profit or loss for the current period.

18. Fixed assets

The Group's fixed assets are tangible assets that have both the following characteristics, i.e. they are held for the production of goods, provision of services, rental or operation management and have a useful life of more than one year and their unit value is over RMB2,000.

Fixed assets are recognized when it is probable that the economic benefits associated with them will flow to the Group and their cost can be measured reliably. The Group's fixed assets include general equipment, special equipment, transportation equipment and other equipment, etc.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

18. Fixed assets (Continued)

The Group depreciates all fixed assets, except for fully depreciated fixed assets that continue to be used and land that is separately recorded in the accounts. Depreciation is provided using the average life method. The categorized depreciable lives, estimated net salvage value and depreciation rates of the Group's fixed assets are as follows:

SN	Category	Depreciation life (years)	Estimated residual value (%)	Annual depreciation rate (%)
1	General equipment	3-10	5	9.5%-31.67%
2	Transportation equipment	5	5	19%
3	Special equipment	5	5	19%
4	Other equipment	5	5	19%

The Group reviews the estimated useful lives, estimated net residual values and depreciation methods of fixed assets at the end of each year and treats changes, if any, as changes in accounting estimates.

19. Construction in progress

On the date when the construction in progress reaches its intended useable state, fixed assets are carried forward at the estimated value based on the project budget, cost or actual cost of the project, etc. Depreciation starts from the following month, and the difference in the original value of fixed assets is adjusted after the completion of the final accounting procedures for completion.

20. Borrowing costs

For borrowing costs incurred that are directly attributable to a fixed asset, investment properties and inventories that require more than one year of acquisition or production activity to reach their intended use or saleable condition, etc., capitalization begins when expenditure on the asset has been incurred, borrowing costs have been incurred, and the acquisition or production activities necessary to bring the asset to its intended use or saleable condition have commenced; capitalization ceases when the acquisition or production of the asset eligible for capitalization reaches its intended use or saleable condition, subsequent borrowing costs incurred are recognized in profit or loss. If there is an unusual interruption in the acquisition or production of the asset eligible for capitalization and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended until the acquisition or production of the asset resumes.

Interest expenses actually incurred in the period on special borrowings are capitalized, net of interest income earned on unused borrowed funds deposited in banks or investment income earned on temporary investments; general borrowings are capitalized based on the weighted-average amount of accumulated asset expenses in excess of the portion of special borrowings multiplied by the weighted-average interest rate of the general borrowings occupied. The capitalization rate is determined based on the weighted average interest rate of general borrowings.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

21. Right-of-use assets

A right-of-use asset is the right of the Group, as lessee, to use the leased asset for the term of the lease.

(1) Initial measurement

At the inception date of the lease term, the Group initially measures a right-of-use asset at cost. This cost includes the following four items: ① the initial measurement amount of the lease liability; ② the amount of lease payments made on or before the commencement date of the lease term for which a lease incentive exists, less the amount relating to the lease incentive already taken; ③ the initial direct costs incurred, being the incremental costs incurred in arriving at the lease; ④ costs expected to be incurred to dismantle and remove the leased asset, to restore the site on which the leased asset is located or to restore the leased asset to its agreed condition under the terms of the lease, other than those incurred for the production of inventory.

(2) Subsequent measurement

After the commencement date of the lease term, the Group adopts the cost model for subsequent measurement of a right-of-use asset, which is to measure a right-of-use asset at cost less accumulated depreciation and accumulated impairment losses, and if the Group remeasures the lease liability in accordance with the relevant provisions of the leasing standards, the book value of the right-of-use asset is adjusted accordingly.

Depreciation of right-of-use assets

The Group depreciates a right-of-use asset from the beginning of the lease term. A right-of-use asset is generally depreciated from the month in which the lease term commences. The amount of depreciation provided is charged to the cost of the relevant asset or to the current profit or loss, depending on the use to which the right-of-use asset is put.

In determining the depreciation method for a right-of-use asset, the Group makes decisions based on the manner in which the economic benefits associated with the right-of-use asset are expected to be consumed and depreciates the right-of-use asset on a straight-line basis.

In determining the depreciable life of a right-of-use asset, the Group follows the following principles: where it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is charged over the remaining useful life of the leased asset; where it is not reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is charged over the shorter of the lease term and the remaining useful life of the leased asset.

Impairment of right-of-use assets

If a right-of-use asset is impaired, the Group applies subsequent depreciation to the carrying value of the right-of-use asset, net of impairment losses.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

22. Intangible assets

The Group's intangible assets, including software use rights and so on, are measured at actual costs at the time of acquisition, of which, acquired intangible assets are measured at actual costs based on the prices actually paid and other related expenses. The actual costs of intangible assets invested by investors shall be determined at the value agreed in the investment contracts or agreements, but if the agreed value in the contracts or agreements is not fair, the actual costs shall be determined at fair value.

23. Impairment of long-term assets

The Group examines long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful life and operating lease assets at each balance sheet date, and performs impairment tests when there is an indication of impairment. Goodwill and intangible assets within definite useful life are tested for impairment at the end of each year, regardless of whether there is an indication of impairment.

After the impairment test, if the carrying amount of the asset exceeds its recoverable amount, the difference is recognized as an impairment loss. Once an impairment loss is recognized for the above asset, it will not be reversed in subsequent accounting periods. The recoverable amount of an asset is the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows.

Indications of impairment are as follows:

- (1) A significant decline in the market value of the asset in the current period that is significantly greater than the decline that would be expected due to the passage of time or normal use;
- (2) Significant changes in the economic, technological or legal environment in which the enterprise operates and the market in which the assets are located occur in the current period or will occur in the near future, which adversely affects the enterprise;
- (3) Market interest rates or other market rates of return on investments have increased in the current period, thereby affecting the discount rate at which the enterprise calculates the present value of the expected future cash flows from the asset, resulting in a significant reduction in the recoverable amount of the asset;
- (4) Evidence indicates that the asset is obsolete or its entity has been damaged;
- (5) The assets have been or will be idle, discontinued or planned for early disposal;
- (6) Evidence reported within the enterprise indicates that the economic performance of the asset has fallen or will fall short of expectations, such as when the net cash flow generated by the asset or the operating profit (or loss) realized is significantly lower (or higher) than the projected amount;
- (7) Other indications that the asset may have been impaired.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

24. Long-term deferred expenses

The Group's long-term deferred expenses include renovation costs and start-up costs. These costs are amortized evenly over the benefit period, and if an item of long-term deferred expenses does not benefit subsequent accounting periods, the entire unamortized amortization value of the item is transferred to the current profit or loss.

25. Contract liabilities

Contract liabilities reflect the Group's obligations to transfer goods to customers for which consideration has been received or is receivable from customers. Where the Group has paid the contractual consideration or the Group has acquired the unconditional right to receive the contractual consideration before transferring the goods to the customer, contractual liability is recognized at the earlier of the actual payment made by the customer or the amount due and payable, in the amount received or receivable.

26. Employee benefits

The Group's employee benefits comprise short-term benefits, post-employment benefits, termination benefits and other long-term benefits.

Short-term benefits mainly include employees' salaries, bonuses, allowances and subsidies, employee benefits, and social insurance contributions, such as medical insurance premiums, industrial injury insurance premiums and maternity insurance premiums, housing fund, labor union expenses, employee education expenses and other short-term benefits. Actual short-term benefits incurred are recognized as liabilities in the accounting period in which the employees render services and are charged to the current profit or loss or the cost of the related assets by the beneficiary.

Post-employment benefits, which mainly include basic pension contributions and unemployment insurance, are classified as defined contribution plans in accordance with the risks and obligations assumed by the Company. For defined contribution plans, a liability is recognized on the basis of contributions made to a separate entity at the balance sheet date in exchange for services rendered by employees during the accounting period and is charged to the current profit or loss or to the cost of the related asset by the beneficiary.

Termination benefits refer to compensation to employees who terminate their employment relationship with the Group before the expiration of their employment contracts or to encourage them to voluntarily accept redundancy. Liability for employee compensation arising from termination benefits is recognized at the date of termination of employment and recognized in profit or loss, with compensation paid for more than one year discounted at an appropriate discount rate and recognized in profit or loss.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Lease liabilities

(1) Initial measurement

The Group initially measures the lease liability at the present value of the lease payments outstanding at the commencement date of the lease term.

1) *Lease payment*

Lease payments, being payments made by the Group to the lessor in connection with the right to use the leased asset during the lease term, including: ① fixed payments and substantially fixed payments, net of amounts relating to lease incentives, where lease incentives exist; ② variable lease payments that depend on an index or rate that is determined at the time of initial measurement based on the index or rate at the beginning of the lease term; ③ the Group reasonably determines the exercise price of the purchase option when it will be exercised; ④ the lease term reflects the amount required to be paid to exercise the option to terminate the lease when the Group will exercise the option to terminate the lease; ⑤ the amount expected to be payable based on the residual value of the guarantee provided by the Group.

2) *Discount rate*

The Group, in calculating the present value of the lease payments, uses the interest rate implicit in the lease as a discount rate, the rate is the rate that makes the sum of the present value of the lessor's lease receipts and the present value of the unguaranteed residual value equal to the sum of the fair value of the leased asset and the lessor's initial direct costs. The Group uses an incremental borrowing rate as a discount rate if the interest rate implicit in the lease cannot be determined. The incremental borrowing rate refers to the interest rate that the Group would have to pay to obtain an asset with a value close to that of the right-of-use asset in a similar economic environment and to borrow funds under similar mortgage terms for a similar period of time. The interest rate is related to: ① the Group's own situation, i.e., its solvency and credit standing; ② the term of the "borrowing", i.e., the lease term; ③ the amount of the "borrowed" funds, i.e., the amount of the lease liabilities; and ④ the "mortgage terms", i.e., the nature and quality of the target asset; ⑤ economic environment, including the jurisdiction in which the lessee is located, the currency of denomination, the time of contract signing, etc. The Group arrives at this incremental borrowing rate based on the bank loan interest rate, and adjustments by considering the above factors.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Lease liabilities (Continued)

(2) Subsequent measurement

After the beginning date of the lease term, the Group makes subsequent measurements of the lease liability according to the following principles: ① when confirming the interest of the lease liability, increase the booking amount of the lease liability; ② when paying the lease payment, reduce the carrying amount of the lease liability; ③ when the lease payment changes due to revaluation or lease change, the book value of the lease liability shall be remeasured.

The Group calculates the interest expense on lease liabilities at a fixed periodic rate for each period of the lease term and recognizes it in profit or loss for the current period, except when it should be capitalized. The periodic interest rate is the discount rate used by the Group for the initial measurement of the lease liability or the revised discount rate used by the Group when the lease liability is required to be remeasured at the revised discount rate due to a change in the lease payments or due to a change in the lease.

(3) Remeasurement

After the beginning date of the lease term, in case of the following circumstances, the Group shall remeasure the lease liability according to the present value of the lease payment after the change, and adjust the book value of the right-to-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group will include the remaining amount in the current profit and loss. ① The actual fixed payment amount changes (in this case, the original discount rate is adopted); ② The expected payable amount of the guaranteed residual value changes (in this case, the original discount rate is adopted); ③ Changes in the index or rate used to determine the amount of lease payments (in this case, discounted at the revised discount rate); ④ The evaluation result of the purchase option changes (in this case, the revised discount rate is adopted); ⑤ The evaluation result of the renewal option and the termination option or the actual exercise of the options changes (in this case, the revised discount rate is adopted).

28. Provisions

The Group recognizes a liability when operations related to contingencies such as external guarantees, discounting of commercial acceptances, pending litigation or arbitration, product quality guarantees, etc. meet the following conditions at the same time: the obligation is a present obligation assumed by the Group; it is probable that the performance of the obligation will result in an outflow of economic benefits to the enterprise; and the amount of the obligation can be measured reliably.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Share-based payment

Equity-settled share-based payments made in exchange for services rendered by the employees are measured at the fair value of equity instruments granted to the employees at the grant date. The amount of this fair value is included in the related costs or expenses on a straight-line basis during the waiting period based on the best estimate of the number of available equity instruments, with a corresponding increase in capital reserves, if the services are completed during the waiting period or if the required performance conditions are met before the right is granted.

Cash-settled share-based payments are measured at the fair value of the liabilities assumed by the Group that are determined on the basis of shares or other equity instruments. If the right is granted immediately, the related costs or expenses are recognized at the fair value of the liability assumed at the date of grant, increasing the liability accordingly; If the right is required to complete services during the waiting period or to meet specified performance conditions, at each balance sheet date in the waiting period, services acquired in the current period are charged to costs or expense and the liability is adjusted accordingly, based on the best estimate of the availability of the right, to the fair value of the liability assumed by the Group.

The fair value of the liability is remeasured at each balance sheet date and at the balance sheet date prior to the settlement of the related liability, and the change is recognized in profit or loss for the current period.

If the Group cancels the equity instruments granted during the waiting period (except for those cancelled because the conditions for exercising the rights have not been met), the cancellation is treated as an accelerated exercise, which means that the equity payment plan for the remaining waiting period is treated as if the conditions for exercising the rights had been fully met, and all expenses for the remaining waiting period are recognized in the period when the equity instruments granted are cancelled.

30. Revenue recognition principles and measurement methods

The Group recognizes revenue when it has fulfilled its performance obligations under the contract, i.e., when the customer obtains control of the relevant goods.

If a contract contains two or more performance obligations, the transaction price is apportioned to each individual performance obligation by the Group at the beginning of the contract in the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation, and the revenue is measured according to the transaction price apportioned to each individual performance obligation.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Revenue recognition principles and measurement methods (Continued)

The transaction price is the amount of consideration to which the Group is expected to be entitled as a result of the transfer of goods or services to the customer, excluding amounts received on behalf of third parties. The transaction price recognized by the Group shall not exceed the amount for which it is highly probable that there will be no material reversal of the revenue recognized in the aggregate when the relevant uncertainty is removed. Expected refunds to customers as liabilities are not included in the transaction price. If there is a significant financing component in the contract, the transaction price is determined by the Group on the basis of the amount payable in cash by the customer as control of goods is acquired. The difference between this transaction price and the contract consideration is amortized over the term of the contract using the effective interest method. If the interval between the transfer of the control and the customer's payment of the price is expected to be less than one year at the contract commencement date, the existence of a significant financing component in the contract is not considered.

The performance obligations in contracts are fulfilled within a certain time period when one of the following conditions is met; otherwise, performance obligations are fulfilled at a point in time:

1. The customer acquires and consumes the economic benefits of the Group's performance at the same time as the performance.
2. The customer is able to control the goods under construction in the course of the Group's performance.
3. The goods produced in the course of the Group's performance are irreplaceable and entitled to receive payment by the Group for the cumulative portion of performance completed to date throughout the term of the contract.

For performance obligations to be performed within a certain period of time, the revenue is recognized by the Group in accordance with the progress of performance over that period of time, the progress of performance is determined by the input method. When the progress of performance is not reasonably determinable, the revenue is recognized in the amount of costs already incurred that are expected to be reimbursed until the progress of performance can be reasonably determined.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Revenue recognition principles and measurement methods (Continued)

For performance obligations performed at a point in time, the revenue is recognized by the Group at the point in time when the customer obtains control of the related goods or services. In determining whether the customer has acquired control of the goods or services, the following indications are considered:

1. The Group has a present right to receive payment for the goods or services.
2. Legal ownership of the goods has been transferred by the Group to the customer.
3. The physical transfer of the goods has been made by the Group to the customer.
4. The principal risks and rewards of ownership of the goods have been transferred by the Group to the customer.
5. The customer has accepted the goods.

The Group's rights to receive consideration for goods or services transferred to customers are presented as contract assets, which are impaired on the basis of expected credit losses. The Group's unconditional rights to receive consideration from customers that are owned are presented as receivables. The Group's obligation to transfer goods or services to customers for which consideration is receivable for goods received is presented as a contractual liability.

Specific methods of revenue recognition

The Group mainly provides property management services and related value-added services. Service revenue is recognized in the accounting period in which the Group provides the services and the customer simultaneously accepts and consumes the benefits provided by the Group's performance.

(1) *Property management services*

For property management services, the Group receives a fixed amount for services rendered and recognizes it as revenue on an annual, quarterly or monthly basis, to the extent that the Group is entitled to invoice and the amount corresponds directly to the value performed.

The Group, as the principal, is responsible for providing property management services to the owners of properties managed under the complete rationing system and is entitled to receive revenue based on the value of property management service fees received or receivable, as well as to recognize all related property management costs as service costs.

(2) *Non-owner value-added services*

Non-owner value-added services mainly include engineering services, pre-planning and design consultancy services, cleaning, security, landscaping, maintenance and repair services and property brokerage services provided to property developers in the pre-delivery phase. The Group agrees on the price of each service with the customer.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Revenue recognition principles and measurement methods (Continued)

Specific methods of revenue recognition (Continued)

(3) *Community value-added services*

Community value-added services are primarily related to services provided to property owners, including lifestyle services, residential property brokerage and others, and the revenue is recognized when the related community value-added services are provided. Transaction payments are immediately due when the community value-added services are provided to the customer.

The revenue from the sale of goods, which is included in community value-added services, is recognized when the Group delivers the relevant goods to the buyer and the recoverability of the related consideration is reasonably assured.

For non-owner and owner value-added services other than property brokerage services, the Group recognizes revenue over the contract period by reference to the progress to the full achievement of the performance obligation. Progress to full performance obligation is the amount reflected in the expected entitlement to consideration, and it is measured, depending on the nature of the contract, primarily by reference to (a) the proportion of contract costs incurred for work performed to date to the total estimated cost of each contract; or (b) the completion of an actual proportion of the contract work.

For property brokerage services, the Group acts as a sales agent and receives a commission based on the contract purchase price. The revenue from brokerage services is recognized at the point when the corresponding services are rendered.

Where a contract involves the sale of multiple services, the transaction price is allocated to each performance obligation based on its relative stand-alone selling price. If the stand-alone selling price is not directly observable, it is estimated on the basis of expected costs plus profit margin or using an adjusted market valuation method, depending on the availability of observable data.

31. Government grants

Government grants are monetary assets or non-monetary assets that the Group obtains from the government without consideration. Among them, asset-related government grants refer to government grants obtained by the Group for the acquisition and construction or other formation of long-term assets; revenue-related government grants refer to government grants other than asset-related government grants. If the objects of subsidies are not specified in government documents, the Group makes a judgment in accordance with the above distinction principles, and if it is difficult to distinguish them, they are classified as revenue-related government subsidies as a whole.

Government grants are measured at the amount actually received if they are monetary assets, or at the amount receivable if there is conclusive evidence that the relevant conditions set forth in the financial support policy can be met and the financial support funds are expected to be received at the end of the period. If the government grants are non-monetary assets and their fair value that cannot be reliably obtained, they shall be measured at the nominal amount (RMB1).

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

31. Government grants (Continued)

Government grants related to assets are recognized as deferred income, and the government grants related to assets recognized as deferred income are recognized in profit or loss on a straight-line basis over the useful life of the related assets.

If the related assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the unallocated balance of the related deferred gain is transferred to profit or loss in the period in which the assets are disposed of.

Government grants related to revenue, which are used to compensate for related costs and expenses or losses in subsequent periods, are recognized as deferred income and recognized in profit or loss or reduced by related costs in the period in which the related costs and expenses or losses are recognized; those used to compensate for related costs and expenses or losses already incurred are recognized directly in profit or loss or reduced by related costs. Government subsidies related to ordinary activities are recognized in other income or reduced by related costs and expenses in accordance with the substance of the economic operations. Government subsidies not related to ordinary activities are recognized as non-operating income and expenses.

32. Deferred tax assets and deferred tax liabilities

The Group's deferred tax assets and deferred tax liabilities are recognized based on the difference between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax assets are recognized for deductible losses and tax credits that can be offset against taxable income in subsequent years in accordance with the provisions of the tax law as if they were temporary differences. For temporary differences arising from the initial recognition of goodwill, no corresponding deferred tax liabilities are recognized. For temporary differences arising from the initial recognition of assets or liabilities in transactions other than business combinations that affect neither accounting profit nor taxable income (or deductible losses), the corresponding deferred tax assets and deferred tax liabilities are not recognized. At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is recovered or the liability is settled.

The Group recognizes deferred tax assets to the extent that it is probable that future taxable income will be available against which deductible temporary differences, deductible losses and tax credits can be utilized.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Lease

(1) Identification of leases

A lease is a contract whereby the lessor cedes the right to use an asset to the lessee for a certain period of time for consideration. At the inception date of the contract, the Group assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more identified assets for a specified period of time in exchange for consideration. To determine whether the contract cedes the right to control the use of the identified asset for a certain period of time, the Group assesses whether the customer under the contract is entitled to substantially all of the economic benefits arising from the use of the identified asset during the period of use and has the right to dominate the use of the identified asset during that period of use.

If a contract contains several separate leases, the Group splits the contract and accounts for each separate lease separately. If a contract contains both lease and non-lease components, the Group splits the lease and non-lease components for accounting purposes.

(2) The Group as lessee

1) *Recognition of leases*

The Group recognizes a right-of-use asset and a lease liability for leases at the inception date of the lease term. The recognition and measurement of right-of-use assets and lease liabilities refer to Note IV. 21. Right-of-use assets and 27. Lease liabilities.

2) *Lease modification*

Lease modification refers to the modification of lease scope, lease consideration and lease term other than the original contract terms, including adding or terminating the right to use one or more leased assets, extending or shortening the lease term stipulated in the contract, etc. The effective date of lease modification refers to the date when both parties agree on the lease modification.

The Group shall account for a lease modification as a separate lease if both: ① the modification increases the scope of the lease by adding the right to use one or more underlying assets; ② the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Lease (Continued)

(2) The Group as lessee (Continued)

2) *Lease modification* (Continued)

If a lease modification is not accounted for as a separate lease, on the effective date of the lease modification, the Group re-determines the lease term after the modification by apportioning the consideration of the modified contract in accordance with the relevant provisions of the Lease Standards; and the lease payments after the modification are discounted using the revised discount rate to re-measure the lease liability. In calculating the present value of the lease payments after the modification, the Group uses the interest rate embedded in the lease for the remaining lease term as the discount rate; if the interest rate embedded in the lease for the remaining lease term cannot be determined, the Group uses the incremental borrowing rate of the lessee as of the effective date of the lease change as the discount rate. With respect to the effect of the above lease liability adjustments, the Group distinguishes the following scenarios for accounting purposes: ① If a lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the lessee shall reduce the carrying value of the right-of-use asset and recognize the gain or loss related to the partial termination or complete termination of the lease in profit or loss for the current period. ② If other lease modifications result in a remeasurement of the lease liability, the lessee adjusts the carrying amount of the right-of-use asset accordingly.

3) *Short-term leases and low-value asset leases*

For short-term leases with lease terms of up to 12 months and leases of low-value assets with a lower value when the individual leased assets are brand-new, the Group chooses not to recognize right-of-use assets and lease liabilities. The Group recognizes lease payments for short-term leases and leases of low-value assets in the cost of the related assets or in profit or loss for the current period on a straight-line basis or other systematic and reasonable bases in each period of the lease term.

(3) The Group as the lessor

On the basis that the contract assessed in (1) is a lease or contains a lease, the Group, as the lessor, classifies the lease into a finance lease and an operating lease as of the lease commencement date.

