

2022 INTERIM REPORT

LET SERVICES CREATE VALUE

融信服务集团股份有限公司

Ronshine Service Holding Co.,Ltd

(incorporated in the Cayman Islands with limited liability)



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ou Zonghong (*Chairman*)

Mr. Ma Xianghong

Ms. Lin Yi

Non-executive Director

Ms. Lin Liqiong

Independent Non-executive Directors

Mr. Ye Azhong

Mr. Chen Zhangwang

Mr. Kwok Kin Kwong Gary

AUDIT COMMITTEE

Mr. Kwok Kin Kwong Gary (*Chairman*)

Mr. Chen Zhangwang

Mr. Ye Azhong

REMUNERATION COMMITTEE

Mr. Chen Zhangwang (*Chairman*)

Mr. Ou Zonghong

Mr. Ye Azhong

NOMINATION COMMITTEE

Mr. Ou Zonghong (*Chairman*)

Mr. Ye Azhong

Mr. Chen Zhangwang

AUDITOR

Elite Partners CPA Limited

Certified Public Accountants and

Registered Public Interest Entity Auditor

10/F., 8 Observatory Road

Tsim Sha Tsui

Kowloon, Hong Kong

LEGAL ADVISERS

As to Hong Kong law:

Sidley Austin

As to Cayman Islands law:

Conyers Dill & Pearman

COMPLIANCE ADVISER

Haitong International Capital Limited

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681, Grand Cayman, KY1-1111

Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East, Wanchai

Hong Kong

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681, Grand Cayman, KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

Room 401-3, Building No. 6
Lane 226 Panyang Road
Minhang District
Shanghai
The People's Republic of China

STOCK CODE

The Stock Exchange: 2207

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor
Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

JOINT COMPANY SECRETARIES

Ms. Lin Yi
Ms. Lee Angel Pui Shan

AUTHORIZED REPRESENTATIVES

Ms. Lin Yi
Ms. Lee Angel Pui Shan

PRINCIPAL BANKER

China Construction Bank

WEBSITE

www.rxswy.com

Definitions

In this report, unless the context otherwise requires, the following words and expressions have the following meanings.

“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors
“BVI”	the British Virgin Islands
“China” or “PRC”	the People’s Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Company” or “Ronshine Service”	Ronshine Service Holding Co., Ltd (融信服務集團股份有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability on 14 April 2020 and whose Shares are listed on the Main Board of the Stock Exchange (stock code: 2207)
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules, and unless the context requires otherwise, refers to Mr. Ou, Rongxin Yipin and Fumei International
“Corporate Governance Code”	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“EIT”	the PRC enterprise income tax
“Family Trust”	the discretionary and irrevocable trust established on 18 August 2020 by Mr. Ou as the settlor and protector, with HSBC International Trustee Limited as the trustee
“Fumei International”	Fumei International Co., Ltd (福美國際有限公司), a company incorporated in the BVI with limited liability on 6 April 2020, which is wholly owned by Rongan Juxiang and is one of the Controlling Shareholders
“GFA”	gross floor area

Definitions

“Greater Bay Area”	the Guangdong-Hong Kong-Macao Greater Bay Area, a geographical region in China including Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen, Zhaoqing, Hong Kong and Macau Special Administrative Region of the PRC for purposes of this report
“Group”, “our Group”, “we”, “our” or “us”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“LAT”	the PRC land appreciation tax
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Ou”	Mr. Ou Zonghong (歐宗洪), chairman of the Board, an executive Director and one of the Controlling Shareholders
“Other Regions”	the economic regions in China other than the Western Straits Region and Yangtze River Delta Region, which primarily include but not limited to the following municipalities and cities for the purpose of this report: Tianjin, Chengdu, Chongqing, Pu’er, Taiyuan, Qingdao, Jiujiang, Nanchang, Changsha, Zhengzhou, Cangzhou, Baise, Hechi, Hezhou, Wuzhou, Jiangmen, Guangzhou, Fuyang, Qinzhou, Dezhou and Lanzhou
“Reporting Period”	the six months ended 30 June 2022
“RMB”	Renminbi, the lawful currency of the PRC