If a lease transfers substantially all the risks and rewards associated with ownership of the leased asset, the lessor classifies the lease as a finance lease and leases other than finance leases as operating leases.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Lease (Continued)

(3) The Group as the lessor (Continued)

A lease is normally classified as a finance lease if one or more of the following circumstances exist: ① at the end of the lease term, ownership of the leased asset is transferred to the lessee; ② the lessee has the option to purchase the leased asset and the purchase price entered into is sufficiently low compared to the fair value of the leased asset at the time the option is expected to be exercised so that it is reasonably certain that the lessee will exercise the option at the lease inception date; ③ although ownership of the asset does not pass, the lease term represents the majority of the useful life of the leased asset (not less than 75% of the useful life of the leased asset); ④ at the lease inception date, the present value of the lease receipt amount is almost equal to the fair value of the leased asset (not less than 90% of the fair value of the leased asset.); ⑤ the leased asset is special in nature and can only be used by the lessee if no major modifications are made. The Group may also classify a lease as a finance lease if one or more of the following indications exist: ① if the lessee revokes the lease, the loss to the lessor caused by the revocation is borne by the lessee; ② the gain or loss arising from fluctuations in the fair value of the residual value of the asset is attributed to the lessee; and ③ the lessee has the ability to continue the lease to the next period at a rent much lower than the market level.

1) *Accounting for finance leases*

Initial measurement

On the commencement date of the lease term, the Group recognizes finance lease receivables for finance leases and derecognizes the finance lease assets. For the initial measurement of finance lease receivables, the Group uses the net lease investment as the recorded value of the finance lease receivables.

The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate embedded in the lease. The lease receipt amount, which is the amount receivable by the lessor from the lessee for ceding the right to use the leased asset during the lease term, includes: ① the fixed payment amount to be paid by the lessee and the substantial fixed payment amount; if there is a lease incentive, the amount related to the lease incentive is deducted; ② the variable lease payment amount that depends on the index or rate, which is determined at the time of initial measurement based on the index or rate at the beginning of the lease term; ③ the exercise price of the purchase option, provided that it is reasonably certain that the lessee will exercise the option; ④ the amount to be paid by the lessee to exercise the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; ⑤ the residual value of the guarantee provided to the lessor by the lessee, a party related to the lessee, and an independent third party with the financial ability to meet the guarantee obligation.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Lease (Continued)

(3) The Group as the lessor (Continued)

1) *Accounting for finance leases* (Continued)

Subsequent measurement

The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. The periodic rate is the discount rate embedded in the net lease investment (in the case of a sublease, if the embedded interest rate of the sublease cannot be determined, the discount rate of the original lease is used (adjusted for the initial direct costs associated with the sublease), or if a change in a finance lease is not accounted for as a separate lease and the lease would have been classified as a finance lease if the change had been effective at the lease inception date. The revised discount rate is determined in accordance with the relevant regulations if the change is not accounted for as a separate lease.

Accounting for lease changes

If a change in a finance lease occurs and both of the following conditions are met, the Group will account for the change as a separate lease: ① the change expands the scope of the lease by adding the right to use one or more leased assets; ② the increased consideration is equivalent to the separate price of the expanded portion of the lease-adjusted for the circumstances of that contract.

If a change in a finance lease is not accounted for as a separate lease and the condition that the lease would have been classified as an operating lease had the change been effective on the commencement date of the lease is met, the Group accounts for the lease as a new lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the carrying amount of the leased asset.

2) *Accounting for operating leases*

Handling of rent

The Group recognizes lease receipts from operating leases as rental income using the straight-line method during each period of the lease term.

Incentives offered

If a rent-free period is provided, the Group allocates the total rental income on a straight-line basis over the entire lease term without deducting the rent-free period, and rental income should be recognized over the rent-free period. If the Group bears certain expenses of the lessee, such expenses shall be deducted from the total rental income and allocated over the lease term according to the balance of the rental income after deduction.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Lease (Continued)

(3) The Group as the lessor (Continued)

2) Accounting for operating leases (Continued)

Initial direct costs

The initial direct costs incurred by the Group in connection with operating leases should be capitalized to the cost of the assets subject to the leases and amortized to current profit or loss over the lease terms on the same recognition basis as rental income.

Depreciation

For fixed assets under operating leases, the Group uses the depreciation policy for similar assets to provide depreciation; for other operating lease assets, a systematic and reasonable method is used to amortize them.

Variable lease payments

Variable lease payments acquired by the Group in connection with operating leases that are not included in the lease receipts are recognized in profit or loss when they are actually incurred.

Change of operating lease

If a change in an operating lease occurs, the Group accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease prior to the change is considered to be the amount received under the new lease.

34. Changes in significant accounting policies and accounting estimates

None.

V. TAXES

1. Major tax types and tax rates

Tax type	Tax basis	Tax rate
Value-added tax	Value-added tax payable	1%, 3%, 5%, 6%, 9%, 13%
City maintenance and construction tax	Value-added tax payable	7%
Education fee surcharge	Value-added tax payable	3%
Local education fee surcharge	Value-added tax payable	2%
Corporate income tax	Taxable income	20% · 25%

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V. TAXES (Continued)

1. Major tax types and tax rates (Continued)

Different corporate income tax rates are described by taxable entity:

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
1	Roiserv Lifestyle Service Co., Ltd.	25%	No
2	Shijiazhuang Shengjing Fitness Service Co., Ltd.	20%	Yes
3	Hohhot RiseSun Property Service Co., Ltd.	20%	Yes
4	Tangshan Fengnan District Pujie Property Services Co., Ltd.	20%	Yes
5	Shanxi Roiserv Lifestyle Service Co., Ltd.	25%	No
6	Henan Roiserv Lifestyle Service Co., Ltd.	20%	Yes
7	Roiserv (Beijing) Technology Services Limited	25%	No
8	Roiserv (Beijing) Property Service Co., Ltd.	20%	Yes
9	Hangzhou Rongjia Life Service Co., Ltd.	20%	Yes
10	Cangzhou Rongzhi Property Service Co., Ltd.	20%	Yes
11	Langfang Rongrui Property Management Co., Ltd.	20%	Yes
12	Baoding Rongrun Property Service Co., Ltd.	20%	Yes
13	Nanjing Liuhe RiseSun Property Service Co., Ltd.	25%	No
14	Jiangsu Pujie Property Co., Ltd.	20%	Yes
15	Nanjing Handu Technology Industrial Co., Ltd.	20%	Yes
16	Nanjing Shengtou Automobile Service Co., Ltd.	20%	Yes
17	Roiserv (Shandong) Property Development Co., Ltd.	20%	Yes
18	Linqing Pujie Property Service Co., Ltd.	20%	Yes
19	Liaocheng Rongkun Construction Engineering Co., Ltd.	20%	Yes
20	Langfang Rongxin Real Estate Brokerage Co., Ltd.	20%	Yes
21	Zhanjiang Rongjin Trading Co., Ltd.	20%	Yes
22	Xuzhou Rongrun Trading Co., Ltd.	20%	Yes

V. TAXES (Continued)**1. Major tax types and tax rates** (Continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
23	Jinan Rongfa Convenience Supermarket Co., Ltd.	20%	Yes
24	Liaocheng Dongchangfu Rongfa Trading Co., Ltd.	20%	Yes
25	Liaocheng Guandi Automobile Beauty Maintenance Service Co., Ltd.	20%	Yes
26	Liaocheng Lishe Automobile Beauty Maintenance Service Co., Ltd.	20%	Yes
27	Liaocheng Rongyi Automobile Beauty Service Co., Ltd.	20%	Yes
28	Langfang Duona Trading Co., Ltd.	20%	Yes
29	Linyi Ronghui Trading Co., Ltd.	20%	Yes
30	Tangshan Rongjun Trading Co., Ltd.	25%	No
31	Tangshan You'anmi Catering Services Co., Ltd.	20%	Yes
32	Tangshan Xuantu Automobile Service Co., Ltd.	20%	Yes
33	Cangzhou Rongkun Trading Co., Ltd.	20%	Yes
34	Cangzhou Rongna Trading Co., Ltd.	20%	Yes
35	Cangzhou Rongqia Trading Co., Ltd.	20%	Yes
36	Cangzhou Rongxin Automobile Service Co., Ltd.	20%	Yes
37	Cangzhou Rongpai Trading Co., Ltd.	20%	Yes
38	Cangzhou Rongmai Trading Co., Ltd.	20%	Yes
39	Cangzhou Rongxiu Trading Co., Ltd.	20%	Yes
40	Cangzhou Rongzhe Trading Co., Ltd.	20%	Yes
41	Cangzhou Rongqi Trading Co., Ltd.	20%	Yes
42	Cangzhou Rongliang Automobile Service Co., Ltd.	20%	Yes
43	Cangzhou Rongsu Trading Co., Ltd.	20%	Yes

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V. TAXES (Continued)

1. Major tax types and tax rates (Continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
44	Handan Rongchao Trading Co., Ltd.	20%	Yes
45	Handan Rongyiheng Trade Co., Ltd.	20%	Yes
46	Shenyang Ronghua Trading Co., Ltd.	20%	Yes
47	Shenyang Roiserv Jiangxin Car Washing Beauty Co., Ltd.	20%	Yes
48	Bengbu Rongchang Trading Co., Ltd.	20%	Yes
49	Shenyang Rongkun Trading Co., Ltd.	20%	Yes
50	Chengdu Rongchao Trading Co., Ltd.	20%	Yes
51	Nanjing Ronghui Trading Co., Ltd.	20%	Yes
52	Xianghe Rongkun Trading Co., Ltd.	20%	Yes
53	Hunan Rongkun Trading Co., Ltd.	20%	Yes
54	Shijiazhuang Rongci Trading Co., Ltd.	20%	Yes
55	Langfang Rongzhen Trading Co., Ltd.	25%	No
56	Langfang Rongba Trading Co., Ltd.	20%	Yes
57	Chongqing Rongzhiguan Trading Co., Ltd.	20%	Yes
58	Changzhou Zhenmiao Grocery & Trading Co., Ltd.	25%	No
59	Huizhou Rongzhen Trading Co., Ltd.	20%	Yes
60	Shenyang Rongyue Trading Co., Ltd.	20%	Yes
61	Shenyang Rongxin Trading Co., Ltd.	20%	Yes
62	Zhengzhou Shenshuo Trading Co., Ltd.	20%	Yes
63	Hohhot Rongmian Trading Co., Ltd.	20%	Yes
64	Zhangjiakou Rongyiheng Trading Co., Ltd.	20%	Yes
65	Shijiazhuang Rongyu Trading Co., Ltd.	20%	Yes

V. TAXES (Continued)**1. Major tax types and tax rates** (Continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
66	Yueyang Rongyue Department Store Trading Co., Ltd.	20%	Yes
67	Shenyang Ronghe Trading Co., Ltd.	20%	Yes
68	Shenyang Rongxi Catering Management Co., Ltd.	20%	Yes
69	Shenyang Rongguan Trading Co., Ltd.	20%	Yes
70	Yixing Rongmiao Department Store Trading Co., Ltd.	20%	Yes
71	Jiaxing Rongjun Trading Co., Ltd.	20%	Yes
72	Zhanjiang Ronghan Trading Co., Ltd.	20%	Yes
73	Shenyang Rongyu Trading Co., Ltd.	25%	No
74	Changsha Rongdou Catering Service Co., Ltd.	20%	Yes
75	Handan Rongyuyuan Trade Co., Ltd.	20%	Yes
76	Zhanjiang Shengxu Trading Co., Ltd.	20%	Yes
77	Shijiazhuang Rongxu Trading Co., Ltd.	20%	Yes
78	Nanjing Rongling Trading Co., Ltd.	20%	Yes
79	Roiserv (Guangdong) Lifestyle Service Co., Ltd.	20%	Yes
80	Yangxi County Shanhuhai Property Owners' Home Catering Services Co., Ltd.	20%	Yes
81	Zhanjiang Ronghui Automobile Beauty Co., Ltd.	20%	Yes
82	Zhanjiang Jiatianwa Real Estate Brokerage Service Co., Ltd.	20%	Yes
83	Yangxi Rongyuwan Owner's House Catering Service Co., Ltd.	20%	Yes
84	Zhanjiang Owner's House Catering Service Co., Ltd.	20%	Yes
85	Yongqing Jingtai Property Service Co., Ltd.	20%	Yes
86	Tianjin Roiserv Lifestyle Service Co., Ltd.	20%	Yes

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V. TAXES (Continued)

1. Major tax types and tax rates (Continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
87	Hengshui Rongyue Lifestyle Service Co., Ltd.	20%	Yes
88	Cangzhou Rongyue Landscaping Engineering Co., Ltd.	20%	Yes
89	Sichuan Roiserv Shengxin Property Management Co., Ltd.	20%	Yes
90	Zhangjiakou Rongsheng Jingxuan Property Service Co., Ltd.	20%	Yes
91	Cangzhou Rongguang Construction Engineering Co., Ltd.	20%	Yes
92	Shijiazhuang Rongci Real Estate Brokerage Co., Ltd.	20%	Yes
93	Changzhou Rongyijia Property Agent Co., Ltd.	25%	No
94	Tianjin Rongshang Technology Co., Ltd.	25%	No
95	Jinan Rongtong Real Estate Brokerage Co., Ltd.	20%	Yes
96	Zhangjiakou Rongmiaocheng Property Management Co., Ltd.	20%	Yes
97	Cangzhou Roiserv New Town Property Service Co., Ltd.	20%	Yes
98	Beijing Rongyang Wanjia Management Consulting Co., Ltd.	20%	Yes
99	Langfang Fibito Education Service Co., Ltd.	20%	Yes
100	Beijing Manbeilun Cosmetics Co., Ltd.	20%	Yes
101	Zhangjiakou Rongmeng Property Management Co., Ltd.	20%	Yes
102	Zhangjiakou Rongguanyue Property Management Co., Ltd.	20%	Yes
103	Jiaxing Rongjia Life Service Co., Ltd.	20%	Yes
104	Hohhot Rongzhen Trading Co., Ltd.	20%	Yes
105	Changsha Sanfen Liangtian Real Estate Brokerage Co., Ltd.	20%	Yes
106	Roiserv (Xuzhou) Lifestyle Service Co., Ltd.	20%	Yes
107	Changzhou Roiserv Lifestyle Service Co., Ltd.	20%	Yes
108	Yixing Roiserv Property Management Co., Ltd.	20%	Yes

V. TAXES (Continued)**1. Major tax types and tax rates** (Continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
109	Nantong Rongtu Property Management Co., Ltd.	20%	Yes
110	Jinan Ronghuai Trading Co., Ltd.	20%	Yes
111	Jinan Shengzhuang Decoration Service Co., Ltd.	20%	Yes
112	Shenyang Sujie Car Washing Beauty Co., Ltd.	20%	Yes
113	Inner Mongolia Ronglan Trading Co., Ltd.	20%	Yes
114	Hohhot Rongmiao Trading Co., Ltd.	20%	Yes
115	Jiaxing Rongjun Lifestyle Service Co., Ltd.	20%	Yes
116	Jiaxing Rongsheng Lifestyle Service Co., Ltd.	20%	Yes
117	Ronggao Trading (Jiaxing) Co., Ltd.	20%	Yes
118	Shijiazhuang Rongmi Trading Co., Ltd.	20%	Yes
119	Shijiazhuang Rongdi Trading Co., Ltd.	20%	Yes
120	Shijiazhuang Rongtan Trading Co., Ltd.	20%	Yes
121	Yangjiang Shengshang Technology Co., Ltd.	20%	Yes
122	Zhanjiang Shengyi Trading Co., Ltd.	20%	Yes
123	Zhanjiang Shengjing Trading Co., Ltd.	20%	Yes
124	Zhanjiang Rongsheng Trading Co., Ltd.	20%	Yes
125	Binzhou Roiserv Lifestyle Service Co., Ltd.	20%	Yes
126	Langfang Rongshang Technology Co., Ltd.	20%	Yes
127	Shijiazhuang Rongmiao Technology Co., Ltd.	20%	Yes
128	Chengdu Rongzhishang Technology Co., Ltd.	20%	Yes
129	Guangdong Rongshang Technology Co., Ltd.	20%	Yes
130	Xuzhou Rongzhishang Technology Co., Ltd.	20%	Yes

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

V. TAXES (Continued)

1. Major tax types and tax rates (Continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
131	Liuzhite Roiserv Lifestyle Service Co., Ltd.	20%	Yes
132	Hebei Rongheng Bosheng Power Engineering Co., Ltd.	20%	Yes
133	Rongyikang (Beijing) Lifestyle Technology Co., Ltd.	20%	Yes
134	Roiserv (Tangshan) Lifestyle Service Co., Ltd.	20%	Yes
135	Roiserv (Shijiazhuang) Property Service Co., Ltd.	20%	Yes
136	Baoding Rongwanjia Life Service Co., Ltd.	20%	Yes
137	Roiserv (Cangzhou) Lifestyle Service Co., Ltd.	20%	Yes
138	Roiserv (Hunan) Lifestyle Service Co., Ltd.	20%	Yes
139	Liaocheng Shengheng Automobile Beauty Maintenance Service Co., Ltd.	20%	Yes
140	Liaocheng Rongheng Automobile Beauty Maintenance Service Co., Ltd.	20%	Yes
141	Qingdao Shengjing Fitness Service Co., Ltd.* (青島盛景健身服務有限公司)	20%	Yes
142	Shengxing Living Service (Hebei) Co., Ltd.* (盛行旅居生活服務(河北)有限公司)	25%	No
143	Qinhuangdao Business Co., Ltd.	20%	Yes
144	Vogue Living and Living Service (Jiaozuo) Co., Ltd.	20%	Yes
145	Vogue Living and Living Service (Xinglong) Co., Ltd.	20%	Yes
146	Luohe Roiserv Lifestyle Service Co., Ltd.* (漯河榮萬家生活服務有限公司)	20%	Yes
147	Zhengzhou Roiserv Lifestyle Service Co., Ltd.* (鄭州榮萬家生活服務有限公司)	20%	Yes

V. TAXES (Continued)**1. Major tax types and tax rates** (Continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
148	Puyang Roiserv Lifestyle Service Co., Ltd.* (瀋陽榮萬家生活服務有限公司)	20%	Yes
149	Linyi Rongjia Life Service Co., Ltd.	20%	Yes
150	Xuzhou Rongzhiyi Technology Co., Ltd. (徐州市榮之益科技有限公司)	20%	Yes
151	Jiaxing Rongjia Life Service Co., Ltd.	20%	Yes
152	Shaoxing Rongjia Life Service Co., Ltd.	20%	Yes
153	Suzhou Rongjia Life Service Co., Ltd.	20%	Yes
154	Cixi Roiserv Lifestyle Service Co., Ltd.* (慈溪市榮萬家生活服務有限公司)	20%	Yes
155	Nanjing Puhe Property Services Co., Ltd.	20%	Yes
156	Nanjing Rongzhi Furniture Technology Co., Ltd.* (南京榮志家居科技有限公司)	20%	Yes
157	Shenyang Rongxu Real Estate Brokerage Co., Ltd.* (瀋陽榮旭房地產經紀有限公司)	20%	Yes
158	Liaocheng Rongchen Design and Decoration Co., Ltd.* (聊城榮辰設計裝飾有限公司)	20%	Yes
159	Liaocheng Romgxu Commercial Trading Co., Ltd.* (聊城榮旭商貿銷售有限公司)	20%	Yes
160	Dezhou Rongqi Commercial Trading Co., Ltd.* (德州市榮啟商貿銷售有限公司)	20%	Yes
161	Langfang Rongrong Trading Co., Ltd.	20%	Yes

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January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

V. TAXES (Continued)

1. Major tax types and tax rates (Continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
162	Nanjing Rongshe Trading Co., Ltd	20%	Yes
163	Guangdong Shengli Elevator Co., Ltd* (廣東盛立電梯有限公司)	20%	Yes
164	Zhanjiang Shenghui Decoration Engineering Co., Ltd* (湛江市盛惠裝飾工程有限公司)	20%	Yes
165	Chongqing Rongwanjia Life Service Co., Ltd.	20%	Yes
166	Duyun Rongwanjia Life Service Co., Ltd.	20%	Yes
167	Xi'an Rongjia Shengxin Property Management Co., Ltd.	20%	Yes
168	Huizhou Rongshang Technology Co., Ltd.	20%	Yes
169	Zhangjiakou Rongshang Technology Service Co., Ltd.	20%	Yes
170	Tangshan Rongshang Engineering Management Co., Ltd.	20%	Yes
171	Jiaxing Rongshang Engineering Technology Co., Ltd.	20%	Yes
172	Henan Rongshang Engineering Technology Co., Ltd.	20%	Yes
173	Handan Rongna Technology Engineering Co., Ltd.	20%	Yes
174	Bengbu Rongshang Technology Co., Ltd.	20%	Yes
175	Linyi Rongshang Technology Engineering Co., Ltd. * (臨沂榮尚科技工程有限公司)	20%	Yes
176	Nanjing Rongzhishang Technology Co., Ltd	20%	Yes
177	Shenyang Rongshang Technology Co., Ltd.	20%	Yes
178	Tangshan Rongjing Life Service Co., Ltd. (唐山榮景生活服務有限公司)	20%	Yes
179	Tangshan Jufeng Decoration Engineering Co., Ltd. * (唐山居豐裝飾工程有限公司)	20%	Yes
180	Xingtai Rongwanjia Property Management Co., Ltd. * (邢台榮萬家物業管理有限公司)	20%	Yes

V. TAXES (Continued)**1. Major tax types and tax rates** (Continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
181	Zhangjiajie Rongwanjia Life Service Co., Ltd.	20%	Yes
182	Rongwanjia (Huizhou) Life Service Co., Ltd.	20%	Yes
183	Rongwanjia (Langfang) Life Service Co., Ltd.	20%	Yes
184	Langfang Anci District Rongzhi Life Service Co., Ltd.	20%	Yes
185	Langfang Guangyang Rongjia Life Service Co., Ltd.	20%	Yes
186	Xianghe Rongliang Property Management Co., Ltd.	20%	Yes
187	Wen'an Rongjue Life Service Co., Ltd.	20%	Yes
188	Yongqing Rongtu Life Service Co., Ltd.	20%	Yes
189	Gu'an Rongyue Property Management Co., Ltd.	20%	Yes
190	Bazhou Ronghao Property Management Co., Ltd.	20%	Yes
191	Handan Rongmiao Property Management Co., Ltd.	20%	Yes
192	Rongwanjia (Anhui) Life Service Co., Ltd.	20%	Yes
193	Bangbu Rongjia Commercial Trading Co.,Ltd* (蚌埠榮家商貿有限公司)	20%	Yes
194	Hebei Jinxiang Property Group Limited* (河北金項物業集團有限公司)	20%	Yes
195	Hebei Bihai Laundry Service Co.,Ltd* (河北碧海洗滌服務有限公司)	20%	Yes
196	Hebei Jincheng Cleaning Service Co.,Ltd* (河北錦程保潔服務有限公司)	20%	Yes
197	Langfang Wuyun Oriental Garden Landscape Architecture Engineering Co.,Ltd* (廊坊五雲東方園林綠化工程有限公司)	20%	Yes
198	Langfang Zhenzhi Human Resources Service Co., Ltd. * (廊坊市臻智人力資源服務有限公司)	20%	Yes

V. TAXES (Continued)

2. Tax benefits

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (Announcement of the Ministry of Finance and the SAT 2022 No. 13), the portion of the annual taxable income of small and micro enterprises exceeding RMB1 million but not exceeding RMB3 million will be reduced by 25% of the taxable income and is subject to the corporate income tax at a rate of 20%. The Announcement shall come into effect on January 1, 2022 to December 31, 2024.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Implementation of Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (Announcement of the Ministry of Finance and the SAT 2023 No. 6), for the portion of annual taxable income less than RMB1 million for small profit-making enterprises, 25% of the amount will be reduced, and the EIT will be at the tax rate of 20%. The Announcement shall come into effect on January 1, 2023 to December 31, 2024.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing Tax Policies for Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (Announcement of the Ministry of Finance and the SAT 2023 No. 12), (I) from January 1, 2023 to December 31, 2027, small-scale VAT taxpayers, small, low-profit enterprises and individual businesses shall be entitled to a 50% reduction in the tax amount of resource tax (excluding tax on water resources), city maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), arable land occupation tax and education fee surcharge and local education fee surcharge; (II) small, low-profit enterprises shall enjoy a 25% reduction of the taxable income and subject to corporate income tax at a rate of 20%, and such provisions will be implemented until December 31, 2027.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Policies for Reduction and Exemption of Value-added Tax on Small-scale Taxpayers (Announcement of the Ministry of Finance and the SAT 2023 No. 19), (I) small-scale VAT taxpayers with monthly sales of less than RMB100,000 (including the amount) are exempted from VAT; (II) small-scale VAT taxpayers subject to a levy rate of 3% on taxable sales income will enjoy a reduced VAT rate of 1%; prepaid VAT items that are subject to a 3% pre-levy rate will enjoy a reduced VAT prepayment rate of 1%; (III) the Announcement will be implemented until December 31, 2027.

V. TAXES (Continued)

2. Tax benefits (Continued)

According to the Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on the Continuation of the Corporate Income Tax Policy for Western Development (Announcement of the Ministry of Finance No. 23 of 2020), the enterprises in the encouraged industries located in the Western Region are subject to a reduced corporate income tax rate of 15% from January 1, 2021 to December 31, 2030. The encouraged industry enterprises referred to in this article are those whose main business is within the scope of the industrial projects specified in the Catalogue of Industries Encouraged in the Western Region and whose corresponding main business income accounts for more than 60% of the total income of enterprises.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementation of the Relief Policy of “Six Taxes and Two Fees” for Small and Micro Enterprises (Announcement of the Ministry of Finance and the State Administration of Taxation No. 10 of 2022), the people’s governments of provinces, autonomous regions and municipalities directly under the Central Government shall determine, in accordance with their practical conditions in their respective regions and the needs of macroeconomic control, that small-scale VAT taxpayers, small and micro enterprises and individual entrepreneurs shall be entitled to a 50% reduction in the tax amount of resource tax, city maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), arable land occupation tax and education fee surcharge and local education fee surcharge.

Small and micro enterprises in that announcement refer to those that are engaged in non-restricted and non-prohibited industries and meet the following three conditions at the same time: the annual taxable income of not more than RMB3 million, the number of employees not exceeding 300, and the total assets of not more than RMB50 million. The implementation period of the announcement is from January 1, 2022 to December 31, 2024.

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

In the financial statements disclosed below, unless otherwise stated, "Opening" refers to January 1, 2023, "Closing" refers to June 30, 2023, "Current year" refers to January 1 to June 30, 2023 and "Prior year" refers to January 1 to June 30, 2022, and the currency unit is RMB.

1. Cash and cash equivalents

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Cash on hand	325,298.42	2,961.40
Bank deposits	766,942,703.79	848,581,231.29
Other cash and cash equivalents	401,374.57	262,735.00
Total	767,669,376.78	848,846,927.69
Including: Total amount deposited abroad	22,585.11	157,387.09
Restricted use of cash and cash equivalents		
Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Judicial freeze	19,578,451.45	26,454,083.49
Property deposit	0.00	700,000.00
Total	19,578,451.45	27,154,083.49

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Notes receivable

(1) Presentation of notes receivable by category

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Commercial acceptances	0.00	2,197,656.75

(2) Notes receivable endorsed or discounted at year-end and not yet due at the balance sheet date

Item	Amount derecognized as of June 30, 2023	Amount not derecognized as of June 30, 2023
Commercial acceptances	0.00	0.00

(3) Notes transferred to accounts receivable at the end of the year due to non-performance by the drawer

Item	Amount transferred to accounts receivable as of June 30, 2023
Commercial acceptances	143,232,849.37

(4) Presentation by bad debt accrual method

Category	Balance as of June 30, 2023 (Unaudited)				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts made on an individual basis	0.00	0.00	0.00	0.00	0.00
Provision for bad debts by portfolio	0.00	0.00	0.00	0.00	0.00
Including: Aging portfolio	0.00	0.00	0.00	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**2. Notes receivable** (Continued)**(4) Presentation by bad debt accrual method** (Continued)

Category	Book balance Amount	Ratio(%)	Balance as of December 31, 2022 (Audited)		Book value
			Bad debt provision Amount	Accrual ratio (%)	
Provision for bad debts made on an individual basis	0.00	0.00	0.00	0.00	0.00
Provision for bad debts by portfolio	2,881,192.62	100.00	683,535.87	23.72	2,197,656.75
Including: Aging portfolio	2,881,192.62	100.00	683,535.87	23.72	2,197,656.75

Provision for bad debts on notes receivable made on a portfolio basis

Name	Balance as of June 30, 2023 (Unaudited)		
	Book balance	Bad debt provision	Accrual ratio (%)
1-2 years	0.00	0.00	0.00
3-4 years	0.00	0.00	0.00
Total	0.00	0.00	0.00

(5) Aging of notes receivable for the end of the period

None.

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Accounts receivable

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

Category	Balance as of June 30, 2023 (Unaudited)				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	2,280,293,051.20	100.00	233,718,525.27	10.25	2,046,574,525.93
Including: Aging portfolio	2,280,293,051.20	100.00	233,718,525.27	10.25	2,046,574,525.93

Category	Balance as of December 31, 2022 (Audited)				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	2,158,238,358.92	100.00	208,839,200.60	9.68	1,949,399,158.32
Including: Aging portfolio	2,158,238,358.92	100.00	208,839,200.60	9.68	1,949,399,158.32

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Accounts receivable (Continued)

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

Provision for bad debts of accounts receivable by portfolio

Aging	Balance as of June 30, 2023 (Unaudited)		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year (including 1 year)	1,508,754,672.01	87,638,201.64	5.81%
1-2 years	575,091,910.32	70,702,988.44	12.29%
2-3 years	177,707,003.34	64,581,282.52	36.34%
3-4 years	12,654,345.93	7,087,543.16	56.01%
4-5 years	4,972,040.45	2,595,430.36	52.20%
More than 5 years	1,113,079.15	1,113,079.15	100.00%
Total	2,280,293,051.20	233,718,525.27	-

(2) Accounts receivable shown by aging

Aging	Balance as of June 30, 2023 (Unaudited)
Within 1 year (including 1 year)	1,508,754,672.01
1-2 years	575,091,910.32
2-3 years	177,707,003.34
3-4 years	12,654,345.93
4-5 years	4,972,040.45
More than 5 years	1,113,079.15
Total	2,280,293,051.20

(3) Provision for bad debts of accounts receivable for the period

Category	Balance as of	Accrual	Amount of change for the period		Others	Balance as of
	December 31, 2022 (Audited)		Recovery or reversal	Charge-off or write-off		June 30, 2023 (Unaudited)
Accrual by portfolio	208,839,200.60	24,886,788.98	0.00	7,464.31	0.00	233,718,525.27

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Accounts receivable (Continued)

(4) Accounts receivable actually written off during the period

None.

(5) Top five accounts receivable with closing balances grouped by the debtor

The aggregate amount of the top five accounts receivable with closing balance grouped by debtors for the period was RMB234,897,841.23, accounting for 10.30% of the total closing balance of accounts receivable, and the aggregate amount of the corresponding provision for bad debts with closing balance was RMB44,917,432.77.

4. Prepayments

(1) Aging of prepayments

Item	Balance as of June 30, 2023 (Unaudited)		Balance as of December 31, 2022 (Audited)	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	33,365,527.04	39.94	33,386,398.00	40.33
1-2 years	12,590,089.40	13.60	30,608,681.16	36.98
2-3 years	25,317,899.28	27.36	18,707,781.71	22.60
More than 3 years	17,675,576.46	19.10	70,487.26	0.09
Total	88,949,092.18	100.00	82,773,348.13	100.00

(2) Top five prepayments with closing balances grouped by prepaid objects

The aggregate amount of the top five prepayments with closing balances grouped by prepaid objects for the period was RMB71,260,405.80, accounting for 80.11% of the total prepayments with closing balances.

NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**5. Other receivables**

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Interest receivable	0.00	0.00
Dividends receivable	0.00	0.00
Other receivables	771,346,648.72	689,071,682.41
Total	771,346,648.72	689,071,682.41

Other receivables**(1) Classification of other receivables by nature of payment**

Nature of payment	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Deposit and guarantee	559,974,096.01	578,755,594.30
Advances for utilities, etc.	101,231,690.44	103,791,725.22
Provisional payments for receipts in lieu	118,083,681.12	56,303,886.51
Collection on behalf of third-party platforms	67,870,145.69	29,096,524.69
Social security and provident fund payment	3,398,628.94	2,775,858.37
Maintenance fund	7,714,847.42	2,155,064.52
Reserves	3,733,499.99	495,750.40
Others	14,272,887.87	11,268,182.27
Total	876,279,477.48	784,642,586.28

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Other receivables (Continued)

Other receivables (Continued)

(2) Provision for bad debts of other receivables

	Phase I Expected credit losses for the next 12 months	Phase II Expected credit losses over the entire life (no credit impairment)	Phase III Expected credit losses over the entire life (credit impairment has occurred)	Total
Balance as of January 1, 2023	95,570,903.87	0.00	0.00	95,570,903.87
The book balance of other receivables in the current period	-	-	-	-
- Transferred to Phase II	0.00	0.00	0.00	0.00
- Transferred to Phase III	0.00	0.00	0.00	0.00
- Reversed to Phase II	0.00	0.00	0.00	0.00
- Reversed to Phase I	0.00	0.00	0.00	0.00
Accrual for the period	9,183,702.96	0.00	0.00	9,183,702.96
Reversal for the period	0.00	0.00	0.00	0.00
Charge-off for the period	0.00	0.00	0.00	0.00
Write-off for the period	0.00	0.00	0.00	0.00
Other changes	178,221.93	0.00	0.00	178,221.93
Balance as of June 30, 2023	104,932,828.76	0.00	0.00	104,932,828.76

(3) Other receivables shown by aging

Aging	Balance as of June 30, 2023 (Unaudited)
Within 1 year (including 1 year)	341,137,946.31
1-2 years	478,019,381.93
2-3 years	15,282,230.63
More than 3 years	41,839,918.61
Including: 3-4 years	2,515,758.71
4-5 years	19,994,211.59
More than 5 years	19,329,948.31
Total	876,279,477.48

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Other receivables (Continued)

Other receivables (Continued)

(4) Provision for bad debts of other receivables

Category	Balance as of	Amount of change for the period				Balance as of
	December 31, 2022 (Audited)	Accrual	Recovery or reversal	Charge-off or write-off	Others	June 30, 2023 (Unaudited)
Bad debt provision	95,570,903.87	9,183,702.96	0.00	0.00	178,221.93	104,932,828.76

(5) Top five other receivables with closing balances grouped by debtor

Entity name	Nature of payment	Balance as of June 30, 2023 (Unaudited)	Aging	Percentage of the total balances of other receivables at the end of the period (%)	Bad debt provision Closing balance
Langfang Junyi Building Materials Co., Ltd.	Deposit and guarantee	523,543,196.92	Within 1 year, 1-2 years	59.75	52,352,319.69
Sizhong Internet (Beijing) Network Technology Co., Ltd.	Collection on behalf of third-party	65,306,784.57	Within 1 year, 1-2 years, 2-3 years	7.45	6,009,907.44
Langfang International Exhibition Group Co., Ltd.	Provisional payments for receipts in lieu	52,000,000.00	Within 1 year	5.93	0.00
Tangshan Rongsheng Real Estate Development Co., Ltd.	Provisional payments for receipts in lieu	31,965,406.59	1-2 years, 4-5 years	3.65	23,897,518.37
Tianjin Xingmai Power Engineering Co., Ltd.	Deposit and guarantee	18,000,000.00	Within 1 year, 1-2 years	2.05	900,000.00
Total	-	690,815,388.08	-	78.83	83,159,745.50

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Inventories

Item	Balance as of June 30, 2023 (Unaudited)		
	Book balance	Provision for decline in value of inventories	Book value
Raw materials	6,232,067.52	0.00	6,232,067.52
Stock items	34,933,443.24	0.00	34,933,443.24
Revolving material	11,297,570.59	0.00	11,297,570.59
Total	52,463,081.35	0.00	52,463,081.35

Item	Balance as of December 31, 2022 (Audited)		
	Book balance	Provision for decline in value of inventories	Book value
Raw materials	6,312,033.96	0.00	6,312,033.96
Stock items	27,651,242.21	0.00	27,651,242.21
Revolving material	11,017,960.89	0.00	11,017,960.89
Total	44,981,237.06	0.00	44,981,237.06

7. Contract assets

(1) Detail of contract assets

Item	Balance as of June 30, 2023 (Unaudited)		
	Book balance	Provision for impairment	Book value
Engineering construction	33,124,463.14	2,182,902.13	30,941,561.01

Item	Balance as of December 31, 2022 (Audited)		
	Book balance	Provision for impairment	Book value
Engineering construction	29,755,968.06	1,917,268.88	27,838,699.18

NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Contract assets (Continued)

(2) Provision for impairment of contract assets

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses over the entire life (no credit impairment)	Expected credit losses over the entire life (credit impairment has occurred)	
Balance as of January 1, 2023	1,917,268.88	0.00	0.00	1,917,268.88
The book balance of contract assets in the current period as of January 1, 2023	-	-	-	-
- Transferred to Phase II	0.00	0.00	0.00	0.00
- Transferred to Phase III	0.00	0.00	0.00	0.00
- Reversed to Phase II	0.00	0.00	0.00	0.00
- Reversed to Phase I	0.00	0.00	0.00	0.00
Accrual for the period	265,633.25	0.00	0.00	265,633.25
Reversal for the period	0.00	0.00	0.00	0.00
Charge-off for the period	0.00	0.00	0.00	0.00
Write-off for the period	0.00	0.00	0.00	0.00
Other changes	0.00	0.00	0.00	0.00
Balance as of June 30, 2023	2,182,902.13	0.00	0.00	2,182,902.13

(3) Contract assets by aging

Aging	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Within 1 year (including 1 year)	33,124,463.14	29,755,968.06
Provision for impairment	2,182,902.13	1,917,268.88
Book value	30,941,561.01	27,838,699.18

(4) The amount and reason for significant changes in the book value of contract assets during the period

Item	Amount of change	Reason for change
Engineering construction	3,368,495.08	A large amount was transferred to accounts receivable due to the completion of construction projects undertaken by the Company during the year

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Contract assets (Continued)

(5) Provision for impairment of contract assets during the year

Item	Accrual for the year	Reversal for the year	Charge-off/Write-off for the year	Reason
Engineering construction	265,633.25	0.00	0.00	-

8. Non-current assets due within one year

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Long-term receivables	1,002,145.80	1,872,205.80

9. Other current assets

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Prepaid corporate income tax	2,438,309.46	10,532,141.95
Input tax credit	3,970,016.71	1,992,436.09
Prepaid city maintenance and construction tax	2,284.07	12,590.12
Prepaid education surcharge	901.21	5,316.08
Prepaid local education surcharge	600.75	3,543.96
Personal income tax	26,592.74	0.00
Others	1,418.00	10,835.19
Total	6,440,122.94	12,556,863.39

10. Long-term receivables

Item	Balance as of June 30, 2023 (Unaudited)			Balance as of December 31, 2022 (Audited)			Discount Book balance rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Receivables from the assignment of operating rights of commercial parking spaces	7,416,896.10	0.00	7,416,896.10	7,043,303.54	0.00	7,043,303.54	-

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Long-term equity investments

Investee	Audited balance as of December 31, 2022 (Book value)	Change for the period						Unaudited balance as of June 30, 2023 (Book value)	Closing balance of provision for impairment	
		Additional investment	Reduced investment	Gains or losses recognized on investments under the comprehensive equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits			Provision for impairment
I. Joint ventures										
Bengbu Dongfang Wanjia Life Service Co., Ltd.	1,500,000.00	0.00	0.00	95,386.66	0.00	0.00	0.00	0.00	1,595,386.66	0.00
II. Associates										
Beijing Yinsiang Energy Resource Technology Co., Ltd.	100,142,922.94	0.00	0.00	3,979,806.09	0.00	0.00	0.00	0.00	104,122,729.03	0.00
Beijing Rongsheng Huabao Asset Management Center (Limited Partnership)	0.00	0.00	0.00	0.00	0.00	0.00	45,000,000.00	0.00	0.00	45,000,000.00
Total	101,642,922.94	0.00	0.00	4,075,192.75	0.00	0.00	45,000,000.00	0.00	105,718,115.69	45,000,000.00

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Investment properties

Investment properties using the fair value measurement model

Item	House and building	Car parking	Total
I. Opening balance	13,202,200.00	47,639,525.00	60,841,725.00
II. Change for the period	0.00	721,710.00	721,710.00
Add: Outsourcing	0.00	721,710.00	721,710.00
Less: Disposal	0.00	411,000.00	411,000.00
Add: Fair value changes	0.00	-25,000.00	-25,000.00
III. Closing balance	13,202,200.00	47,975,235.00	61,177,435.00

13. Fixed assets

Item	Book value as at June 30, 2023 (Unaudited)	Book value as at December 31, 2022 (Audited)
Fixed assets	20,911,111.39	21,943,637.01
Fixed asset liquidation	0.00	0.00
Total	20,911,111.39	21,943,637.01

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**13. Fixed assets** (Continued)**Details of fixed assets**

Item	General equipment	Transportation equipment	Specialized equipment	Other equipment	Total
I. Original book value	-	-	-	-	-
1. Opening balance	29,360,488.64	4,074,658.53	8,918,690.43	1,227,579.69	43,581,417.29
2. Increase during the period	4,394,240.79	194,251.49	276,616.05	10,952.04	4,876,060.37
(1) Acquisition	1,865,954.56	194,251.49	276,616.05	10,952.04	2,347,774.14
(2) Business combination	2,528,286.23	0.00	0.00	0.00	2,528,286.23
3. Decrease during the period	814,269.30	369,441.34	209,463.30	6,211.71	1,399,385.65
(1) Disposal or scrap	814,269.30	369,441.34	209,463.30	6,211.71	1,399,385.65
4. Closing balance	32,940,460.13	3,899,468.68	8,985,843.18	1,232,320.02	47,058,092.01
II. Accumulated depreciation	-	-	-	-	-
1. Opening balance	13,760,144.99	3,418,676.22	3,572,925.99	886,033.08	21,637,780.28
2. Increase during the period	4,618,575.02	154,811.00	706,078.52	72,818.88	5,552,283.42
(1) Accrual	2,851,991.64	154,811.00	706,078.52	72,818.88	3,785,700.04
(2) Business combination	1,766,583.38	0.00	0.00	0.00	1,766,583.38
3. Decrease during the period	0.00	0.00	0.00	0.00	0.00
(1) Disposal or scrap	539,370.55	350,774.20	147,037.20	5,901.13	1,043,083.08
4. Closing balance	17,839,349.46	3,222,713.02	4,131,967.31	952,950.83	26,146,980.62
III. Provision for impairment	-	-	-	-	-
1. Opening balance	0.00	0.00	0.00	0.00	0.00
2. Increase during the period	0.00	0.00	0.00	0.00	0.00
3. Decrease during the period	0.00	0.00	0.00	0.00	0.00
4. Closing balance	0.00	0.00	0.00	0.00	0.00
IV. Book value	0.00	0.00	0.00	0.00	0.00
1. Closing book value	15,101,110.67	676,755.66	4,853,875.87	279,369.19	20,911,111.39
2. Opening book value	15,600,343.65	655,982.31	5,345,764.44	341,546.61	21,943,637.01

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Right-of-use assets

Item	Balance as of			Balance as of
	December 31,	2022 Increase during	Decrease during	June 30,
	(Audited)	the period	the period	2023
				(Unaudited)
Total original book value	1,308,784.15	703,248.50	0.00	2,012,032.65
Including: Houses and buildings	1,308,784.15	703,248.50	0.00	2,012,032.65
Total accumulated depreciation	966,752.60	161,640.80	0.00	1,128,393.40
Including: Houses and buildings	966,752.60	161,640.80	0.00	1,128,393.40
Total net book value	342,031.55	-	-	883,639.25
Including: Houses and buildings	342,031.55	-	-	883,639.25
Total provision for impairment	0.00	0.00	0.00	0.00
Including: Houses and buildings	0.00	0.00	0.00	0.00
Total book value	342,031.55	-	-	883,639.25
Including: Houses and buildings	342,031.55	-	-	883,639.25

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**15. Intangible assets**

Item	Software usage rights
I. Original book value	–
1. Opening balance	10,829,073.50
2. Increase in current year	19,200.00
Including: Acquisition	19,200.00
3. Decrease in current year	0.00
Including: Disposal	0.00
4. Closing balance	10,848,273.50
II. Accumulated amortization	–
1. Opening balance	4,549,765.06
2. Increase in current year	923,541.38
Including: Accrual	923,541.38
3. Decrease in current year	0.00
Including: Disposal	0.00
4. Closing balance	5,473,306.44
III. Provision for impairment	–
1. Opening balance	0.00
2. Increase in current year	0.00
Including: Accrual	0.00
3. Decrease in current year	0.00
Including: Disposal	0.00
4. Closing balance	0.00
IV. Book value	–
1. Balance as of June 30, 2023 (Unaudited)	5,374,967.06
2. Balance as of December 31, 2022 (Audited)	6,279,308.44

16. Long-term deferred expenses

Item	Balance as of December 31, 2022 (Audited)	Increase in current year	Amortization for the year	Other decrease for the year	Balance as of June 30, 2023 (Unaudited)
Renovation costs	10,814,715.45	2,566,333.88	1,320,147.62	0.00	12,060,901.71
Others	2,908,165.86	142,092.64	555,235.50	0.00	2,495,023.00
Total	13,722,881.31	2,708,426.52	1,875,383.12	0.00	14,555,924.71

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Deferred income tax assets and deferred income tax liabilities

(1) Deferred tax assets without offsetting

Item	Balance as of June 30, 2023 (Unaudited)		Balance as of December 31, 2022 (Audited)	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Bad debt provision	338,651,354.03	68,723,906.44	305,093,640.34	61,135,402.18
Provision for asset impairment	2,182,902.13	866,048.71	1,917,268.88	453,836.02
Deductible losses	101,433,059.26	18,394,024.53	74,498,887.76	14,756,731.19
Contract liabilities (shopping vouchers)	463,445.36	40,996.85	909,979.82	134,107.83
Advertising and business promotion expenses	0.00	0.00	8,620,472.34	2,155,118.08
Total	442,730,760.78	88,024,976.53	391,040,249.14	78,635,195.30

(2) Deferred tax liabilities without offsetting

Item	Balance as of June 30, 2023 (Unaudited)		Balance as of December 31, 2022 (Audited)	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of investment properties	9,746,166.68	2,408,341.67	9,746,166.68	2,408,341.67

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Other non-current assets

Item	Balance as of June 30, 2023 (Unaudited)			Balance as of December 31, 2022 (Audited)		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayment for works	3,599,181.00	0.00	3,599,181.00	3,599,181.00	0.00	3,599,181.00