Definitions

“Rongan Juxiang”	Rongan Juxiang Co., Ltd, a special purpose holding vehicle incorporated in the BVI with limited liability on 28 April 2020, which is wholly owned by HSBC International Trustee Limited, the trustee of the Family Trust
“Rongxin Yipin”	Rongxin Yipin Co., Ltd (融心一品有限公司), a company incorporated in the BVI with limited liability on 6 April 2020, which is wholly owned by Rongan Juxiang and is one of the Controlling Shareholders
“Ronshine China”	Ronshine China Holdings Limited (融信中國控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 11 September 2014, whose shares are listed on the Stock Exchange (stock code: 3301)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company, which are to be traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Western Straits Region”	an economic zone in China primarily including Fujian province, parts of Zhejiang province, Jiangxi province and Guangdong province, including but not limited to the following cities for the purpose of this report: Fuzhou, Xiamen, Sanming, Putian, Nanping, Quanzhou, Zhangzhou and Longyan
“Yangtze River Delta Region”	an economic region in China primarily encompassing Shanghai, parts of Zhejiang province and parts of Jiangsu province, including but not limited to the following municipalities and cities for the purpose of this report: Shanghai, Hangzhou, Huzhou, Shaoxing, Jiaxing, Zhoushan, Jinhua, Ningbo, Tongxiang, Wenzhou, Wuxi, Xuzhou, Changzhou, Suzhou, Zhenjiang, Nantong and Nanjing
“%”	per cent

Financial Highlights

The Board is pleased to announce the unaudited interim condensed consolidated results of the Group for the Reporting Period.

Interim Condensed Consolidated Income Statement

	For the six months ended 30 June		Change in percentage (%)
	2022	2021	
	(RMB'000)		
	Unaudited	Unaudited	
Revenue	434,240	488,834	(11.2%)
Cost of sales	(342,401)	(344,999)	(0.8%)
Gross profit	91,839	143,835	(36.1%)
Other income and other gains	2,454	2,280	7.6%
Profit before income tax	47,666	94,559	(49.6%)
Profit for the period	35,335	68,927	(48.7%)
— attributable to owners of the Company	32,465	66,483	(51.2%)
— attributable to non-controlling interests	2,870	2,444	17.4%

	As at	As at	Change in percentage (%)
	30 June	31 December	
	2022	2021	
	(RMB'000)		
	Unaudited	Audited	
Total assets	1,174,988	1,154,545	1.8%
Total liabilities	444,312	459,204	(3.2%)
Total equity	730,676	695,341	5.1%

Chairman's Statement

Dear Shareholders,

Thank you for your valuable support and trust in our Group. On behalf of the Board of Directors, I am pleased to present you with the interim results of the Group for the six months ended 30 June 2022.

In the first half of 2022, due to the multiple outbreaks of the COVID-19 pandemic (the "**Pandemic**") across the country, the severe Pandemic situation in some areas, complex international political and economic situations and other factors, every walk of life is facing unprecedented challenges. During the battle against the Pandemic in Shanghai, Fujian and other provinces and cities, as the "first checkpoint" of grassroots pandemic prevention and control and also the most basic unit for the implementation of various prevention and control measures, the property management industry and all people in the industry played an important role in the process of the Pandemic prevention and control.

On behalf of the Board of Directors, I would like to express my sincere gratitude to property owners, partners and all employees who gave strong support to Ronshine Service in combating the Pandemic!

At the same time, the slump in real estate industry continues, which brings certain challenge to the independent development capabilities and brand expansion capabilities of major property management companies, despite the initial favorable policy effects. China Property Index Academy predicts that by 2025, the market share of the top 100 property companies in China may reach 63.9%. With the significant head effect and the increasing industry concentration, market differentiation will be further intensified, and independent market expansion will become the core competitiveness.

While making every effort to combat the Pandemic, for the six months ended 30 June 2022, the Group recorded revenue of RMB434.2 million and a net profit of RMB35.3 million. As of the end of June 2022, Ronshine Service had a total contracted GFA of 44.9 million sq.m., providing services to more than 400,000 property owners in 53 cities across the country.

Due to the lockdowns of communities and the interruption and delay of logistics caused by the Pandemic, as well as the decline in demand of property developers for relevant services as a result of the on-gong sluggish real estate market, two of the business lines of the Company, namely the community value-added services and the value-added services to non-property owners, were adversely affected to a certain extent. In the first half of 2022, three major business lines of the Company, being the property management services, the value-added services to non-property owners and the community value-added services, recorded revenue of RMB276.3 million, RMB133.2 million and RMB24.7 million, respectively.