19. Short-term borrowings

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Loan on credit	2,000,000.00	0.00

20. Accounts payable

(1) Listing of accounts payable

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Construction	462,659,083.05	575,956,407.18
Service fee	152,164,227.88	150,671,510.05
Commodity	114,231,552.58	80,786,650.77
Total	729,054,863.51	807,414,568.00

(2) Accounts payable by aging

Aging	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Within 1 year	264,514,908.67	538,338,046.19
1-2 years	261,700,391.02	227,452,305.14
2-3 years	163,603,823.57	26,980,940.88
3-4 years	22,817,108.70	11,271,844.56
4-5 years	10,560,458.31	2,832,118.49
More than 5 years	5,858,173.24	539,312.74
Total	729,054,863.51	807,414,568.00

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Receipt in advance

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Leasing	18,078,806.64	2,958,279.78

22. Contract liabilities

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Property fees	403,227,442.49	218,473,535.12
Other community value-added services	6,046,470.86	48,001,945.63
Engineering construction	3,471,767.71	32,740,808.89
Garbage disposal fees and self-heating	11,030,727.43	9,420,340.30
Pre-intervention services	1,054,600.73	6,442,832.39
Sales payment	4,486,996.50	4,856,318.57
Elevator usage fee	3,791,594.61	3,392,683.50
Start-up fee	2,667,218.51	185,282.61
Others	18,870,351.17	8,972,613.38
Total	454,647,170.01	332,486,360.39

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**23. Staff remuneration payable****(1) Classification of staff remuneration payable**

Item	Balance as of	Increase in	Decrease in	Balance as of
	December 31,			2023
	2022	current year	current year	2023
	(Audited)			(Unaudited)
Short-term compensation	60,509,136.98	246,632,385.42	247,094,783.52	60,046,738.88
Post-employment benefits-Defined contribution plan	5,826,672.76	31,529,784.51	32,172,017.91	5,184,439.36
Termination benefits	52,600.00	390,190.72	440,293.72	2,497.00
Total	66,388,409.74	278,552,360.65	279,707,095.15	65,233,675.24

(2) Short-term compensation

Item	Balance as of	Increase in	Decrease in	Balance as of
	December 31,			2023
	2022	current year	current year	2023
	(Audited)			(Unaudited)
Salaries, bonuses, allowances and subsidies	44,013,158.62	209,327,081.58	208,469,767.03	44,870,473.17
Employee benefit costs	646,801.91	3,473,150.57	3,830,522.47	289,430.01
Social security fee	3,960,523.39	19,283,884.90	20,099,065.15	3,145,343.14
Including: Medical insurance premiums	3,082,886.92	17,338,818.40	17,612,685.52	2,809,019.80
Industrial injury insurance premium	320,517.02	1,592,694.13	1,659,206.51	254,004.64
Birth insurance premium	557,119.45	352,372.37	827,173.12	82,318.70
Housing provident fund	2,089,132.13	11,929,300.98	12,806,343.08	1,212,090.03
Labor union expenditure and personnel education fund	9,799,520.93	2,618,967.39	1,889,085.79	10,529,402.53
Total	60,509,136.98	246,632,385.42	247,094,783.52	60,046,738.88

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Staff remuneration payable (Continued)

(3) Defined contribution plan

Item	Balance as of	Increase in	Decrease in	Balance as of
	December 31, 2022 (Audited)			current year
Basic endowment insurance	5,567,267.18	30,370,858.77	31,001,870.52	4,936,255.43
Unemployment insurance expense	259,405.58	1,158,925.74	1,170,147.39	248,183.93
Total	5,826,672.76	31,529,784.51	32,172,017.91	5,184,439.36

24. Taxes payable

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Enterprise income tax	43,843,691.91	64,480,564.97
Value-added Tax	20,183,179.95	25,491,875.32
Personal income tax	449,727.35	666,056.02
Urban construction tax	634,053.13	637,806.00
Education fee surcharge	249,627.35	256,650.93
Local education fee surcharge	165,732.36	170,918.06
Property tax	81,099.21	173,837.79
Land use tax	23,782.12	42,454.08
Stamp duty	32,636.63	40,101.72
Water conservancy fund	2,770.60	1,345.34
Others	646,672.08	868,474.90
Total	66,312,972.69	92,830,085.13

25. Other payables

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Interest payable	0.00	0.00
Dividends payable	0.00	0.00
Other payables	520,156,044.87	552,047,414.55
Total	520,156,044.87	552,047,414.55

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**25. Other payables** (Continued)**Other payables**

Nature of payment	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Receipts in lieu	199,409,253.69	228,652,633.13
Maintenance fund	55,427,228.17	153,076,296.69
Current accounts	90,696,630.68	72,590,548.96
Deposit and guarantee	138,570,008.55	58,317,805.27
Start-up fee	2,825,409.59	2,911,839.99
Operating debits	2,587,417.17	2,552,551.75
Accrued expenses	1,664,735.15	2,288,730.01
Maintenance fee	1,365,795.81	1,958,240.01
Indemnity, fines	686,077.11	1,575,850.61
Payment in lieu of individual social security and housing provident fund	2,234,354.24	935,966.65
Listing fee	0.00	0.00
Others	24,689,134.71	27,186,951.48
Total	520,156,044.87	552,047,414.55

26. Non-current liabilities due within one year

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Lease liabilities due within one year	2,423,050.77	1,872,205.80

27. Other current liabilities

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Output tax to be transferred	25,703,865.61	17,091,435.80

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Lease liabilities

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Lease liabilities	7,037,320.83	7,411,035.92

29. Share capital

Item	Balance as of December 31, 2022 (Audited)	Change for the period (+, -)				Subtotal	Balance as of June 30, 2023 (Unaudited)
		Issuance of new shares	Share grant	Transfer from housing provident fund	Others		
Total number of shares	376,000,000.00	0.00	0.00	0.00	0.00	0.00	376,000,000.00

30. Capital reserve

Item	Balance as of December 31, 2022 (Audited)	Increase during the period	Decrease during the period	Balance as of June 30, 2023 (Unaudited)
Equity premium	956,185,004.84	0.00	0.00	956,185,004.84
Other capital reserve	76,877,612.60	1,706,989.18	0.00	78,584,601.78
Total	1,033,062,617.44	1,706,989.18	0.00	1,034,769,606.62

Note 1: Capital reserve – Other capital reserve increased by RMB1,706,989.18 during the year, which represents a provision for share-based payments.

NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31. Surplus reserve

Item	Balance as of December 31, 2022 (Audited)	Increase during the period	Decrease during the period	Balance as of June 30, 2023 (Unaudited)
Surplus reserve	87,664,656.42	7,111,516.55	0.00	94,776,172.97

32. Undistributed profit

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Closing balance of prior year	573,576,276.83	451,210,297.43
Add: Adjustment to undistributed profit at the beginning of the year (Business combinations under common control)	0.00	0.00
Opening balance of current year	573,576,276.83	451,210,297.43
Add: Net profit attributable to owners of the parent company for the year	97,683,745.40	235,572,449.56
Less: Withdrawal of statutory surplus reserves	7,111,516.55	19,206,470.16
Dividends payable on ordinary shares	0.00	94,000,000.00
Dividends on ordinary shares transferred to share capital	0.00	0.00
Closing balance of current year	664,148,505.68	573,576,276.83

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33. Operating income and operating cost

(1) Details of operating income and operating cost

Item	January to June 2023 (Unaudited)		January to June 2022 (Unaudited)	
	Income	Cost	Income	Cost
Main business	877,815,634.63	670,732,266.05	1,093,535,123.15	764,103,061.73
Other business	3,623,326.44	137,454.04	266,823.82	395,170.08
Total	881,438,961.07	670,869,720.09	1,093,801,946.97	764,498,231.81

(2) Information on revenue generated from contracts

Classification of contract	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Type of product	–	–
Including: Property management services	621,779,347.86	620,628,299.60
Non-owner value-added services	83,903,217.70	322,104,801.24
Community value-added services	175,756,395.51	151,068,846.13
Total	881,438,961.07	1,093,801,946.97

By region of operation	January to June 2023	January to June 2022
Including: China	881,438,961.07	1,093,801,946.97

By contract term	January to June 2023	January to June 2022
Including: Confirmation at a point in time	51,112,032.68	94,940,470.52
Confirmation within a certain period of time	830,326,928.39	998,861,476.45
Total	881,438,961.07	1,093,801,946.97

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(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**34. Taxes and surcharges**

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Urban construction tax	1,839,056.47	2,565,360.59
Education fee surcharge	824,912.53	1,164,978.67
Local education fee surcharge	509,810.18	733,803.61
Property tax	778,049.64	844,183.78
Stamp duty	146,624.93	155,395.26
Land use tax	89,471.32	98,507.45
Water conservancy fund	71,080.46	67,046.35
Resource tax	61,372.00	52,041.80
Cultural construction costs	0.00	0.00
Vehicle and boat use tax	4,544.76	4,536.33
Disability employment guarantee fund	0.00	174,353.12
Others	0.00	8,111.15
Total	4,324,922.29	5,868,318.11

35. Selling expenses

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Employee benefits	1,116,535.78	2,736,244.02
Agency consultancy fees	267,619.93	0.00
Travel expenses	181,733.20	364,889.64
Entertainment expenses	762,078.60	153,286.03
Depreciation and amortization	25,651.92	94,095.59
Promotion fees	330,188.68	-368,246.72
Others	494,134.21	245,537.38
Total	3,177,942.32	3,225,805.94

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

36. Administrative expenses

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Employee benefits	36,389,686.67	60,005,168.39
Agency service fee	8,390,835.25	4,385,132.69
Share-based payments	1,706,989.18	3,515,087.88
Entertainment expenses	3,161,692.46	1,744,952.44
Office expenses	866,109.71	5,603,211.38
Disability employment guarantee fund	1,151,768.22	0.00
Depreciation and amortisation	2,039,968.49	1,500,828.46
Travel expenses	668,617.96	695,720.28
Transport costs	417,901.20	436,308.21
Others	2,233,335.52	1,564,823.31
Total	57,026,904.66	79,451,233.04

37. Finance cost

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Interest expenses	11,283.94	0.00
Less: Interest income	855,119.34	732,835.47
Add: Loss on exchange	-988,537.71	-21,530,575.79
Other expenditures	2,369,654.04	2,059,157.17
Total	537,280.93	-20,204,254.09

38. Other income

Sources of generating other income	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
VAT add-on credits	3,488,676.12	58,168.21
VAT and additional tax refunds	94,882.08	7,214.64
Government grants	385,628.05	7,140,419.30
Listing incentive payment	2,500,000.00	0.00
Personal tax handling fee refunds	88,899.01	3,220.67
Refund of trade union funds	433.80	0.00
Total	6,558,519.06	7,209,022.82

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VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**39. Investment income**

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Investment income of long-term equity investments measured under equity method	4,075,192.75	0.00
Investment income on trading financial assets during the holding period	0.00	0.00
Investment income from disposal of trading financial assets	0.00	19,648,761.97
Gain on debt restructuring	-440,125.19	0.00
Total	3,635,067.56	19,648,761.97

40. Gain on change in fair value

Source of income or loss from change in fair value	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Trading financial assets	0.00	-4,576,014.03
Investment properties measured at fair value	25,000.00	0.00
Total	25,000.00	-4,576,014.03

41. Loss on impairment of credit

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Bad debt losses on notes receivable	-24,886,788.98	2,037,828.74
Bad debt losses on accounts receivable	-9,183,702.96	-21,428.87
Bad debt losses on other receivables	683,535.87	-37,583,336.79
Total	-33,386,956.07	-35,566,936.92

42. Loss on impairment of assets

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Impairment loss on contract assets	-265,633.25	2,194,952.63

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Gain on disposal of asset

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)	Amount recorded in non-recurring gains and losses during the current period
Gain on disposal of fixed assets	0.00	-10,100.13	0.00

44. Non-operating income

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)	Amount recorded in non-recurring gains and losses during the current period
Gain on retirement of non-current assets	10,038.65	3,023.29	10,038.65
Long-term income	3,659.17	2,140.09	3,659.17
Forfeiture income	8,307.93	145,465.00	8,307.93
Default payments	47,137.23	34,530.43	47,137.23
Government grants	910.00	26,535.00	910.00
Others	302,981.88	288,829.23	302,981.88
Premium income from the acquisition of Hebei Jinxiang Property	1,023,750.96	0.00	1,023,750.96
Total	1,396,785.82	500,523.04	1,396,785.82

45. Non-operating expenses

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)	Amount recorded in non-recurring gains and losses during the current period
Losses on retirement of non-current assets	66,129.93	4,752.32	66,129.93
Payment of back taxes and late payment fees	375,939.86	11,818.75	375,939.86
Donations	1,000.00	11,013.38	1,000.00
Extraordinary losses	0.00	0.00	0.00
Forfeiture expenses	115,340.00	257.22	115,340.00
Compensation payments	1,612,761.79	0.00	1,612,761.79
Others	526,530.65	1,388,093.96	526,530.65
Total	2,697,702.23	1,415,935.63	2,697,702.23

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(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**46. Income tax expenses****(1) Income tax expenses**

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Current income tax calculated in accordance with the tax law and related regulations	32,807,118.26	70,918,734.97
Corporate income tax in the Mainland of China	32,807,118.26	70,918,734.97
Deferred income tax expense	-9,389,781.23	-5,195,364.59
Total	23,417,337.03	65,723,370.38

There is no Hong Kong income tax as the Company had no taxable income in Hong Kong during the year.

(2) Adjustment to accounting profits and income tax expenses

Item	January to June 2023 (Unaudited)
Total consolidated profit for the year	120,767,271.67
Income tax expenses calculated at legal/applicable tax rate	30,191,817.92
Effect of different tax rates applied to subsidiaries	-1,554,576.28
Influence of adjustment to income tax of previous period	-4,827,741.45
Influence of non-taxable income	-1,018,798.19
Influence of non-deductible costs, expenses and losses	626,635.03
Influence from use of deductible losses of the unrecognized deferred tax assets during the previous period	0.00
Influence of the deductible temporary difference or deductible losses of the unrecognized deferred tax assets during the current year	0.00
Income tax expenses	23,417,337.03

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47. Statement of cash flow

(1) Other cash received/paid related to operating/investing/funding activities

1) Cash received related to other operating activities

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Performance deposits from Langfang Junyi	29,979,434.98	0.00
Current payments	81,871,242.98	70,996,667.63
Government grants	386,538.05	2,324,840.12
Listing incentive payment	2,500,000.00	0.00
Cash income from interest income	855,119.34	732,835.47
Personal tax handling fee refunds	88,899.01	120,723.13
Refund of trade union funds	433.80	0.00
Cash income from non-operating income	362,086.21	497,499.75
Release of frozen funds from banks	16,498,672.24	7,598,952.67
Total	132,542,426.61	82,271,518.77

2) Cash paid related to other operating activities

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Performance deposits from Langfang Junyi	0.00	500,000,000.00
Current payments	169,912,804.04	101,273,476.71
Selling expenses, cash out expenses in administrative expenses	18,875,204.29	19,092,953.92
Bank charges	2,369,654.04	2,059,157.17
Cash paid in non-operating expenses	2,631,572.30	1,411,183.31
Funds frozen in banks	8,923,040.20	2,018,962.08
Total	202,712,274.87	625,855,733.19

3) Cash paid related to other financing activities

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Listing financing costs	0.00	0.00
Payment of principal and interest on lease liabilities	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47. Statement of cash flow (Continued)

(2) Supplementary information of the cash flow statement

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
1. Reconciliation of net profits to cash flows from operating activities	-	-
Net profits	97,349,934.64	183,223,515.53
Add: Provision for asset impairment	265,633.25	-2,194,952.63
Loss on impairment of credit	33,386,956.07	35,566,936.92
Depreciation of fixed assets, oil and gas assets, and productive biological assets	3,785,700.04	2,794,603.06
Depreciation of right-of-use assets	161,640.80	160,606.55
Amortisation of intangible assets	923,541.38	662,215.20
Amortisation of long-term deferred expenses	1,875,383.12	942,550.43
Loss on disposal of fixed assets, intangible assets and other long-lived assets (gains indicated with "-")	-2,634,980.27	10,100.13
Loss on scrapping of fixed assets (gains indicated with "-")	56,091.28	1,729.03
Loss on fair value changes (gains indicated with "-")	-25,000.00	4,576,014.03
Financial costs (gains indicated with "-")	-977,253.77	-21,530,575.79
Investment losses (gains indicated with "-")	-3,635,067.56	-19,648,761.97
Decrease in deferred tax assets (increase indicated with "-")	-9,389,781.23	-3,968,055.39
Increase in deferred tax liabilities (decrease indicated with "-")	0.00	-1,235,428.51
Decrease in inventories (increase indicated with "-")	-7,481,197.99	-590,605.97
Decrease in receivables from operating activities (increase indicated with "-")	-158,445,259.40	-677,983,725.07
Increase in payables from operating activities (decrease indicated with "-")	3,459,525.31	-79,393,648.69
Others (share-based payments and changes in restricted funds)	8,258,870.26	9,095,078.47
Net cash flow from operating activities	-33,065,264.07	-569,512,404.67
2. Significant non-cash investing and financing activities:	-	-
Conversion of debts into capital	0.00	0.00
Convertible bonds repayable within 1 year	0.00	0.00
Fixed assets acquired under finance lease arrangement	0.00	0.00
3. Changes in cash and cash equivalents:	-	-
Closing balance of cash	748,090,925.33	988,183,696.97
Less: opening balance of cash	821,692,844.20	918,715,148.68
Add: closing balance of cash equivalents	0.00	0.00
Less: opening balance of cash equivalents	0.00	0.00
Net increase in cash and cash equivalents	-73,601,918.87	69,468,548.29

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47. Statement of cash flow (Continued)

(3) Cash and cash equivalents

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Cash	748,090,925.33	821,692,844.20
Including: cash on hand	325,298.42	2,961.40
Bank deposits available for payment at any time	747,364,252.34	821,427,147.80
Other monetary funds available for payment at any time	401,374.57	262,735.00
Closing balance of cash and cash equivalents	748,090,925.33	821,692,844.20

48. Assets with restricted ownership and use rights

Item	Book value as of June 30, 2023 (Unaudited)	Reasons for restrictions
Cash and cash equivalents	19,578,451.45	Funds freeze, property deposit

49. Foreign currency monetary items

Item	Foreign currencies balance at the end of the period	Exchange rate	Equivalent RMB amount at the end of the period
Cash and cash equivalents	34,413,556.03	0.92198	31,728,610.39
Including: HKD	34,413,556.03	0.92198	31,728,610.39

NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

VI. NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**50. Government grants****Basic information on government grants**

Category	Amount	Amount Presented items	Amount charged to current profit or loss
Job stability allowance	268,660.56	Other income	268,660.56
Waste separation subsidy	1,200.00	Other income	1,200.00
Enterprise development support fund	3,000.00	Other income	3,000.00
Epidemic prevention subsidy	77,279.85	Other income	77,279.85
Enterprise development support fund	60,000.00	Other income	60,000.00
Street incentive	-49,112.36	Other income	-49,112.36
Stay training grants	22,500.00	Other income	22,500.00
Condolences	100.00	Other income	100.00
Tax Bureau Award-2022 Water-saving Community Award and Subsidy	2,000.00	Other income	2,000.00
Total	385,628.05	-	385,628.05

51. Dividends

	2023	2022
Dividends recognised as distribution during the year:		
2023: Nil (Interim dividend paid for 2022: RMB0.25 (pre-tax) per share, totaling approximately RMB94 million)	-	94,000,000.00

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2023 (Interim dividend for 2022: RMB0.25 (pre-tax) per share).

VII. CHANGES IN SCOPE OF CONSOLIDATION

1. Business combinations not under common control

(1) Business combinations not under common control that occurred during the year

Name of acquired parties	Date of acquisition	Cost of acquisition	Shareholding proportion (%)	Methods of acquisition	Date of purchasing	Basis for determining the date of acquisition	Revenue of purchased party from the acquisition date to the end of the period	Net profit of purchased party from the acquisition date to the end of the period
Hebei Jinxiang Property Group Co., Ltd.	June 30, 2023	RMB40 million	80%	Purchase	June 30, 2023	"Application Guide II, Basis for determining the date of consolidation or purchase" of Accounting Standard for Business Enterprises No. 20 – Business Combinations	0.00	0.00

Note: On June 21, 2023, the Company, the Vendor (as the vendor) and Hebei Jinxiang entered into an agreement, pursuant to which the Company agreed to acquire, and the Vendor agreed to dispose of, 80% equity interest in Hebei Jinxiang at a consideration of RMB40 million. Upon completion, Hebei Jinxiang will become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Group. For details of the acquisition, please refer to the announcement of the Company dated June 21, 2023.