Nevertheless, the Board considers that the Company had kept a good operating performance as a whole with a sound situation in cash flow. Therefore, we keep a prudent and optimistic attitude for the Company's business development and performance in the future. The Board also believes that Ronshine Service will be able to restore proven profitability as soon as possible when the demand for relevant business services increases.

Chairman's Statement

For a long period of time, the Company has been exploring the refined standard for property services, adhering to the corporate mission of “create value with superior services (讓服務創造價值)” and insisting on the service philosophy of “working hard to bring satisfaction and affection to our customers (用心讓您滿意·努力讓您感動)”. As of July 2022, the Company successively released the “Practice Program (篤行計劃)” and launched the “Building Internal Benchmarking Project Activity (創建內部標桿項目活動)” nationwide, aiming to further improve the overall service quality and create a quality benchmark for a better life. During the Reporting Period, the Company achieved a score of 84.39 in satisfaction for property services, ranking 18th in the “TOP Property Services Satisfaction in the First Half of 2022 (2022年上半年物業服務滿意度TOP 18)”.

Hard things evolve from the easy ones, and great things accumulate from small ones. Looking forward to the second half of 2022, as a fast-growing and comprehensive property management services provider in China, the Company will continue to enhance the property management services of standardisation, marketisation, digitalisation and diversification, focus on three aspects including the core areas, service quality and “1+N” strategy, insist on the target of quality living, consolidate the foundation of our property services, and continually revitalise the brand vitality of “quality, cozy and loving (有品質、有溫度、有愛)”.

Ronshine Service Holding Co., Ltd

Ou Zonghong

Chairman

29 September 2022

Business Review and Outlook

OVERVIEW AND OUTLOOK

Business Overview

The Group is principally engaged in the provision of property management services and related value-added services, including pre-delivery services, household assistance service, sales services and other services, in the PRC.

The Group is a large-scale and professional property management service enterprise with national first-class qualification, a council member of China Property Management Institute (中國物業管理協會) and the vice president of Fujian Property Management Association (福建省物業管理協會). According to China Index Academy, the Group was ranked 19th on the “List of the Top 100 Property Management Companies in the PRC in 2021” (2021中國物業服務百強企業名單) in terms of overall strength. As of 30 June 2022, the Group provides property management services and value-added services in over 53 cities across China, with contracted GFA and GFA under management of approximately 44.9 million sq.m. and 31.4 million sq.m., respectively.

The Group’s business covers a wide range of properties, including residential properties and non-residential properties (such as commercial office buildings, city complexes, government office buildings, industrial parks, hospitals and banks), as well as other specialized and high-quality customized services.

The Group is dedicated to creating “quality, cozy and loving (有品質、有溫度、有愛)” communities together with its numerous customers by adhering to the service philosophy of “working hard to bring satisfaction and affection to its customers (用心讓您滿意，努力讓您感動)” and committing to build a “better + (美好+)” community life service system; building a high-end service brand by implementing the “ROYEEDS (融御)” high-end service system for high-end residential properties to provide property owners with elegant, healthy, respectful and comfortable customized services.

Our Business Model

The Group has three major business lines: (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services.

Property Management Services

During the Reporting Period, property management services accounted for 63.6% of total revenue and 69.5% of gross profit.

Revenue from the provision of property management services amounted to approximately RMB276.3 million for the six months ended 30 June 2022, representing a period-on-period increase of 25.4% compared to RMB220.4 million for the six months ended 30 June 2021, which was mainly attributable to the rapid growth of GFA under management.

Gross profit of the property management services business amounted to RMB63.8 million, representing an increase of 24.6% compared to RMB51.2 million for the same period in 2021, and gross profit margin for the Reporting Period was 23.1%, which remained relatively stable compared to 23.3% as of 30 June 2021.

During the Reporting Period, both GFA under management and contracted GFA recorded high growth, laying a solid foundation for our income growth. As of 30 June 2022, the GFA under management reached approximately 31.4 million sq.m., representing an increase of approximately 36.5%, or a net increase of 8.4 million sq.m., compared to 23.0 million sq.m. as of 30 June 2021. The contracted GFA reached approximately 44.9 million sq.m., representing an increase of approximately 6.4%, or a net increase of 2.7 million sq.m., compared to 42.2 million sq.m. as at 31 December 2021.