(2) Consolidation costs and goodwill

Item	Hebei Jinxiang Property Group Co., Ltd.
Cash	40,000,000.00
Fair value of non-cash assets	0.00
Fair value of debt issued or assumed	0.00
Fair value of equity securities issued	0.00
Fair value of contingent consideration	0.00
Fair value at the date of purchase of equity interests held prior to the date of purchase	0.00
Total consolidated costs	40,000,000.00
Less: share of fair value of identifiable net assets acquired	41,023,750.96
Amount by which goodwill/cost of consolidation is less than share of fair value of identifiable net assets acquired	-1,023,750.96

NOTES TO THE FINANCIAL STATEMENTS

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(Unless indicated otherwise, all amounts are expressed in RMB)

VII. CHANGES IN SCOPE OF CONSOLIDATION (Continued)

1. Business combinations not under common control (Continued)

(3) Identifiable assets and liabilities of the acquiree at the date of purchase

Item	Hebei Jinxiang Property Group Co., Ltd.	
	Date of purchase Fair value	Date of purchase Carrying amount
Current assets:	–	–
Cash and cash equivalents	1,282,029.16	1,282,029.16
Accounts receivable	1,067,965.49	1,067,965.49
Less: Accounts receivable – bad debt provision	0.00	0.00
Accounts receivable, net	1,067,965.49	1,067,965.49
Prepayments	47,004.00	47,004.00
Other receivables	54,172,238.13	54,172,238.13
Less: Other receivables – bad debt provision	0.00	0.00
Other accounts receivable, net	54,172,238.13	54,172,238.13
Inventories	646.30	646.30
Inventories, net	646.30	646.30
Total current assets	56,569,883.08	56,569,883.08
Long-term equity investments	0.00	0.00
Long-term equity investments, net	0.00	0.00
Original price of fixed assets	2,528,286.23	2,528,286.23
Less: accumulated depreciation	1,766,583.38	1,766,583.38
Net value of fixed assets	761,702.85	761,702.85
Net fixed assets	761,702.85	761,702.85
Total non-current assets	761,702.85	761,702.85
Total assets	57,331,585.93	57,331,585.93
Liabilities:	–	–
Short-term borrowings	2,000,000.00	2,000,000.00
Accounts payable	431,622.00	431,622.00
Contract liabilities	135,032.32	135,032.32
Staff remuneration payable	1,089,897.33	1,089,897.33
Taxes payable	117,826.78	117,826.78
Other payables	2,269,416.86	2,269,416.86
Other current liabilities	8,101.94	8,101.94
Total current liabilities	6,051,897.23	6,051,897.23
Total liabilities	6,051,897.23	6,051,897.23
Paid-in capital (share capital)	50,000,000.00	50,000,000.00
Private capital	50,000,000.00	50,000,000.00
Net paid-in capital (or equity)	50,000,000.00	50,000,000.00
Capital reserve	500,000.00	500,000.00
Undistributed profits	779,688.70	779,688.70
Total owner's equity (or shareholders' equity)		
attributable to the parent company	53,279,688.70	53,279,688.70
Minority interests	0.00	0.00
Total owners' equity (or shareholders' equity)	51,279,688.70	51,279,688.70
Total liabilities and owners' equity (or shareholders' equity)	57,331,585.93	57,331,585.93

VII. CHANGES IN SCOPE OF CONSOLIDATION (Continued)

2. Change in scope of consolidation for other reasons

(1) Newly established

No.	Name of subsidiary	Reason for change	Date of establishment	Place of registration	Shareholding (%)	
					Direct	Indirect
1	Pizhou Rongwanjia Life Service Co., Ltd.	Newly established	2023-1-9	Jiangsu	0	100
2	Zhengzhou Rongwanjia Life Service Co., Ltd.	Newly established	2023-5-4	Henan	0	100
3	Luohu Rongwanjia Life Service Co., Ltd.	Newly established	2023-4-23	Henan	0	100
4	Guangdong Shengli Elevator Co., Ltd.	Newly established	2023-2-23	Guangdong	0	100
5	Puyang Rongwanjia Life Service Co., Ltd.	Newly established	2023-4-21	Henan	0	100
6	Cixi Rongjia Life Service Co., Ltd.	Newly established	2023-2-21	Zhejiang	0	100
7	Lianyungang Rongwanjia Life Service Co., Ltd.	Newly established	2023-1-31	Jiangsu	0	100
8	Linyi Rongshang Technology Engineering Co., Ltd.	Newly established	2023-1-9	Shandong	0	100
9	Xuzhou Rongzhiyi Technology Co., Ltd.	Newly established	2023-4-17	Jiangsu	0	100
10	Dezhou Rongqi Commercial Sales Co., Ltd.	Newly established	2023-3-17	Shandong	0	100
11	Tangshan Jufeng Decoration Engineering Co., Ltd.	Newly established	2023-4-3	Hebei	0	100
12	Zhanjiang Shenghui Decoration Engineering Co., Ltd.	Newly established	2023-3-3	Guangdong	0	100
13	Liaocheng Rongchen Design and Decoration Co., Ltd.	Newly established	2023-1-3	Shandong	0	100
14	Shenyang Rongxu Real Estate Brokerage Co., Ltd.	Newly established	2023-2-27	Liaoning	0	100
15	Tangshan Rongjing Life Service Co., Ltd.	Newly established	2023-5-17	Hebei	0	100
16	Liaocheng Rongxu Trading Co., Ltd.	Newly established	2023-1-5	Shandong	0	100
17	Rongyu Property Services (Botou) Co., Ltd.	Newly established	2023-5-6	Hebei	0	100
18	Nanjing Rongzhi Home Technology Co., Ltd.	Newly established	2023-2-24	Jiangsu	0	100
19	Bengbu Rongjia Trading Co., Ltd.	Newly established	2023-4-12	Anhui	0	100
20	Qinhuangdao Shenglan Hotel Management Co., Ltd.	Newly established	2023-6-2	Hebei	0	100
21	Qinhuangdao Ronghai Hotel Management Co., Ltd.	Newly established	2023-6-9	Hebei	0	100
22	Xuzhou Quanrong Life Service Co., Ltd.	Newly established	2023-4-28	Jiangsu	0	60

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VII. CHANGES IN SCOPE OF CONSOLIDATION (Continued)

2. Change in scope of consolidation for other reasons (Continued)

(2) Write-offs

No.	Name of subsidiary	Reason for change	Date of write-off	Place of registration	Shareholding (%)	
					Direct	Indirect
1	Shengxing Living Service (Xingtai) Co., Ltd.	Write-offs	2023-4-17	Hebei	0	100
2	Vogue Living Service Laishui Co., Ltd.	Write-offs	2023-4-27	Hebei	0	100
3	Cangzhou Rongyue Landscape Engineering Co., Ltd.	Write-offs	2023-6-1	Hebei	0	100

(3) Mergers and acquisitions

No.	Name of subsidiary	Reason for change	Nature of business	Place of registration	Shareholding (%)	
					Direct	Indirect
1	Hebei Jinxiang Property Group Co., Ltd.	Mergers and acquisitions	Property management	Hebei	80	0
2	Hebei Jincheng Cleaning Service Co., Ltd.	Mergers and acquisitions	Residential services, repairs and other services	Hebei	0	100
3	Hebei Bihai Laundry Service Co., Ltd.	Mergers and acquisitions	Residential services, repairs and other services	Hebei	0	100
4	Langfang Wuyun Oriental Landscaping Engineering Co., Ltd.	Mergers and acquisitions	Construction	Hebei	0	100
5	Langfang Zhenzhi Human Resources Service Co., Ltd.	Mergers and acquisitions	Leasing and business services	Hebei	0	100

VIII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of an enterprise group

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
						Direct	Indirect	
1	Langfang Rongxin Real Estate Brokerage Co., Ltd.	Hebei	Hebei	Real estate agency	5,000.00	100	0	Investment
2	Tianjin Rongshang Technology Co., Ltd.	Tianjin	Tianjin	Technical Service	3,000.00	100	0	Investment
3	Jiaxing Rongjia Life Service Co., Ltd.	Zhejiang	Zhejiang	Resident daily life services	2,000.00	0	100	Investment
4	Rongyikang (Beijing) Lifestyle Technology Co., Ltd.	Beijing	Beijing	Technical Service	2,000.00	100	0	Investment
5	Langfang Rongzhen Trading Co., Ltd.	Hebei	Hebei	Commodity sales	1,300.00	100	0	Investment
6	Liaocheng Rongkun Construction Engineering Co., Ltd.	Shandong	Shandong	Engineering services	1,000.00	0	100	Investment
7	Roiserv (Guangdong) Lifestyle Service Co., Ltd.	Guangdong	Guangdong	Resident daily life services	1,000.00	100	0	Investment
8	Roiserv (Beijing) Technology Services Limited	Beijing	Beijing	Technical Service	1,000.00	100	0	Investment
9	Yongqing Rongtu Life Service Co., Ltd.	Hebei	Hebei	Property management services	500.00	0	100	Investment
10	Pizhou Rongwanjia Life Service Co., Ltd.	Pizhou City, Xuzhou City, Jiangsu Province	Pizhou City, Xuzhou City, Jiangsu Province	Resident services	500.00	0	100	Investment
11	Zhengzhou Rongwanjia Life Service Co., Ltd.	Zhengzhou City, Henan Province	Zhengzhou City, Henan Province	Residential services, repairs and other services	500.00	0	100	Investment
12	Jiaxing Rongshang Engineering Technology Co., Ltd.	Zhejiang	Zhejiang	Technical Service	500.00	0	100	Investment
13	Luohe Rongwanjia Life Service Co., Ltd.	Yancheng District, Luohe City, Henan Province	Yancheng District, Luohe City, Henan Province	Residential services, repairs and other services	500.00	0	100	Investment
14	Rongwanjia (Xuzhou) Life Service Co., Ltd.	Jiangsu	Jiangsu	Resident daily life services	500.00	100	0	Investment

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VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of an enterprise group (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered	Shareholding (%)		Method of acquisition
					capital (RMB0'000)	Direct	Indirect	
15	Guangdong Shengli Elevator Co., Ltd.	Chikan District, Zhanjiang City, Guangdong Province	Chikan District, Zhanjiang City, Guangdong Province	Manufacturing > general equipment manufacturing > material handling equipment manufacturing > elevator, escalator and elevator manufacturing	500.00	0	100	Investment
16	Rongwanjia (Anhui) Life Service Co., Ltd.	Anhui	Anhui	Property management services	500.00	100	0	Investment
17	Shenyang Rongshang Technology Co., Ltd.	Liaoning	Shenyang	Technical Service	500.00	0	100	Investment
18	Hangzhou Lin'an Rongjia Life Service Co., Ltd.	Zhejiang	Zhejiang	Resident daily life services	500.00	0	100	Investment
19	Langfang Guangyang Rongjia Life Service Co., Ltd.	Hebei	Hebei	Resident daily life services	500.00	0	100	Investment
20	Roiserv (Shandong) Property Development Co., Ltd.	Shandong	Shandong	Property management services	500.00	100	0	Investment
21	Xianghe Rongliang Property Management Co., Ltd.	Hebei	Hebei	Property management services	500.00	0	100	Investment
22	Handan Rongmiao Property Management Co., Ltd.	Hebei	Hebei	Property management services	500.00	100	0	Investment
23	Xuzhou Rongzhishang Technology Co., Ltd.	Jiangsu	Jiangsu	Technical Service	500.00	0	100	Investment
24	Huizhou Rongshang Technology Co., Ltd.	Guangdong	Guangdong	Technical Service	500.00	0	100	Investment
25	Henan Rongshang Engineering Technology Co., Ltd.	Henan	Henan	Technical Service	500.00	0	100	Investment
26	Puyang Rongwanjia Life Service Co., Ltd.	Hualong District, Puyang City, Henan Province	Hualong District, Puyang City, Henan Province	Residential services, repairs and other services	500.00	0	100	Investment
27	Langfang Rongshang Technology Co., Ltd.	Hebei	Hebei	Technical Service	500.00	0	100	Investment
28	Langfang Rongrong Trading Co., Ltd.	Hebei	Hebei	Commodity sales	500.00	0	100	Investment
29	Tangshan Rongshang Engineering Management Co., Ltd.	Hebei	Hebei	Engineering services	500.00	0	100	Investment

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of an enterprise group (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
						Direct	Indirect	
30	Cixi Rongjia Life Service Co., Ltd.	Cixi City, Zhejiang Province	Cixi City, Zhejiang Province	Other resident services	500.00	0	100	Investment
31	Bazhou Ronghao Property Management Co., Ltd.	Hebei	Hebei	Property management services	500.00	0	100	Investment
32	Hohhot Rongsheng Property Service Co., Ltd.	Inner Mongolia	Inner Mongolia	Property management services	500.00	100	0	Investment
33	Shaoxing Rongjia Life Service Co., Ltd.	Zhejiang	Zhejiang	Resident daily life services	500.00	0	100	Investment
34	Guangdong Rongshang Technology Co., Ltd.	Guangdong	Guangdong	Technical Service	500.00	0	100	Investment
35	Gu'an Rongyue Property Management Co., Ltd.	Hebei	Hebei	Property management services	500.00	0	100	Investment
36	Lianyungang Rongwanjia Life Service Co., Ltd.	Haizhou District, Lianyungang City, Jiangsu Province	Haizhou District, Lianyungang City, Jiangsu Province	Resident services	500.00	0	100	Investment
37	Hefei Rongwanjia Life Service Co., Ltd.	Anhui	Anhui	Property management services	500.00	0	100	Investment
38	Panjin Rongwanjia Life Service Co., Ltd.	Liaoning	Panjin	Resident daily life services	500.00	0	100	Investment
39	Linyi Rongjia Life Service Co., Ltd.	Shandong	Linyi	Resident daily life services	500.00	0	100	Investment
40	Shanxi Rongwanjia Life Service Co., Ltd.	Shanxi	Shanxi	Property management services	500.00	100	0	Investment
41	Roiserv (Hunan) Lifestyle Service Co., Ltd.	Hunan	Hunan	Resident daily life services	500.00	100	0	Investment
42	Jiangsu Puji Property Co., Ltd.	Jiangsu	Jiangsu	Property management services	500.00	0	100	Mergers and acquisitions
43	Langfang Anci District Rongzhi Life Service Co., Ltd.	Hebei	Hebei	Resident daily life services	500.00	0	100	Investment
44	Bengbu Rongshang Technology Co., Ltd.	Anhui	Bengbu	Technical Service	500.00	0	100	Investment
45	Zhangjiakou Rongshang Technology Service Co., Ltd.	Hebei	Hebei	Engineering services	500.00	0	100	Investment
46	Hunan Rongmiao Technology Co., Ltd.	Hunan	Hunan	Engineering services	500.00	0	100	Investment

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VIII. INTERESTS IN OTHER ENTITIES (Continued)**1. Interests in subsidiaries** (Continued)**(1) Composition of an enterprise group** (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered	Shareholding (%)		Method of acquisition
					capital (RMB0'000)	Direct	Indirect	
47	Rongwanjia (Langfang) Life Service Co., Ltd.	Hebei	Hebei	Resident daily life services	500.00	100	0	Investment
48	Wen'an Rongjue Life Service Co., Ltd.	Hebei	Hebei	Resident daily life services	500.00	0	100	Investment
49	Wuhu Rongwanjia Property Service Co., Ltd.	Anhui	Wuhu	Property management services	500.00	0	100	Investment
50	Rongwanjia (Shenyang) Life Service Co., Ltd.	Liaoning	Shenyang	Resident daily life services	500.00	100	0	Investment
51	Linyi Rongshang Technology Engineering Co., Ltd.	Hedong District, Linyi City, Shandong Province	Hedong District, Linyi City, Shandong Province	Scientific research and technological services>research and experimental development> engineering and technological research and experimental development	500.00	0	100	Investment
52	Sanhe Rongyi Life Service Co., Ltd.	Hebei	Hebei	Resident daily life services	500.00	0	100	Investment
53	Nanjing Handu Technology Industry Co., Ltd.	Jiangsu	Jiangsu	Elevator maintenance services	500.00	0	100	Mergers and acquisitions
54	Rongwanjia (Huizhou) Life Service Co., Ltd.	Guangdong	Guangdong	Property management services	500.00	100	0	Investment
55	Suzhou Rongjia Life Service Co., Ltd.	Jiangsu	Jiangsu	Resident daily life services	500.00	0	100	Investment
56	Shangrao Rongjia Life Service Co., Ltd.	Jiangxi	Jiangxi	Resident daily life services	499.00	0	100	Investment
57	Nanjing Liuhe Rongsheng Property Services Co., Ltd.	Jiangsu	Jiangsu	Property management services	300.00	100	0	Investment
58	Changzhou Rongwanjia Life Service Co., Ltd.	Jiangsu	Jiangsu	Property management services	300.00	0	100	Investment
59	Shijiazhuang Rongmiao Technology Co., Ltd.	Hebei	Hebei	Technical Service	300.00	0	100	Investment
60	Liaocheng Rongwanjia Life Service Co., Ltd.	Shandong	Liaocheng	Resident daily life services	300.00	0	100	Investment
61	Baoding Rongwanjia Life Service Co., Ltd.	Hebei	Hebei	Property management services	300.00	0	100	Investment

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of an enterprise group (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
						Direct	Indirect	
62	Chongqing Rongwanjia Life Service Co., Ltd.	Chongqing	Chongqing	Resident daily life services	300.00	0	100	Investment
63	Handan Rongna Technology Engineering Co., Ltd.	Hebei	Hebei	Technical Service	300.00	0	100	Investment
64	Huailai Rong'an Property Management Co., Ltd.	Hebei	Hebei	Property management services	300.00	0	100	Investment
65	Shenyang Ronghe Trading Co., Ltd.	Liaoning	Liaoning	Commodity sales	300.00	0	100	Investment
66	Yangxi County Shanhuhai Property Owners' Home Catering Services Co., Ltd.	Guangdong	Guangdong	Catering services	300.00	0	100	Investment
67	Xi'an Rongjia Shengxin Property Management Co., Ltd.	Shaanxi	Xi'an	Property management services	300.00	0	100	Investment
68	Shenyang Rongyu Trading Co., Ltd.	Liaoning	Liaoning	Commodity sales	300.00	0	100	Investment
69	Shenyang Ronghua Trading Co., Ltd.	Liaoning	Liaoning	Commodity sales	300.00	0	100	Investment
70	Qihe Rongwanjia Life Service Co., Ltd.	Shandong	Dezhou	Resident daily life services	300.00	0	100	Investment
71	Binzhou Roiserv Lifestyle Service Co., Ltd.	Shandong	Shandong	Resident daily life services	300.00	0	100	Investment
72	Chengdu Rongzhishang Technology Co., Ltd.	Sichuan	Sichuan	Technical Service	300.00	0	100	Investment
73	Tianjin Rongwanjia Life Service Co., Ltd.	Tianjin	Tianjin	Property management services	300.00	100	0	Investment
74	Handan Rongyuyuan Trading Co., Ltd.	Hebei	Hebei	Commodity sales	300.00	0	100	Investment
75	Qingdao Rongjin Life Service Co., Ltd.	Shandong	Qingdao	Resident daily life services	300.00	0	100	Investment
76	Nantong Rongtu Property Management Co., Ltd.	Jiangsu	Jiangsu	Property management services	300.00	0	100	Investment
77	Roiserv (Cangzhou) Lifestyle Service Co., Ltd.	Hebei	Hebei	Resident daily life services	300.00	100	0	Investment
78	Yixing Rongwanjia Property Management Co., Ltd.	Jiangsu	Jiangsu	Property management services	300.00	0	100	Investment
79	Xingtai Rongwanjia Property Management Co., Ltd.	Hebei	Hebei	Property management services	300.00	0	100	Investment

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VIII. INTERESTS IN OTHER ENTITIES (Continued)**1. Interests in subsidiaries** (Continued)**(1) Composition of an enterprise group** (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered	Shareholding (%)		Method of acquisition
					capital (RMB0'000)	Direct	Indirect	
80	Sichuan Rongwanjia Shengxin Property Management Co., Ltd.	Sichuan	Sichuan	Property management services	300.00	100	0	Investment
81	Shenyang Rongguan Trading Co., Ltd.	Liaoning	Liaoning	Commodity sales	300.00	0	100	Investment
82	Jinan Ronghe Life Service Co., Ltd.	Shandong	Jinan	Resident daily life services	300.00	0	100	Investment
83	Changzhou Rongyijia Property Agent Co., Ltd.	Jiangsu	Jiangsu	Real estate agency	300.00	100	0	Investment
84	Zhuzhou Rongwanjia Life Service Co., Ltd.	Hunan	Zhuzhou	Resident daily life services	200.00	0	100	Investment
85	Cangzhou Rongna Trading Co., Ltd.	Hebei	Hebei	Commodity sales	200.00	0	100	Investment
86	Yongzhou Rongwanjia Life Service Co., Ltd.	Hunan	Hunan	Resident daily life services	200.00	0	100	Investment
87	Henan Rongwanjia Life Service Co., Ltd.	Henan	Henan	Property management services	200.00	100	0	Investment
88	Handan Rongchao Trading Co., Ltd.	Hebei	Hebei	Commodity sales	200.00	0	100	Investment
89	Yiyang Rongwanjia Life Service Co., Ltd.	Hunan	Hunan	Resident daily life services	200.00	0	100	Investment
90	Hunan Rongkun Trading Co., Ltd.	Hunan	Hunan	Commodity sales	200.00	0	100	Investment
91	Zhangjiajie Rongwanjia Life Service Co., Ltd.	Hunan	Hunan	Resident daily life services	200.00	0	100	Investment
92	Xuzhou Rongzhiyi Technology Co., Ltd.	Quanshan District, Xuzhou City, Jiangsu Province	Quanshan District, Xuzhou City, Jiangsu Province	Scientific research and technical service industry	200.00	0	100	Investment
93	Cangzhou Rongqiao Trading Co., Ltd.	Hebei	Hebei	Commodity sales	200.00	0	100	Investment
94	Zhengzhou Shenshuo Trading Co., Ltd.	Henan	Henan	Commodity sales	100.00	0	100	Investment
95	Beijing Manbeilun Cosmetics Co., Ltd.	Beijing	Beijing	Commodity sales	100.00	100	0	Investment

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of an enterprise group (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
						Direct	Indirect	
96	Dujun Rongwanjia Life Service Co., Ltd.	Guizhou	Qiannan Buyi Miao Autonomous Prefecture	Property management services	100.00	0	100	Investment
97	Zhangjiakou Rongsheng Jingxuan Property Service Co., Ltd.	Hebei	Hebei	Property management services	100.00	100	0	Mergers and acquisitions
98	Jinan Rongtong Real Estate Brokerage Co., Ltd.	Shandong	Shandong	Real estate agency	100.00	100	0	Investment
99	Cangzhou Rongguang Construction Engineering Co., Ltd.	Hebei	Hebei	Engineering services	100.00	100	0	Investment
100	Shijiazhuang Rongyu Trading Co., Ltd.	Hebei	Hebei	Commodity sales	100.00	0	100	Investment
101	Nanjing Rongshe Trading Co., Ltd.	Jiangsu	Nanjing	Commodity sales	100.00	0	100	Investment
102	Tangshan You'anmi Catering Services Co., Ltd.	Hebei	Hebei	Commodity sales	100.00	0	100	Mergers and acquisitions
103	Roiserv (Tangshan) Lifestyle Service Co., Ltd.	Hebei	Hebei	Resident daily life services	100.00	100	0	Investment
104	Shijiazhuang Rongci Real Estate Brokerage Co., Ltd.	Hebei	Hebei	Real estate agency	100.00	100	0	Investment
105	Shenyang Rongyue Trading Co., Ltd.	Liaoning	Liaoning	Commodity sales	100.00	0	100	Investment
106	Shijiazhuang Rongdi Trading Co., Ltd.	Hebei	Hebei	Commodity sales	100.00	0	100	Investment
107	Shijiazhuang Rongxu Trading Co., Ltd.	Hebei	Hebei	Commodity sales	100.00	0	100	Investment
108	Shijiazhuang Rongtan Trading Co., Ltd.	Hebei	Hebei	Commodity sales	100.00	0	100	Investment
109	Rongwanjia (Beijing) Property Services Co., Ltd.	Beijing	Beijing	Property management services	100.00	100	0	Investment
110	Yongqing Jingtai Property Services Co., Ltd.	Hebei	Hebei	Property management services	100.00	100	0	Mergers and acquisitions
111	Shijiazhuang Rongmi Trading Co., Ltd.	Hebei	Hebei	Commodity sales	100.00	0	100	Investment

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VIII. INTERESTS IN OTHER ENTITIES (Continued)**1. Interests in subsidiaries** (Continued)**(1) Composition of an enterprise group** (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
						Direct	Indirect	
112	Yueyang Rongwanjia Life Service Co., Ltd.	Hunan	Yueyang	Resident daily life services	100.00	0	100	Investment
113	Hengshui Rongyue Life Service Co., Ltd.	Hebei	Hebei	Resident daily life services	100.00	0	100	Investment
114	Tangshan Xuantu Automobile Service Co., Ltd.	Hebei	Hebei	Car maintenance	50.00	0	100	Mergers and acquisitions
115	Cangzhou Rongzhe Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
116	Nanjing Ronghui Trading Co., Ltd.	Jiangsu	Jiangsu	Commodity sales	50.00	0	100	Investment
117	Nanjing Puhe Property Services Co., Ltd.	Jiangsu	Jiangsu	Property management services	50.00	0	100	Mergers and acquisitions
118	Zhanjiang Ronghui Automotive Beauty Co., Ltd.	Guangdong	Guangdong	Car maintenance	50.00	0	100	Investment
119	Nanjing Shengtou Automobile Service Co., Ltd.	Jiangsu	Jiangsu	Car maintenance	50.00	0	100	Investment
120	Dezhou Rongqi Trade Sales Co., Ltd.	Qihe County, Dezhou, Shandong	Qihe County, Dezhou, Shandong	Wholesale and retail industry > Wholesale of textile, apparel and household products > Wholesale of lamps and decorative items	50.00	0	100	Investment
121	Liuzhi Special District Rongwanjia Life Service Co., Ltd.	Guizhou	Guizhou	Property management services	50.00	0	100	Investment
122	Inner Mongolia Ronglan Trading Co., Ltd.	Inner Mongolia	Inner Mongolia	Commodity sales	50.00	0	100	Investment
123	Tangshan Fengnan District Pujie Property Service Co., Ltd.	Hebei	Hebei	Property management services	50.00	100	0	Mergers and acquisitions

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of an enterprise group (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
						Direct	Indirect	
124	Tangshan Jufeng Decoration Engineering Co., Ltd.	Hebei Tangshan Fengnan	Hebei Tangshan Fengnan	Construction industry > Building decoration, renovation and other construction industry > Building decoration and renovation industry > Residential decoration and renovation	50.00	0	100	Investment
125	Changzhou Zhenmiao Department Store Trading Co., Ltd.	Jiangsu	Jiangsu	Commodity sales	50.00	0	100	Investment
126	Zhanjiang Shenghui Decoration Engineering Co., Ltd.	Guangdong Zhanjiang Chikan	Guangdong Zhanjiang Chikan	Construction industry > Building decoration, renovation and other construction industry > Building decoration and renovation industry > Residential decoration and renovation	50.00	0	100	Investment
127	Changsha Rongdou Catering Service Co., Ltd.	Hunan	Hunan	Catering services	50.00	0	100	Investment
128	Chengdu Rongchao Trading Co., Ltd.	Sichuan	Sichuan	Commodity sales	50.00	0	100	Investment
129	Zhanjiang Shengxu Trading Co., Ltd.	Guangdong	Guangdong	Commodity sales	50.00	0	100	Investment
130	Liaocheng Rongchen Design and Decoration Co., Ltd.	Shandong Liaocheng Dongchangfu	Shandong Liaocheng Dongchangfu	Construction industry > Building decoration, renovation and other construction industry	50.00	0	100	Investment
131	Cangzhou Rongmai Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
132	Cangzhou Rongxin Automobile Service Co., Ltd.	Hebei	Hebei	Car maintenance	50.00	0	100	Investment
133	Jinan Rongfa Convenient Life Supermarket Co., Ltd.	Shandong	Shandong	Commodity sales	50.00	0	100	Mergers and acquisitions

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VIII. INTERESTS IN OTHER ENTITIES (Continued)**1. Interests in subsidiaries** (Continued)**(1) Composition of an enterprise group** (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital		Shareholding (%)	Method of acquisition
					(RMB0'000)	Shareholding (%)		
					Direct	Indirect		
134	Handan Rongba Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
135	Nanjing Rongling Trading Co., Ltd.	Jiangsu	Jiangsu	Commodity sales	50.00	0	100	Investment
136	Linyi Ronghui Trading Co., Ltd.	Shandong	Shandong	Commodity sales	50.00	0	100	Investment
137	Zhanjiang Owner's Home Catering Service Co., Ltd.	Guangdong	Guangdong	Catering services	50.00	0	100	Investment
138	Cangzhou Rongxiu Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
139	Cangzhou Rongliang Automobile Service Co., Ltd.	Hebei	Hebei	Car maintenance	50.00	0	100	Investment
140	Shenyang Rongxu Real Estate Brokerage Co., Ltd.	Liaoning	Liaoning	Real estate brokerage services	50.00	0	100	Investment
141	Zhanjiang Rongjin Trading Co., Ltd.	Guangdong	Guangdong	Commodity sales	50.00	0	100	Investment
142	Shenyang Rongxin Trading Co., Ltd.	Liaoning	Liaoning	Commodity sales	50.00	0	100	Investment
143	Handan Rongyiheng Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
144	Hohhot Rongzhen Trading Co., Ltd.	Inner Mongolia	Inner Mongolia	Commodity sales	50.00	0	100	Investment
145	Shenyang Rongkun Trading Co., Ltd.	Liaoning	Liaoning	Commodity sales	50.00	0	100	Investment
146	Langfang Rongba Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
147	Zhanjiang Rongsheng Trading Co. Ltd.	Guangdong	Guangdong	Commodity sales	50.00	0	100	Investment
148	Yueyang Rongyue Department Store Trading Co., Ltd.	Hunan	Hunan	Commodity sales	50.00	0	100	Investment
149	Zhanjiang Ronghan Trading Co., Ltd.	Guangdong	Guangdong	Commodity sales	50.00	0	100	Investment
150	Hohhot Rongmian Trading Co., Ltd.	Inner Mongolia	Inner Mongolia	Commodity sales	50.00	0	100	Investment
151	Tangshan Rongjun Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
152	Jinan Ronghuai Trading Co., Ltd.	Shandong	Shandong	Commodity sales	50.00	0	100	Mergers and acquisitions

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of an enterprise group (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
						Direct	Indirect	
153	Nanjing Rongzhishang Technology Co., Ltd	Jiangsu	Nanjing	Technical Service	50.00	0	100	Investment
154	Tangshan Rongjing Life Service Co., Ltd.	Hebei Tangshan Lunan	Hebei Tangshan Lunan	Resident services, repairs and other services > Resident services industry > Family services	50.00	0	100	Investment
155	Cangzhou Rongqi Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
156	Bengbu Rongchang Trading Co., Ltd.	Anhui	Anhui	Commodity sales	50.00	0	100	Investment
157	Cangzhou Rongsu Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
158	Zhanjiang Jiatianwa Real Estate Brokerage Service Co., Ltd.	Guangdong	Guangdong	Real estate brokerage services	50.00	0	100	Investment
159	Yangxi County Rongyu Bay Owner's Home Catering Service Co., Ltd.	Guangdong	Guangdong	Catering services	50.00	0	100	Investment
160	Linqing Pujie Property Services Co., Ltd.	Shandong	Shandong	Property management services	50.00	0	100	Investment
161	Zhangjiakou Rongmeng Property Management Co., Ltd.	Hebei	Hebei	Property management services	50.00	100	0	Investment
162	Cangzhou Rongpai Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
163	Yixing Rongmiao Department Store Trading Co., Ltd.	Jiangsu	Jiangsu	Commodity sales	50.00	0	100	Investment
164	Zhangjiakou Rongguanyue Property Management Co., Ltd.	Hebei	Hebei	Property management services	50.00	100	0	Investment
165	Liaocheng Rongxu Trading Sales Co., Ltd.	Shandong Liaocheng Dongchangfu	Shandong Liaocheng Dongchangfu	Wholesale and retail industry> Retail industry	50.00	0	100	Investment
166	Yangjiang Shengshang Technology Co., Ltd.	Guangdong	Guangdong	Engineering services	50.00	0	100	Investment
167	Xianghe Rongkun Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
168	Zhanjiang Shengjing Trading Co., Ltd.	Guangdong	Guangdong	Commodity sales	50.00	0	100	Investment

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VIII. INTERESTS IN OTHER ENTITIES (Continued)**1. Interests in subsidiaries** (Continued)**(1) Composition of an enterprise group** (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
						Direct	Indirect	
169	Liaocheng Dongchangfu Rongfa Trading Co., Ltd.	Shandong	Shandong	Commodity sales	50.00	0	100	Investment
170	Huizhou Rongzhen Trading Co., Ltd.	Guangdong	Guangdong	Commodity sales	50.00	0	100	Investment
171	Xuzhou Rongrun Trading Co., Ltd.	Jiangsu	Jiangsu	Commodity sales	50.00	0	100	Investment
172	Zhanjiang Shengyi Trading Co., Ltd.	Guangdong	Guangdong	Commodity sales	50.00	0	100	Investment
173	Hohhot Rongmian Trading Co., Ltd.	Inner Mongolia	Inner Mongolia	Commodity sales	50.00	0	100	Investment
174	Rongyu Property Services (Botou) Co., Ltd.	Hebei Cangzhou Botou	Hebei Cangzhou Botou	Real estate industry > Real estate > Property management	50.00	0	100	Investment
175	Changsha Sanfen Liangtian Real Estate Brokerage Co., Ltd.	Hunan	Hunan	Real estate brokerage services	50.00	0	100	Investment
176	Chongqing Rongzhiguan Trading Co., Ltd.	Chongqing	Chongqing	Commodity sales	50.00	0	100	Investment
177	Cangzhou Rongkun Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
178	Shijiazhuang Rongci Trading Co., Ltd.	Hebei	Hebei	Commodity sales	50.00	0	100	Investment
179	Jinan Shengzhuang Decoration Service Co., Ltd.	Shandong	Shandong	Engineering services	50.00	0	100	Mergers and acquisitions
180	Nanjing Rongzhi Home Technology Co., Ltd	Jiangsu Nanjing Liuhe	Jiangsu Nanjing Liuhe	Scientific research and technology services industry > Science and technology promotion and application services industry	50.00	0	100	Investment
181	Hangzhou Rongjia Life Service Co., Ltd.	Zhejiang	Zhejiang	Resident daily life services	30.00	100	0	Investment
182	Jiaxing Rongjia Life Service Co., Ltd.	Zhejiang	Zhejiang	Resident daily life services	30.00	100	0	Investment
183	Ronggao Trading (Jiaxing) Co., Ltd.	Zhejiang	Zhejiang	Commodity sales	30.00	0	100	Investment

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of an enterprise group (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
						Direct	Indirect	
184	Zhangjiakou Rongyiheng Trading Co., Ltd.	Hebei	Hebei	Commodity sales	30.00	0	100	Investment
185	Bengbu Rongjia Trading Co., Ltd.	Anhui Bengbu Bengshan	Anhui Bengbu Bengshan	Wholesale and retail industry> Retail industry	30.00	0	100	Investment
186	Jiaxing Rongjun Life Service Co., Ltd.	Zhejiang	Zhejiang	Resident daily life services	30.00	0	100	Investment
187	Jiaxing Rongsheng Life Service Co., Ltd.	Zhejiang	Zhejiang	Resident daily life services	30.00	0	100	Investment
188	Shenyang Rongxi Catering Management Co., Ltd.	Liaoning	Liaoning	Commodity sales	30.00	0	100	Investment
189	Jiaxing Rongjun Trading Co., Ltd.	Zhejiang	Zhejiang	Commodity sales	30.00	0	100	Investment
190	Langfang Duona Trading Co., Ltd.	Hebei	Hebei	Commodity sales	30.00	0	100	Investment
191	Shenyang Sujie Car Wash and Beauty Co., Ltd.	Liaoning	Liaoning	Commodity sales	10.00	0	100	Investment
192	Liaocheng Rongyi Automobile Beauty Service Co., Ltd.	Shandong	Shandong	Car maintenance	10.00	0	100	Investment
193	Liaocheng Guandi Automobile Beauty Maintenance Service Co., Ltd.	Shandong	Shandong	Car maintenance	10.00	0	100	Mergers and acquisitions
194	Shijiazhuang Shengjing Fitness Service Co., Ltd.	Hebei	Hebei	Fitness services	10.00	100	0	Mergers and acquisitions
195	Shenyang Rongwanjia Craftsmanship Car Wash and Beauty Co., Ltd.	Liaoning	Liaoning	Commodity sales	10.00	0	100	Investment
196	Liaocheng Lishe Automotive Beauty Maintenance Service Co., Ltd.	Shandong	Shandong	Car maintenance	10.00	0	100	Mergers and acquisitions
197	Huazai (Beijing) Management Consulting Co., Ltd.	Beijing	Beijing	Social and economic consulting services	1,000.00	0	95	Investment
198	Hebei Jinxiang Property Group Co., Ltd.	Hebei Langfang	Hebei Langfang	Property management	5,000.00	80	0	Mergers and acquisitions
		Economic and Technology Development Zone	Economic and Technology Development Zone					

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VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of an enterprise group (Continued)

No.	Name of subsidiary	Main place		Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
		of business	Place of			Direct	Indirect	
199	Hebei Jincheng Cleaning Service Co., Ltd.	Hebei Langfang	Hebei Langfang	Resident services, repairs and other services industry	1,400.00	0	100	Mergers and acquisitions
200	Hebei Bihai Washing Service Co., Ltd.	Hebei Langfang	Hebei Langfang	Resident services, repairs and other services industry	1,400.00	0	100	Mergers and acquisitions
201	Langfang Wuyun Oriental Landscaping Engineering Co., Ltd.	Hebei Langfang	Hebei Langfang	Construction industry	200.00	0	100	Mergers and acquisitions
202	Langfang Zhenzhi Human Resources Service Co., Ltd.	Hebei Langfang	Hebei Langfang	Leasing and commercial services industry	200.00	0	100	Mergers and acquisitions
203	Vogue Living and Living Service (Hebei) Co., Ltd.	Hebei Qinhuangdao	Hebei Qinhuangdao	Resident daily life services	500.00	77	0	Mergers and acquisitions
204	Vogue Living and Living Service (Jiaozuo) Co., Ltd.	Henan Jiaozuo Xiuwu	Henan Jiaozuo Xiuwu	Real estate industry > Real estate > Property management	50.00	0	100	Mergers and acquisitions
205	Qinhuangdao Business Co., Ltd.	Hebei Qinhuangdao	Hebei Qinhuangdao	Commodity sales	50.00	0	100	Mergers and acquisitions
206	Qinhuangdao Shenglan Hotel Management Co., Ltd.	Hebei Qinhuangdao Beidaihe New District	Hebei Qinhuangdao Beidaihe New District	Leasing and business services industry > Business services industry	10.00	0	100	Investment
207	Vogue Living and Living Service (Xinglong) Co., Ltd.	Hebei Chengde Xinglong	Hebei Chengde Xinglong	Real estate industry > Real estate > Property management	10.00	0	100	Mergers and acquisitions
208	Vogue Living and Living Service (Chuzhou) Co., Ltd.	Anhui Chuzhou Nanqiao District	Anhui Chuzhou Nanqiao District	Other services industry	10.00	0	100	Mergers and acquisitions
209	Qinhuangdao Ronghai Hotel Management Co., Ltd.	Hebei Qinhuangdao Beidaihe New District	Hebei Qinhuangdao Beidaihe New District	Leasing and business services industry > Business services industry	10.00	0	100	Investment
210	Vogue Living and Living Service (Chengde) Co., Ltd.	Hebei Chengde Shuangqiao District	Hebei Chengde Shuangqiao District	Real estate industry > Real estate > Property management	10.00	0	100	Mergers and acquisitions

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of an enterprise group (Continued)

No.	Name of subsidiary	Main place of business	Place of	Nature of business	Registered capital (RMB0'000)	Shareholding (%)		Method of acquisition
						Direct	Indirect	
211	Beijing Rongyang Wanjia Management Consulting Co., Ltd.	Beijing	Beijing	Corporate management consulting	200.00	70	0	Investment
212	Langfang Fibito Education Service Co., Ltd.	Hebei	Hebei	Nursery services	100.00	0	100	Investment
213	Cangzhou Rongjing Property Management Co., Ltd.	Hebei	Cangzhou	Property management services	500.00	0	60	Investment
214	Cangzhou Rongqian Property Service Co., Ltd.	Hebei	Cangzhou	Property management services	500.00	0	60	Investment
215	Xuzhou Quanrong Life Service Co., Ltd.	Jiangsu Xuzhou Quanshan District	Jiangsu Xuzhou Quanshan District	Wholesale and retail industry > Retail industry	300.00	0	60	Investment
216	Langfang Rongrui Property Management Co., Ltd.	Hebei	Hebei	Property management services	500.00	51	0	Investment
217	Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	Hebei	Hebei	Property management services	300.00	51	0	Investment
218	Rongwanqian Property Management (Zhangjiakou) Co., Ltd.	Hebei	Hebei	Property management services	300.00	0	51	Investment
219	Cangzhou Roiserv New Town Property Service Co., Ltd.	Hebei	Hebei	Property management services	300.00	51	0	Investment
220	Baoding Rongrun Property Service Co., Ltd.	Hebei	Hebei	Property management services	300.00	51	0	Investment
221	Cangzhou Rongzhi Property Services Co., Ltd.	Hebei	Hebei	Property management services	300.00	51	0	Investment
222	Langfang Weipai Door and Window Installation Co., Ltd.	Hebei	Hebei	Engineering services	100.00	0	51	Investment
223	Langfang Zhennuo Doors and Windows Co., Ltd.	Hebei	Hebei	Commodity sales	100.00	0	51	Investment
224	Roiserv (Shijiazhuang) Property Service Co., Ltd.	Hebei	Hebei	Property management services	500.00	100	0	Investment
225	Hebei Rongheng Bosheng Power Engineering Co., Ltd.	Hebei	Hebei	Other electrical engineering construction	1,000.00	40	0	Investment

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VIII. INTERESTS IN OTHER ENTITIES (Continued)**1. Interests in subsidiaries** (Continued)**(2) Significant non-wholly owned subsidiaries**

No.	Name of subsidiary	Minority shareholding	Profit or loss for the year attributable to minority shareholders	Dividends declared to minority shareholders during the year	Balance of minority interests at the end of the year
1	Gangzhou Rongzhi Property Services Co., Ltd.	49%	-10,868.98	0.00	80,226.36
2	Langfang Rongrui Property Management Co., Ltd.	49%	157.46	0.00	442,169.67
3	Baoding Rongrun Property Service Co., Ltd.	49%	-305,452.03	0.00	272,152.24
4	Zhangjiakou Rongmiaocheng Property Management Co., Ltd.	49%	470,333.85	0.00	2,413,625.29
5	Gangzhou Roiserv New Town Property Service Co., Ltd.	49%	-83,665.62	0.00	-182,155.12
6	Beijing Rongyang Wanjia Management Consulting Co., Ltd.	30%	-158,099.65	0.00	-36,671.73
7	Hebei Rongheng Bosheng Power Engineering Co., Ltd.	60%	-1,380,766.89	0.00	-3,074,925.22
8	Vogue Living and Living Service (Hebei) Co., Ltd.	23%	1,134,551.10	0.00	128,045.10
9	Hebei Jinxiang Property Group Co., Ltd.	20%	0.00	0.00	10,255,937.74
10	Rongwanqian Property Management (Zhangjiakou) Co., Ltd.	49%	0.00	0.00	0.00
Total		-	-333,810.76	0.00	10,298,404.33

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(3) Financial information of significant non-wholly owned subsidiaries

Name of subsidiary	Current assets	Balance as of June 30, 2023 (Unaudited)				Total liabilities
		Non-current assets	Total assets	Current liabilities	Non-current liabilities	
Cangzhou Rongzhi Property Services Co., Ltd.	162,187.38	1,539.88	163,727.26	0.00	0.00	0.00
Langfang Rongrui Property Management Co., Ltd.	902,387.11	0.00	902,387.11	0.03	0.00	0.03
Baoding Rongrun Property Service Co., Ltd.	2,061,098.86	35,243.65	2,096,342.51	1,540,929.77	0.00	1,540,929.77
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	5,494,731.95	1,669,244.08	7,163,976.03	2,238,210.13	0.00	2,238,210.13
Cangzhou Roiserv New Town Property Service Co., Ltd.	704,507.13	30,091.85	734,598.98	1,108,344.12	0.00	1,108,344.12
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	663,475.91	274,589.52	938,065.43	960,304.54	0.00	960,304.54
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	4,562,778.06	3,788,291.17	8,351,069.23	13,475,944.59	0.00	13,475,944.59
Vogue Living and Living Service (Hebei) Co., Ltd.	105,721,633.47	2,322,401.32	108,044,034.79	107,487,317.00	0.00	107,487,317.00
Hebei Jinxiang Property Group Co., Ltd.	56,578,838.16	2,761,702.85	59,340,541.01	6,060,852.31	0.00	6,060,852.31
Rongwanqian Property Management (Zhangjiakou) Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00

Name of subsidiary	Current assets	Balance as of December 31, 2022 (Audited)				Total liabilities
		Non-current assets	Total assets	Current liabilities	Non-current liabilities	
Cangzhou Rongzhi Property Services Co., Ltd.	185,554.55	354.31	185,908.86	0.00	0.00	0.00
Langfang Rongrui Property Management Co., Ltd.	902,089.90	0.00	902,089.90	24.16	0.00	24.16
Baoding Rongrun Property Service Co., Ltd.	1,402,236.47	2,425.40	1,404,661.87	225,877.65	0.00	225,877.65
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	3,814,416.77	1,846,620.75	5,661,037.52	1,695,136.62	0.00	1,695,136.62
Cangzhou Roiserv New Town Property Service Co., Ltd.	815,918.56	25,605.21	841,523.77	1,044,522.75	0.00	1,044,522.75
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	800,211.52	262,566.94	1,062,778.46	725,543.18	0.00	725,543.18
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	1,205,328.57	2,838,640.34	4,043,968.91	6,867,566.13	0.00	6,867,566.13
Vogue Living and Living Service (Hebei) Co., Ltd.	90,165,129.68	2,278,426.33	92,443,556.01	96,819,669.07	0.00	96,819,669.07
Hebei Jinxiang Property Group Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
Rongwanqian Property Management (Zhangjiakou) Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00

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VIII. INTERESTS IN OTHER ENTITIES (Continued)**1. Interests in subsidiaries** (Continued)**(3) Financial information of significant non-wholly owned subsidiaries** (Continued)

Name of subsidiary	January to June 2023 (Unaudited)			Cash flows from operating activities
	Operating income	Net profit	Total comprehensive income	
Cangzhou Rongzhi Property Services Co., Ltd.	-9,098.62	-22,181.60	-22,181.60	54,978.85
Langfang Rongrui Property Management Co., Ltd.	0.00	321.34	321.34	-8,450.90
Baoding Rongrun Property Service Co., Ltd.	906,513.87	-623,371.48	-623,371.48	728,563.51
Zhangjiakou Rongmiaocheng Property Management Co., Ltd.	6,792,807.16	959,865.00	959,865.00	-775,762.97
Cangzhou Roiserv New Town Property Service Co., Ltd.	0.00	-170,746.16	-170,746.16	-46,885.42
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	75,778.39	-359,474.39	-359,474.39	-151,333.37
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	89,149.49	-2,301,278.14	-2,301,278.14	3,139,154.13
Vogue Living and Living Service (Hebei) Co., Ltd.	24,128,837.13	4,932,830.85	4,932,830.85	1,924,164.83
Hebei Jinxiang Property Group Co., Ltd.	0.00	0.00	0.00	0.00
Rongwanqian Property Management (Zhangjiakou) Co., Ltd.	0.00	0.00	0.00	0.00

Name of subsidiary	January to June 2022 (Unaudited)			Cash flows from operating activities
	Operating income	Net profit	Total comprehensive income	
Cangzhou Rongzhi Property Services Co., Ltd.	166,774.63	60,021.03	52,987.93	-1,855.05
Langfang Rongrui Property Management Co., Ltd.	0.00	1,198.58	2,139.70	-5,053.84
Baoding Rongrun Property Service Co., Ltd.	1,786,769.46	295,414.44	533,663.98	253,359.65
Zhangjiakou Rongmiaocheng Property Management Co., Ltd.	19,180,349.59	407,565.00	2,279,459.62	0.00
Cangzhou Roiserv New Town Property Service Co., Ltd.	200,741.01	-90,048.69	-318,746.17	0.00
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	2,548.43	-729,757.74	-1,353,539.10	0.00
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	0.00	-582,381.50	-2,823,597.22	0.00
Vogue Living and Living Service (Hebei) Co., Ltd.	30,240,218.91	2,664,667.54	6,260,367.69	-746,479.59
Hebei Jinxiang Property Group Co., Ltd.	0.00	0.00	0.00	0.00
Rongwanqian Property Management (Zhangjiakou) Co., Ltd.	0.00	528.51	0.00	0.00

VIII. INTERESTS IN OTHER ENTITIES (Continued)

2. Interests in joint ventures or associates

Key financial information on significant joint ventures or associates

Item	Closing balance/Current year amount	
	Beijing Yinsilang Energy Resource Technology Co., Ltd.	Bengbu Dongfang Wanjia Life Service Co., Ltd.
Current assets	225,945,321.02	3,811,097.63
Including: Cash and cash equivalents	3,699,756.21	2,455,644.43
Non-current assets	98,739.39	59,754.59
Total assets	226,044,060.41	3,870,852.22
Current liabilities	6,772,310.46	680,078.91
Non-current liabilities	0.00	0.00
Total liabilities	6,772,310.46	680,078.91
Minority interests	0.00	0.00
Equity attributable to shareholders of the parent company	219,271,749.95	3,190,773.31
Share of net assets based on percentage of shareholding	107,443,157.48	1,595,386.65
Adjustments	0.00	0.00
– Goodwill	0.00	0.00
– Unrealised profit on internal transactions	0.00	0.00
– Other	0.00	0.00
Book value of equity investments in associates	100,000,000.00	1,500,000.00
Fair value of equity investments in associates for which publicly quoted prices exist	0.00	0.00
Operating income	78,145,285.26	1,788,468.70
Finance costs	54,671.54	-2,793.67
Income tax expense	-340,697.36	4,585.46
Net profit	8,122,053.25	190,773.31
Total comprehensive income	8,122,053.25	0.00
Dividends received from associates during the year	0.00	0.00

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's major financial instruments include receivables, payables and trading financial assets, etc. A detailed description of each financial instrument is set out in Note VI. to this note. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The management of the Group manages and monitors these exposures to ensure that the above risks are kept within limits.

1. Various types of risk management objectives and policies

The Group's objective in engaging in risk management is to strike an appropriate balance between risk and return, to minimise the negative impact of risk on the Group's operating performance and to maximise the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Group's risk management is to identify and analyse the various risks to which the Group is exposed, establish appropriate risk tolerance limits and manage the risks, and monitor the various risks in a timely and reliable manner to keep the risks within the limits.

(1) Market risk

1) Exchange rate risk

The Group's exposure to exchange rate risk relates primarily to HKD and USD. The Group's other major business activities are denominated and settled in RMB, except for the Group's parent company currency funds and trading financial assets which include foreign currency operations. As at June 30, 2023, the Group's assets and liabilities are all in RMB, except for the HKD and USD balances of assets and liabilities as described in the table below. The exchange rate risk arising from the assets and liabilities with HKD and USD balances may have an impact on the Group's results of operations.

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Cash and cash equivalents – HKD	31,728,610.39	31,128,134.35
Trading financial assets – USD	0.00	0.00

The Group closely monitors the impact of exchange rate movements on the Group.

2) Price risk

The Group's property services revenue is relatively stable and is less affected by price fluctuations.

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

1. Various types of risk management objectives and policies (Continued)

(2) Credit risk

As at June 30, 2023, the largest exposure to credit risk that could give rise to financial losses for the Group arises primarily from losses on the Group's financial assets arising from the failure of the other party to the contract to perform its obligations and from financial guarantees assumed by the Group, specifically:

The book amount of financial assets recognized in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects the exposure but is not the maximum exposure, which will change with future changes in fair value.

To mitigate credit risk, the Group has established a dedicated department to determine credit limits, perform credit approvals and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Group reviews the collection status of receivables at each balance sheet date to ensure that adequate bad debt provisions are made for uncollectible amounts. As a result, the Group's management believes that the Group's exposure to credit risk has been significantly reduced.

The Group's liquidity is placed with banks with high credit ratings and therefore the credit risk on liquidity is low.

The Group has adopted the necessary policies to ensure that all sales customers have a good credit history. Apart from the top five accounts receivable amounts, the Group has no other significant credit concentration risk.

The total amount of the top five accounts receivable: RMB234,897,841.23.

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IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

1. Various types of risk management objectives and policies (Continued)

(3) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group manages liquidity risk by ensuring that it has sufficient financial liquidity to meet its obligations as they fall due without incurring unacceptable losses or causing damage to its corporate reputation. The Group regularly analyses the structure and maturity of its liabilities to ensure that sufficient funds are available.

Financial assets and financial liabilities held by the Group are analyzed by the maturity of the undiscounted residual contractual obligations as follows:

Amount at June 30, 2023

Item	Within one year	1 to 2 years	2 to 5 years	More than 5 years	Total
Financial assets	2,627,241,054.99	1,053,243,378.05	233,521,848.05	20,707,199.06	3,934,713,480.15
Including: Cash and cash equivalents	767,669,376.78	0.00	0.00	0.00	767,669,376.78
Notes receivable	0.00	0.00	0.00	0.00	0.00
Accounts receivable	1,508,754,672.01	575,091,910.32	195,333,389.72	1,113,079.15	2,280,293,051.20
Other receivables	341,137,946.31	478,019,381.93	37,792,200.93	19,329,948.31	876,279,477.48
Non-current assets due within one year	1,002,145.80	0.00	0.00	0.00	1,002,145.80
Long-term receivables	8,676,914.09	132,085.80	396,257.40	264,171.60	9,469,428.89
Financial liabilities	718,922,694.19	352,525,053.06	222,873,434.30	29,583,773.67	1,323,904,955.22
Including: Accounts payable	264,514,908.67	261,700,391.02	196,981,390.58	5,858,173.24	729,054,863.51
Other payables	380,374,167.68	90,692,576.24	25,495,786.32	23,593,514.63	520,156,044.87
Staff remuneration payable	65,233,675.24	0.00	0.00	0.00	65,233,675.24
Non-current liabilities due within one year	2,423,050.77	0.00	0.00	0.00	2,423,050.77
Lease liabilities	6,376,891.83	132,085.80	396,257.40	132,085.80	7,037,320.83

IX. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued)

2. Sensitivity analysis

The Group uses sensitivity analysis techniques to analyse the possible impact of reasonable and probable changes in risk variables on current profit or loss or shareholders' equity. As changes in any risk variable rarely occur in isolation and the correlation that exists between variables will have a significant effect on the ultimate amount of impact of a change in a risk variable, the following is performed assuming that changes in each variable are independent.

(1) Foreign exchange risk sensitivity analysis

Foreign exchange risk sensitivity analysis assumes that all net investment hedges and cash flow hedges for foreign operations are highly effective.

On the basis of the above assumptions, the after-tax effect on current profit or loss and equity of a reasonable possible change in exchange rates, with all other variables held constant, is as follows:

Item	Exchange rate movements	Balance as of June 30, 2023 (Unaudited)		Balance as of December 31, 2022 (Audited)	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
HKD	Appreciation against the RMB by 5	-1,189,822.89	-1,189,822.89	-1,167,305.04	-1,167,305.04
HKD	Devaluation against the RMB by 5	1,189,822.89	1,189,822.89	1,167,305.04	1,167,305.04
USD	Appreciation against the RMB by 5	0.00	0.00	0.00	0.00
USD	Devaluation against the RMB by 5	0.00	0.00	0.00	0.00

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X. FAIR VALUE DISCLOSURES

1. Closing fair value of assets and liabilities measured at fair value

Item	Closing fair value			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
I. Continuing fair value measurement	-	-	-	-
(I) Investment properties	0.00	60,841,725.00	0.00	60,841,725.00
1. Buildings for lease	0.00	13,202,200.00	0.00	13,202,200.00
2. Parking spaces that are held and ready to be transferred after appreciation	0.00	47,639,525.00	0.00	47,639,525.00

2. Continuing and discontinuing Level 2 fair value measurement items, qualitative and quantitative information on the valuation techniques used and significant parameters

The investment properties of the enterprise that belong to Level 2 fair value measurement in the current period are mainly: housing buildings used for leasing and parking spaces held for sale by the enterprise, which were valued based on the valuation report issued by Beijing Dewei Evaluation Co., Ltd. (Report No. ZhongTongHuaBaoZi No. 020055 (2023)).

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Related party relationships

(1) Controlling shareholders and ultimate controlling party

1) Controlling shareholders and ultimate controlling party

Name of controlling shareholders and ultimate controlling party	Place of registration	Nature of business	Registered capital (RMB0'000)	Shareholding in the Company (%)	Percentage of voting rights in the Company (%)
RiseSun Real Estate Development Co., Ltd.	Langfang, Hebei	Real estate	434,816.39	62.64	62.64
RiseSun Holdings Co., Ltd.	Langfang, Hebei	Real estate	64,400.00	-	-

2) Registered capital of controlling shareholders and changes therein

Controlling shareholders	Opening balance	Increase during the year	Decrease during the year	Closing balance
RiseSun Real Estate Development Co., Ltd.	4,348,163,851.00	0.00	0.00	4,348,163,851.00

3) Shareholdings or equities of controlling shareholders and changes therein

Controlling shareholders	Amount of shareholding (RMB0'000)		Shareholding ratio (%)	
	Closing balance	Opening balance	End of the year	Beginning of the year
RiseSun Real Estate Development Co., Ltd.	23,552.70	23,552.70	62.64	62.64

(2) Subsidiaries

For details of the subsidiaries, please refer to “VIII. 1. (1) Composition of an enterprise group” in this note.

(3) Joint ventures and associates

For details of the Company’s significant joint ventures or associates, please refer to “VIII. 2. Interests in joint ventures or associates” in this note.

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties

Name of other related party	Relationship with the Company
Handan Rongkai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Rongshang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Xinlv Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Youshan Ecological Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Rongxu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongli Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongfan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Moze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongzhi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Handan Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xuzhou) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rongkai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jiangsu Rongfa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Shangsheng Property Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing New Exploration Real Estate Consulting Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Hua'ou Shundu Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Langfang Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing RiseSun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
RiseSun Real Estate Development Co., Ltd. Xianghe Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Sizhong Internet (Beijing) Network Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shengkun Garden Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng (Tangshan) Park Construction Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Panjin RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Guoke (Qihe) Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rong'en Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongshang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Glory Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Wuhu) Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Renshou Shengjing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Guangzhou RiseSun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
RiseSun Real Estate Development Co., Ltd. Langfang Development Zone Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xianghe) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiakou Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Baoding Zheshang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiakou Rongshang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shenghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Rongnian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Dezhou Glory Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Dongfang Lanhai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng Rongshun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu RiseSun Weiye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Puyang Rongyou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yongqing Rongheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Bazhou Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Ronghai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Rong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Sizhong (Jiaxing) Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Kaisheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shangsheng Property Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu RiseSun Washington Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu Tianhe Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shengkun Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tibet Hongtu Tourism Culture Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shangsheng Property Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rongteng Shengzhan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Business Management Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Qianchen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Zhongsheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu Shangsheng Property Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd. RongEasy Hospitality Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shifang Kaixuan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Shenyang RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Ronghua Shengshi Information Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xianghe Varytown Industrial Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xinglong) Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengde Hengyue Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun KangLv Chengde Agricultural Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Shengze Real Estate Development Co., Ltd. Zuolin Youli Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xinglong) Tourism Development Co., Ltd. QingSongLing Arcadia International Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinzhai RiseSun Kanglv Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Rokey Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Real Estate Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Real Estate Tourism Development Co., Ltd. Arcadia International Forest Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Real Estate Tourism Development Co., Ltd. Xuhui Institute	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Real Estate RoEasy Exquisite Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District Kangyang Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Yichang Rongyi Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huangshan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Anhui Jiuhua Hot Spring Development Co., Ltd. Qingyang Arcadia Hotel Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huangshan RiseSun Real Estate Development Co., Ltd. Rongyiyuan Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liyang Jinrong Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Shouling Entertainment Culture Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Tongxin Real Estate Development Co., Ltd. RiseSun Health Valley Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Jinhai Real Estate Development Co., Ltd. Daihe Shouling Apartment	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Jinhai Real Estate Development Co., Ltd. Gold Coast Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Anping RiseSun Holiday Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Arcadia International Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui Rongfa Sports Culture Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. RiseSun Four Seasons Fairyland Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Rongyiyuan Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Rongxi Manor Hotel Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xiuwu RiseSun Cultural Tourism Ancient Town Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Xiuwu RiseSun Yuntai Ancient Town Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd. Linyi Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd. Linyi Huayu Xingyuan Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd. Linyi Rongxin Hotel Exhibition Center Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengde Rongde Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai Ronghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Anhui Jiuhua Hot Spring Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huangshan Ro-easy Resort Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qianxi RiseSun Real Estate Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lijiang RiseSun Kanglv Real Estate Co., Ltd. Arcadia Xueshan Yuanxiang Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lijiang RiseSun Kanglv Real Estate Co., Ltd. Rongxi Manor Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd. Arcadia Holiday Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd. Zuolin Youli Countryside B&B	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou Ronghua Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yangzhou RiseSun Kanglv Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Kanglv Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Guangdong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Zhanjiang Development Zone Rongfa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shandong RiseSun Fuxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan Development Zone Rongfa Shenghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Pizhou) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hanzhong Rongyuan Xingcheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hohhot RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yixing Chengdong Cultural Tourism Investment Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Bengbu Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Liaocheng Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Bengbu) Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Weiye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Linyi RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Jiaye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Shengtai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Fengye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang Xingfu Zhujia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun Jinxiu Tiandi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang Zhong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Shenyang RiseSun Zhongtian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun New Landmark Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou RiseSun Zhujia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Henan Rongyou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jiaying RiseSun Xinyi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing Rongqian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yueyang Hengtong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Xieyi Landscape Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng Arcadia International Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing Yijia Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Yuesheng Decoration Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongyi Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Guoke (Qihé) Investment Co., Ltd. Arcadia Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing RiseSun Kunchuang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huizhou Jinrun Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing Zhongrui Jiaye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Zhuzhou RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Oriental Bay Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone Shengyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shengkun Business Management Co., Ltd. RiseSun Huafu Supermarket	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Hongya Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Ronghang Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei RiseSun Zeye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Shengjing Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Rongkai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shangsheng Outlets Trading Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xiuwu RiseSun Cultural Tourism Ancient Town Development Co., Ltd. YunTaiShan RoEasy Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Jinhai Real Estate Development Co., Ltd. Arcadia Seaside Holiday Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huangshan RiseSun Real Estate Development Co., Ltd. Arcadia Shining Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Kanglv Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Tourism Development Co., Ltd. Arcadia Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Kanglv Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Yesanpo Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai RiseSun Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai RiseSun Tourism Development Co., Ltd. Arcadia International Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Lijiang RiseSun Kanglv Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Rongyixing Kanglv (Hainan) Automobile Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou Lianrong Information Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou Rongding Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Longwan Lake Tourism Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinzhai RiseSun Ecological Agriculture Sightseeing Tourism Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone RiseSun Real Estate Development Co., Ltd. Arcadia International Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhanjiang Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hunan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Wante Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yiyang RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shaanxi Huayu Yingfeng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yangxi Ronghuasheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei RiseSun Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Rongsen (Tianjin) Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhanjiang Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang Taichang Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Xianghe Rongxin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing RiseSun Xinyu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Arcadia International Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou RiseSun Plaza Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang RiseSun Yixin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yixing RiseSun Yixin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun Xingfu Dadao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shangsheng Department Store Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Yijing Garden Nursery Stock Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Architectural Design Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Shengze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Jingxuan Zhangjiakou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Yujing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Fangze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone Shengze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Rongcheng (Tianjin) Real Estate Marketing Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Linyi Kaien Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shandong Rongfa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Rongchuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yongzhou Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Zhujia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Dingye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Jinye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Xiangyun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Cangzhou Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Defa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Rongshuo Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shengyu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Taibo Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Rongsu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Ronghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou RiseSun Yixin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Nanjing RiseSun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongting Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongdao Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng RiseSun Real Estate Development Co., Ltd. Linqing Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang RiseSun Yihong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng (Bazhou) Park Construction Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Nan Meng Yusheng Hot Spring City Kindergarten	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huizhou Datianyang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huizhou Jinhong Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huailai Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiakou Rongguang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tianjin Rongtai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tianjin Rongzhen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shangrao RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiajie RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Foshan Shunde Fosheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xinglong Ronghui Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Yangxi Huasheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xianghe Maosheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Sanhe Yanyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xianghe Ruihong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shengyu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Ronghao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongyi Catering Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Qianchen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Zhongshi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zouping Chengtou Xinghui Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hengshui Rongjun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Rongchuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Chengkun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xinyang Rongyang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Wuhan Minglirui Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yueyang RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yiyang Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yongqing Rongzhidi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Chongqing Rongpin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Haoyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Xinhan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hangzhou Rongshang Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Suzhou Yihao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Rongteng Shengzhan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jiaxing Rongxiang Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Hongzhou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shanxi Rongtai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hangzhou Glory Shenghao Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Rongshang Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Yutian Xingcheng Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Ruisheng Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Yiwei Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhengzhou Hongzhufu Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Dongling Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Luohe Shengxu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Ronghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Ningbo Ronghao Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang RiseSun Yihao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan Rongang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Xinmao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongzhen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng Rongxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng Rongxing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tibet New Exploration Real Estate Marketing Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zouping Chengtou Qiyun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rong'en Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongyu Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongyun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou RiseSun Shangyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Wuhu RiseSun Wanye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei RiseSun Leye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei Rongbang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Dongfangyalong Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shanxi RiseSun Zhuoyue Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Nantong Rongdatong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Baoding Zexin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng Dongchangfu District Ronghe Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei RiseSun Shengye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu Rongjia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Wuhu Rongzhong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Lesheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou RiseSun Real Estate Development Co., Ltd. Xinhua District Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hongyun (Jiangsu Changzhou) Industrial Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Rong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Rongjin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shaanxi RiseSun Fengying Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hanzhong Rongyuan Jincheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Taiyuan Rongde Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shanxi Rongjun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Dongfangbailing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shandong Yizhuo Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Varytown Industrial Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Guangde Door & Window Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing RiseSun Chuangzhan Operation Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)

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January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

1. Related party relationships (Continued)

(4) Other related parties (Continued)

Name of other related party	Relationship with the Company
Gu'an Rongfang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Jinhai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Tongxin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Rongcheng (Tianjin) Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shaoxing Chenyue Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Bizhao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Ronglu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qifang (Beijing) Education Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Construction Engineering Co., Ltd.	A company controlled by ultimate holding company
Gangzhou Baosheng Real Estate Development Co., Ltd.	An associate of RiseSun Group
Shijiazhuang Runpeng Real Estate Development Co., Ltd.	An associate of RiseSun Group
Xuzhou Rongrun Real Estate Development Co., Ltd.	An associate of RiseSun Group

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

2. Related transactions

(1) Related transactions for the purchase and sale of goods, provision and acceptance of labor services

1) Purchase of goods – Acceptance of labor services

Related parties	Content of related transactions	January to June 2023	January to June 2022
RiseSun Group	Engineering materials and labor services	4,929,687.76	7,477,258.21

2) Sales of goods – Rendering of labor services

Related parties	Content of related transactions	January to June 2023	January to June 2022
RiseSun Group	Service	144,665,512.67	278,548,657.80
A company controlled by ultimate holding company	Service	429,766.97	0.00
An associate of RiseSun Group	Service	0.00	0.00
Ultimate holding company	Service	0.00	0.00

3) Key management remuneration

Name of item	January to June 2023	January to June 2022
Total remuneration	3,502,365.86	1,876,369.57

(2) Continuing related transactions

The related transactions disclosed in the Group's 2022 Financial Report XI. 2. also constitute related transactions or continuing related transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

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(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

3. Balances of current accounts from related parties

(1) Items receivable

Name of item	Related parties	Bad debt		Balance as of December 31, 2022	Bad debt provision as of December 31, 2022
		Balance as of June 30, 2023	provision as of June 30, 2023		
Notes receivable	RiseSun Group	0.00	0.00	1,890,227.71	249,132.01
Prepayments	RiseSun Group	102,914.93	0.00	412,626.86	0.00
Other receivables	RiseSun Group	190,334,029.36	44,103,082.98	166,630,058.45	54,248,457.73
Other receivables	A company controlled by ultimate holding company	0.00	0.00	91,457.96	12,054.16
Accounts receivable	RiseSun Group	1,309,722,454.51	156,417,437.80	1,325,520,714.20	147,048,705.23
Accounts receivable	An associate of RiseSun Group	0.00	0.00	4,356,385.62	482,363.44
Accounts receivable	A company controlled by ultimate holding company	0.00	0.00	39,052,526.56	6,509,318.96
Contract assets	RiseSun Group	33,124,463.14	2,182,902.12	27,010,722.70	1,780,006.62
Contract assets	An associate of RiseSun Group	0.00	0.00	0.00	0.00
Contract assets	A company controlled by ultimate holding company	0.00	0.00	0.00	0.00

(2) Items payable

Name of item	Related parties	Balance as of	
		June 30, 2023	December 31, 2022
Accounts payable	RiseSun Group	36,763,344.66	50,697,847.78
Accounts payable	A company controlled by ultimate holding company	0.00	6,003,200.00
Other payables	RiseSun Group	82,988,921.82	84,984,358.74
Other payables	An associate of RiseSun Group	0.00	0.00
Other payables	A company controlled by ultimate holding company	0.00	81,820.82
Advances from customers	RiseSun Group	0.00	0.00
Contract liabilities	RiseSun Group	10,181,248.71	38,085,081.01
Contract liabilities	A company controlled by ultimate holding company	0.00	70,846.48
Contract liabilities	An associate of RiseSun Group	0.00	2.03
Contract liabilities	Ultimate holding company	0.00	50,697,847.78

4. Related party commitments

None.

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Remuneration of directors, supervisors and employees

(1) Remuneration of directors and supervisors

Item	Salaries and allowances	Social security, housing fund and pensions	Bonus	Share-based payments	Total
January to June 2023					
Executive Director	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
Supervisor	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 Xiyang	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
Non-executive Director	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	75,000.00	0.00	0.00	0.00	75,000.00
Total	2,830,301.26	332,557.99	0.00	0.00	3,162,859.24
January to June 2022					
Executive Director	1,358,332.00	38,574.66	0.00	20,000.00	1,416,906.66
Geng Jianfu	1,358,332.00	38,574.66	0.00	20,000.00	1,416,906.66
Supervisor	403,848.28	82,099.94	0.00	90,000.00	575,948.22
Dong Hui	211,020.69	41,662.18	0.00	90,000.00	342,682.87
Liu Jifeng	132,827.59	40,437.76	0.00	0.00	173,265.35
Wang Jiandong	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
Non-executive Director	225,000.00	0.00	0.00	0.00	225,000.00
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
Siu Chi Hung	75,000.00	0.00	0.00	0.00	75,000.00
Total	1,987,180.28	120,674.60	0.00	110,000.00	2,217,854.88

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(Unless indicated otherwise, all amounts are expressed in RMB)

XI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

5. Remuneration of directors, supervisors and employees (Continued)

(2) The top five highest-paid employees

Two of the top five with the highest remuneration this year are directors (previous year: two), among which the remuneration of directors is set out in Note “XI. 5. (1). Remuneration of directors and supervisors”. The remuneration of the other three (previous year: three) is as follows:

Item	Current year amount	Prior year amount
Salaries and allowances	1,423,945.74	1,179,000.00
Social security, housing fund and related pension costs	196,550.64	242,063.23
Bonus	0.00	0.00
Share-based payments	0.00	0.00
Other payments	0.00	288,000.00
Total	1,620,496.38	1,709,063.23

Remuneration range:

Item	Number of people in the current year	Number of people in the prior year
Within RMB1,000,000	5.00	4.00
RMB1,000,001 to RMB1,500,000	0.00	0.00
RMB1,500,001 to RMB2,000,000	0.00	0.00
RMB2,000,001 to RMB2,500,000	0.00	0.00

- (3) None of the Directors waived or agreed to waive any remuneration during the period. No remunerations were paid by the Group to any of the Directors, Supervisors or the five highest paid individuals as an inducement to join the Group or as compensation for loss of office.

XII. SHARE-BASED PAYMENTS

1. General information on share-based payments

Item	Note
Total amount of each equity instrument granted by the Company during the year	0.00
Total amount of each equity instrument exercised by the Company during the year	5,461,225.00 Shares
Total amount of each equity instrument of the Company lapsed during the year	0.00
The range of exercise prices and remaining contractual term of the Company's phantom stock plan issued and outstanding at the end of the year	None
The range of exercise prices and remaining contractual term of other equity instruments issued and outstanding at the end of the year by the Company	None

2. Equity-settled share-based payments

Item	Note
Methodology for determining the fair value of equity instruments at the date of grant	Determined on the basis of an assessment of the fair value valuation report of the share incentive scheme
Basis for determining the number of exercisable equity	At each balance sheet date during the waiting period, the number of equity instruments expected to become exercisable is revised by making a best estimate based on subsequent information such as the latest available changes in the number of exercisable employees. At the vesting date, the number of equity instruments ultimately expected to be exercisable corresponds to the actual number of exercisable instruments.
Reasons for significant differences between current year estimates and prior year estimates	None
Accumulated amount charged to capital reserves for equity-settled share-based payments	55,597,713.84
Total expense recognized for equity-settled share-based payments during the year	1,706,989.18

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

XIII. CONTINGENCIES

None.

XIV. COMMITMENTS

None.

XV. EVENTS AFTER THE BALANCE SHEET DATE

None.

XVI. OTHER SIGNIFICANT EVENTS

As at the reporting date, the controlling shareholder, RiseSun Real Estate Development Co., Ltd., held the following frozen equity interests in the Company:

No.	Enforcement Notice Document No.	Enforcement Court	Amount of frozen equity	Start date	End date
1	One of (2022) Hunan 0681 Execution case No.1077	Miluo People's Court, Yueyang City, Hunan Province	RMB583,800	2022-11-1	2025-10-31
2	(2022) Hunan 0681 Execution case No.1258	Miluo People's Court, Yueyang City, Hunan Province	RMB2,089,600	2022-11-1	2025-10-31
3	(2022) Hunan 0681 Execution case No.1380	Miluo People's Court, Yueyang City, Hunan Province	RMB1,045,800	2022-11-1	2025-10-31
4	(2022) Hunan 0681 Execution case No.1386	Miluo People's Court, Yueyang City, Hunan Province	RMB529,600	2022-11-1	2025-10-31
5	(2022) Hunan 0681 Execution case No.1385	Miluo People's Court, Yueyang City, Hunan Province	RMB1,052,600	2022-11-1	2025-10-31
6	(2022) Hunan 0681 Execution case No.1263	Miluo People's Court, Yueyang City, Hunan Province	RMB1,486,400	2022-11-1	2025-10-31
7	(2022) Hunan 0681 Execution case No.1257	Miluo People's Court, Yueyang City, Hunan Province	RMB1,045,000	2022-11-1	2025-10-31
8	One of (2022) Hunan 0681 Execution case No.1072	Miluo People's Court, Yueyang City, Hunan Province	RMB1,049,000	2022-11-1	2025-10-31
9	(2022) Hunan 0681 Execution case No.1083	Miluo People's Court, Yueyang City, Hunan Province	RMB554,200	2022-11-1	2025-10-31
10	(2022) Hunan 0681 Execution case No.1114	Miluo People's Court, Yueyang City, Hunan Province	RMB106,800	2022-11-1	2025-10-31
11	One of (2022) Hunan 0681 Execution case No.1079	Miluo People's Court, Yueyang City, Hunan Province	RMB2,086,300	2022-11-1	2025-10-31
12	(2022) Hunan 0681 Execution case No.1256	Miluo People's Court, Yueyang City, Hunan Province	RMB3,509,800	2022-11-1	2025-10-31
13	One of (2022) Hunan 0681 Execution case No.1076	Miluo People's Court, Yueyang City, Hunan Province	RMB1,351,100	2022-11-1	2025-10-31
14	(2022) Hunan 0681 Execution case No.1549	Miluo People's Court, Yueyang City, Hunan Province	RMB792,000	2022-11-1	2025-10-31
15	(2022) Shanghai 0104 Civil First Instance No. 12362	Xu Hui District People's Court, Shanghai	RMB56,400,000	2022-8-25	2025-8-24
16	(2022) Henan 0902 Enforcement of preservation cases No. 187	Hualong District People's Court, Puyang City, Henan Province	RMB500,000	2022-3-2	2025-3-1
17	(2022) Henan 0902 Enforcement of preservation cases No. 156	Hualong District People's Court, Puyang City, Henan Province	RMB1 million	2022-2-28	2025-2-27
18	(2022) Henan 0902 Enforcement of preservation cases No. 164	Hualong District People's Court, Puyang City, Henan Province	RMB1 million	2022-2-28	2025-2-27
19	(2022) Henan 0902 Enforcement of preservation cases No. 159	Hualong District People's Court, Puyang City, Henan Province	RMB1 million	2022-2-28	2025-2-27
20	(2022) Henan 0902 Enforcement of preservation cases No. 153	Hualong District People's Court, Puyang City, Henan Province	RMB1 million	2022-2-28	2025-2-27

XVII. NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts receivable

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

Type	Balance as of June 30, 2023 (Unaudited)				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	1,497,779,278.60	100.00	142,208,789.19	9.49	1,355,570,489.41
Including: Aging portfolio	1,497,779,278.60	100.00	142,208,789.19	9.49	1,355,570,489.41

Type	Balance as of December 31, 2022 (Audited)				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Accrual Ratio (%)	
Provision for bad debts by portfolio	1,423,985,462.87	100.00	130,682,944.81	9.18	1,293,302,518.06
Including: Aging portfolio	1,423,985,462.87	100.00	130,682,944.81	9.18	1,293,302,518.06

Bad debt provision for accounts receivable by portfolio

Aging	Balance as of June 30, 2023 (Unaudited)		
	Book balance	Bad debt provision	Accrual ratio (%)
Within 1 year (including 1 year)	1,078,427,134.52	61,453,429.54	5.70
1-2 years	320,963,784.16	40,868,054.61	12.73
2-3 years	93,535,884.07	36,230,817.62	38.73
3-4 years	3,468,357.12	2,506,583.35	72.27
4-5 years	687,249.58	453,034.92	65.92
More than 5 years	696,869.15	696,869.15	100.00
Total	1,497,779,278.60	142,208,789.19	-

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

1. Accounts receivable (Continued)

(2) Accounts receivable are presented by aging

	Balance as of June 30, 2023 (Unaudited)
Aging	
Within 1 year (including 1 year)	1,078,427,134.52
1-2 years	320,963,784.16
2-3 years	93,535,884.07
3-4 years	3,468,357.12
4-5 years	687,249.58
More than 5 years	696,869.15
Total	1,497,779,278.60

(3) Provision for bad debts on accounts payable in current year

Type	Balance as of	Amount of change in current year			Balance as of
	December 31, 2022 (Audited)	Accrual	Recovery or reversal	Charge off or write-off	June 30, 2023 (Unaudited)
Accrual by portfolio	130,682,944.81	11,539,008.48		13,164.10	142,208,789.19

(4) Accounts receivable actually written-off during the year

None.

(5) Top five accounts receivable with closing balances grouped by the debtor

The aggregate amount of the top five accounts receivable with closing balance by party in default for the year was RMB177,973,594.22, representing for 12.50% of the total closing balance of accounts receivable, and the corresponding provision for bad debts with a total closing balance of RMB38,431,391.23.

XVII. NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

2. Other receivables

Item	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Interest receivable	0.00	0.00
Dividends receivable	48,871,200.00	48,871,200.00
Other receivables	1,362,085,377.01	1,265,151,495.74
Total	1,410,956,577.01	1,314,022,695.74

(1) Dividends receivable

Item (or investee)	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Nanjing Liuhe RiseSun Property Services Co., Ltd.	13,326,500.00	13,326,500.00
Shijiazhuang Shengjing Fitness Service Co., Ltd.	1,559,200.00	1,559,200.00
Roiserv (Shandong) Property Development Co., Ltd.	2,328,500.00	2,328,500.00
Hohhot RiseSun Property Service Co., Ltd.	1,514,700.00	1,514,700.00
Langfang Rongxin Real Estate Brokerage Co., Ltd.	2,997,200.00	2,997,200.00
Yongqing Jingtai Property Services Co., Ltd.	1,028,600.00	1,028,600.00
Langfang Rongzhen Trading Co., Ltd.	18,725,400.00	18,725,400.00
Shanxi Roiserv Lifestyle Service Co., Ltd.	1,357,400.00	1,357,400.00
Roiserv (Guangdong) Lifestyle Service Co., Ltd.	2,076,800.00	2,076,800.00
Cangzhou Rongguang Construction Engineering Co., Ltd.	418,800.00	418,800.00
Shijiazhuang Rongci Real Estate Brokerage Co., Ltd.	2,055,600.00	2,055,600.00
Tianjin Rongshang Technology Co., Ltd.	1,482,500.00	1,482,500.00
Total	48,871,200.00	48,871,200.00

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

(2) Other receivables

1) Other receivables by nature of payment

Nature of payment	Balance as of June 30, 2023 (Unaudited)	Balance as of December 31, 2022 (Audited)
Collection on behalf of the third-party platforms	789,915,916.10	665,712,763.95
Deposit and margin	544,361,751.51	563,666,051.80
Advances for utilities, etc.	52,612,888.42	54,906,688.19
Provisional payments	24,311,872.15	19,427,381.58
Social security and provident fund payment	2,780,626.27	2,451,376.23
Maintenance fund	6,179,032.62	619,249.72
Reserves	1,845,258.99	275,175.92
Others	3,503,322.13	11,029,419.04
Total	1,425,510,668.19	1,318,088,106.43

2) Provision for bad debts on other receivables

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses for the next 12 months	Expected credit losses over the entire life (no credit impairment)	Expected credit losses over the entire life (credit impairment has occurred)	
Balance as of January 1, 2023	52,936,610.69	0.00	0.00	52,936,610.69
The book balance of contract assets in the current year at January 1, 2023	-	-	-	-
- Transfer to Phase II	0.00	0.00	0.00	0.00
- Transfer to Phase III	0.00	0.00	0.00	0.00
- Reverse to Phase II	0.00	0.00	0.00	0.00
- Reverse to Phase I	0.00	0.00	0.00	0.00
Accrual in current year	10,488,680.49	0.00	0.00	10,488,680.49
Reversal in current year	0.00	0.00	0.00	0.00
Charge off in current year	0.00	0.00	0.00	0.00
Write-off in current year	0.00	0.00	0.00	0.00
Other changes	0.00	0.00	0.00	0.00
Balance as of June 30, 2023	63,425,291.18	0.00	0.00	63,425,291.18

XVII. NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

(2) Other receivables (Continued)

3) Other receivables by aging

Aging	Balance as of June 30, 2023 (Unaudited)
Within 1 year (including 1 year)	848,559,727.99
1-2 years	570,698,350.49
2-3 years	2,895,182.04
More than 3 years	3,357,407.67
Including: 3-4 years	956,891.79
4-5 years	556,957.11
More than 5 years	1,843,558.77
Total	1,425,510,668.19

4) Provision for bad debts on other receivables

Type	Balance as of December 31, 2022 (Audited)	Amount of change in current year Accrual	Recovery or reversal	Charge off or write-off	Balance as of June 30, 2023 (Unaudited)
Provision for bad debts on other receivables	52,936,610.69	10,488,680.49	0.00	0.00	63,425,291.18

5) Top five other receivables with closing balances grouped by the debtor

Entity name	Nature of payment	Balance as of June 30, 2023 (Unaudited)	Aging	As a percentage of the total closing balance of other receivables (%)	Bad debt provision Closing balance
Langfang Junyi Building Materials Co., Ltd.	Deposit and margin	553,522,631.90	Within one year	38.83	27,676,131.60
Liaocheng RiseSun Real Estate Development Co., Ltd.	Advances for utilities, etc.	24,363,431.75	Within 1 year, 1-4 years	1.71	12,692,936.33
Chengdu RiseSun Weiyue Real Estate Development Co., Ltd.	Advances for utilities, etc.	8,368,042.81	Within 1 year, 1-2 years	0.59	1,083,637.96
Sizhong Internet (Beijing) Network Technology Co., Ltd.	Collection on behalf of the third-party platforms	26,713,427.54	Within 1 year, 1-2 years	1.87	3,477,657.81
Qinhuangdao Haorui Property Service Co., Ltd. Hainan Branch	Related party transactions within the scope of consolidation	6,881,592.78	1-2 years	0.48	0.00
Total	—	619,849,126.78	—	43.48	44,930,363.70

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

3. Long-term equity investments

(1) Classification of long-term equity investments

Item	Balance as of June 30, 2023 (Unaudited)			Balance as of December 31, 2022 (Audited)		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investments in subsidiaries	97,829,750.96	0.00	97,829,750.96	56,796,000.00	0.00	56,796,000.00
Investments in associates and joint ventures	105,718,115.69	0.00	105,718,115.69	101,642,922.94	0.00	101,642,922.94
Total	203,547,866.65	0.00	203,547,866.65	158,438,922.94	0.00	158,438,922.94

(2) Investments in subsidiaries

Investee	Balance as of December 31, 2022 (Audited)	Increase during the year	Decrease during the year	Balance as of June 30, 2023 (Unaudited)	Provision for impairment during the year	Closing balance of impairment provision
Shijiazhuang Shengjing Fitness Service Co., Ltd.	100,000.00	0.00	0.00	100,000.00	0.00	0.00
Roiserv (Shandong) Property Development Co., Ltd.	5,000,000.00	0.00	0.00	5,000,000.00	0.00	0.00
Hohhot RiseSun Property Service Co., Ltd.	500,000.00	0.00	0.00	500,000.00	0.00	0.00
Langfang Rongxin Real Estate Brokerage Co., Ltd.	510,000.00	0.00	0.00	510,000.00	0.00	0.00
Yongqing Jingtai Property Services Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
Vogue Living and Living Service (Hebei) Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
Langfang Rongzhen Trading Co., Ltd.	3,000,000.00	0.00	0.00	3,000,000.00	0.00	0.00
Sichuan RiseSun Shengxin Property Management Co., Ltd.	200,000.00	0.00	0.00	200,000.00	0.00	0.00
Shanxi Roiserv Lifestyle Service Co., Ltd.	2,000,000.00	0.00	0.00	2,000,000.00	0.00	0.00
Henan Roiserv Lifestyle Service Co., Ltd.	200,000.00	0.00	0.00	200,000.00	0.00	0.00
Roiserv (Guangdong) Lifestyle Service Co., Ltd.	2,200,000.00	0.00	0.00	2,200,000.00	0.00	0.00
Cangzhou Rongguang Construction Engineering Co., Ltd.	1,000,000.00	0.00	0.00	1,000,000.00	0.00	0.00
Shijiazhuang Rongci Real Estate Brokerage Co., Ltd.	1,000,000.00	0.00	0.00	1,000,000.00	0.00	0.00

XVII. NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

3. Long-term equity investments (Continued)

(2) Investments in subsidiaries (Continued)

Investee	Balance as of December 31, 2022 (Audited)	Increase during the year	Decrease during the year	Balance as of June 30, 2023 (Unaudited)	Provision for impairment during the year	Closing balance of impairment provision
Rongwanjia (Beijing) Technology Service Co., Ltd.	1,000,000.00	0.00	0.00	1,000,000.00	0.00	0.00
Tianjin Rongshang Technology Co., Ltd.	30,000,000.00	0.00	0.00	30,000,000.00	0.00	0.00
Tianjin Rongwanjia Life Service Co., Ltd.	3,000,000.00	0.00	0.00	3,000,000.00	0.00	0.00
Langfang Rongrui Property Management Co., Ltd.	459,000.00	0.00	0.00	459,000.00	0.00	0.00
Baoding Rongrun Property Service Co., Ltd.	255,000.00	0.00	0.00	255,000.00	0.00	0.00
Zhangjiakou Rongmiaocheng Property Management Co., Ltd.	1,530,000.00	0.00	0.00	1,530,000.00	0.00	0.00
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	1,400,000.00	0.00	0.00	1,400,000.00	0.00	0.00
Cangzhou Roiserv New Town Property Service Co., Ltd.	100,000.00	0.00	0.00	100,000.00	0.00	0.00
Zhangjiakou Rongmeng Property Management Co., Ltd.	20,000.00	0.00	0.00	20,000.00	0.00	0.00
Zhangjiakou Rongguanyue Property Management Co., Ltd.	20,000.00	0.00	0.00	20,000.00	0.00	0.00
Beijing Manbeilun Cosmetics Co., Ltd.	202,000.00	0.00	0.00	202,000.00	0.00	0.00
Roiserv (Shijiazhuang) Property Service Co., Ltd.	100,000.00	0.00	0.00	100,000.00	0.00	0.00
Rongwanjia (Langfang) Life Service Co., Ltd.	0.00	10,000.00	0.00	10,000.00	0.00	0.00
Hebei Jinxiang Property Group Co., Ltd.	0.00	41,023,750.96	0.00	41,023,750.96	0.00	0.00
Total	56,796,000.00	41,033,750.96	0.00	97,829,750.96	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

3. Long-term equity investments (Continued)

(3) Investments in associates and joint ventures

Investee	Balance as of		Changes in current year							Closing Balance as of June 30, 2023 (Book value)	Closing balance of impairment provision	
	December 31, 2022 (Book value)	Additional investments	Reduced investment	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others			
I. Joint ventures												
Bengbu Dongfang Wanjia Life Service Co., Ltd.	1,500,000.00	0.00	0.00	95,386.66	0.00	0.00	0.00	0.00	0.00	0.00	1,595,386.66	0
II. Associates												
Beijing Yinsilang Energy Resource Technology Co., Ltd.	100,142,922.94	0.00	0.00	3,979,806.09	0.00	0.00	0.00	0.00	0.00	0.00	104,122,729.03	0
Total	101,642,922.94	0.00	0.00	4,075,192.75	0.00	0.00	0.00	0.00	0.00	0.00	105,718,115.69	0

XVII. NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

4. Operating income and operating cost

(1) Operating income and operating cost

Item	January to June 2023 (Unaudited)		Balance as of January to June 2022 (Unaudited)	
	Income	Cost	Income	Cost
Main operations	632,900,809.81	463,437,913.47	740,219,155.01	481,366,041.57
Other operations	2,699,081.84	94,332.02	66,227.76	0.00
Total	635,599,891.65	463,532,245.49	740,285,382.77	481,366,041.57

(2) Information on income from contracts

Classification of contracts	January to June 2023 (Unaudited)	Balance as of January to June 2022 (Unaudited)
Type of product	–	–
Including: Property management services	511,695,798.96	511,189,450.28
Value-added services for non-owners	62,557,886.92	178,387,520.22
Community value-added services	61,346,205.77	50,708,412.27
Total	635,599,891.65	740,285,382.77
By region of operation	–	–
Including: Domestic China	635,599,891.65	740,285,382.77
Total	635,599,891.65	740,285,382.77
By duration of contract	–	–
Including: Confirmed at a point in time	17,593,649.23	4,298,216.65
Confirmed within a certain period of time	618,006,242.42	735,987,166.12
Total	635,599,891.65	740,285,382.77

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 - June 30, 2023

(Unless indicated otherwise, all amounts are expressed in RMB)

XVII. NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

5. Investment income

Item	January to June 2023 (Unaudited)	January to June 2022 (Unaudited)
Investment income from long-term equity investments accounted for under the cost method	0.00	0.00
Investment income from long-term equity investments accounted for under the equity method	4,075,192.75	0.00
Investment income from disposal of financial assets held for trading	0.00	0.00
Investment income from disposal of long-term equity investments	-57,826.07	0.00
Investment income from financial assets held for trading	0.00	19,648,761.97
Total	3,596,607.84	19,648,761.97

XVIII. APPROVAL OF THE FINANCIAL REPORT

This financial report was approved for presentation by the Board of Directors of the Company on August 31, 2023.

Roiserv Lifestyle Services Co., Ltd.
August 31, 2023

1. BREAKDOWN OF NON-RECURRING GAINS AND LOSSES FOR THE YEAR

Item	Current year amount	Note
Gains or losses from disposal of non-current assets	-56,091.28	
Government grants charged to current profit and loss (other than those closely related to the business of the enterprise and enjoyed on a fixed or quantitative basis in accordance with national uniform standards)	2,500,000.00	
Profit arising from investment costs for acquisition of a subsidiary, an associate and a joint venture by the corporation being less than its share of fair value of identifiable net assets of the investee on acquisition	1,023,750.96	
Debt restructuring gains	-440,125.19	
Net current profit and loss of subsidiaries arising from business combinations under common control from the beginning of the year to the date of consolidation	0.00	
Gains or losses from changes in fair value of financial assets held for trading	0.00	
Investment income from disposal of financial assets held for trading	0.00	
Gains or losses arising from changes in fair value of investment properties subsequently measured using the fair value model	25,000.00	
Investment income from long-term equity investments accounted for under the equity method	4,075,192.75	
Other non-operating income and expenses other than those mentioned above	-1,244,825.13	
Other items of gain or loss that meet the definition of non-recurring gain or loss	0.00	
Subtotal	5,882,902.11	-
Less: Amount affected by income tax	1,470,725.53	Note: The income tax rate is simplified at 25%.
Amount affected by minority interests (after tax)	-16,857.89	
Total	4,429,034.47	-

2. RETURN ON EQUITY AND EARNINGS PER SHARE

	Weighted average return on equity (%)	Earnings per share (yuan/share)	
		Basic earnings per share	Diluted earnings per share
Profit for the reporting period			
Net profit attributable to ordinary shareholders of the parent company	4.61%	0.26	0.26
Net income attributable to ordinary shareholders of the parent company after deducting non-recurring gains and losses	4.40%	0.25	0.25

GLOSSARY AND DEFINITIONS

“Audit Committee”	the audit committee of the Company
“Board”	board of the 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
“Corporate Governance Code”	the corporate governance code contained in Part 2 of the Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	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
“Hebei Jinxiang”	Hebei Jinxiang Property Group Co., Ltd.* (河北金項物業集團有限公司)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules
“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
“Nomination Committee”	the nomination committee of the Company
“Non-GAAP”	non-generally accepted accounting principles
“Period” or “Relevant Period”	the six months ended June 30, 2023
“Prospectus”	the prospectus of the Company dated December 31, 2020
“Remuneration Committee”	the remuneration committee of the Company
“RiseSun Construction Engineering”	RiseSun Construction Engineering Co., Ltd.* (榮盛建設工程有限公司), 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”	RiseSun Real Estate Development Co., Ltd.* (榮盛房地產發展股份有限公司) (formerly known as RiseSun Property Development Co., Ltd.* (廊坊開發區榮盛房地產開發有限公司)), a limited liability company 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)
“Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Shares

GLOSSARY AND DEFINITIONS

“Shengyide Commercial”	Xianghe Shengyide Commercial Consulting Center (Limited Partner)* (香河盛繹德商務信息諮詢中心(有限合夥)), 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
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Langfang International Exhibition Group Co., Ltd.* (廊坊國際展覽集團有限公司)
“Zhonghong Kaisheng”	Hebei Zhonghong Kaisheng Investment Co., Ltd.* (河北中鴻凱盛投資股份有限公司), a joint stock company with limited liability established in the PRC on December 12, 2015 and one of our Shareholders
“%”	per cent

* for identification purpose only