During the Reporting Period, the number of projects under management reached 201, located in the Western Straits Region, Yangtze River Delta Region and Other Regions in China, covering 52 cities.

Value-added Services to Non-property Owners

During the Reporting Period, value-added services to non-property owners accounted for 30.7% of total revenue and 21.2% of gross profit.

Revenue from value-added services to non-property owners amounted to approximately RMB133.2 million during the Reporting Period, representing a period-on-period decrease of approximately 44.1%, as compared to RMB238.2 million for the corresponding period.

The Group's value-added services to non-property owners primarily consist of (i) sales assistance services; (ii) preliminary planning, design consultancy and pre-delivery services; and (iii) driving, vehicle dispatching and managing services. During the Reporting Period, sales assistance services income reached approximately RMB68.4 million, representing a period-on-period decrease of approximately 47.8%; preliminary planning, design consultancy and pre-delivery services income reached approximately RMB33.8 million, representing a period-on-period decrease of 55.0%. The decrease for both services is due to the continued downturn in the real estate market, which resulted in the decreased demand for services by property developers; and driving, vehicle dispatching and managing services income reached approximately RMB31.0 million, representing a period-on-period decrease of 3.4%.

Community Value-added Services

During the Reporting Period, community value-added services accounted for 5.7% of total revenue and 9.3% of the Group's gross profit.

Revenue from the provision of community value-added services reached approximately RMB24.7 million as of 30 June 2022, representing a decrease of 18.3% as compared to RMB30.3 million as of 30 June 2021. The decrease in revenue from these operations was mainly attributable to the community lockdown and logistics disruption and delay caused by the Pandemic.

The Group's community value-added services consist of (i) community shopping services ("**Joyful Life Service**") (和美生活); (ii) decoration and furnishing services and home maintenance services ("**Joyful Living Service**") (和美易居); (iii) property agency services ("**Joyful Leasing and Sale Service**") (和美租售); and (iv) ancillary services for common areas, which primarily include advertising in and rental of common areas of residential properties under the Group's management.

During the Reporting Period, revenue from Joyful Life Service reached approximately RMB7.5 million, representing a period-on-period decrease of 68.5% as compared to RMB23.7 million as of 30 June 2021; income from Joyful Living Service reached approximately RMB2.8 million, representing a period-on-period increase of 6.4% as compared to RMB2.6 million of the corresponding period in 2021; income from Joyful Leasing and Sale Service reached approximately RMB11.3 million, representing a period-on-period increase of 1,131.7% as compared to RMB0.9 million as of 30 June 2021, which was mainly attributable to the increase in rental stores in the projects that the Group was managing. Income from ancillary services for common areas reached approximately RMB3.2 million, representing a period-on-period increase of 3.0%.

Outlook

2022 marks the second year of the Company's listing on the Main Board of the Stock Exchange. From this new historical starting point, with a clearer strategic positioning and development direction, the Company will be able to further expand its scale development by taking advantage of the listed platform, enhance the Group's operational management capabilities and achieve its high quality development goal. The Group's major development directions for the second half of 2022 are set out below.

- 1. Cultivating core areas.** We seek to enhance the project density of the Company's existing core areas through strategic investments and acquisitions, so as to consolidate and strengthen the Company's competitiveness and influence in the core areas. Due to the fragmented property management industry in the PRC and competition varies from region to region, we believe that further acquisition of project resources in the Western Straits Region and the Yangtze River Delta Region where the Company has presence, will effectively increase the Company's management density in the core areas, thus further increasing revenue and reducing cost. Meanwhile, the brand competitiveness in the region can be simultaneously strengthened, thereby improving the Company's competitiveness and influence in the property management industry from all aspects.
- 2. Diversifying our Revenue Streams.** We will continue to implement our "1+N" strategy, expand our value-added services and offer tailored services to further diversify our revenue streams, where the "1" represents the traditional property management service, and the "N" represents both value-added services to non-property owners and community value-added services. We always believe that our "1+N" strategy will help us enhance our traditional property management services, particularly with respect to non-residential properties, and further diversify value-added services to both residential properties and a wide range of non-residential properties to expand our cooperation with independent third parties to increase our market share overall in a balanced manner.
- 3. Improving our Service Quality and Operational Efficiency.** We will focus on technology innovation and further upgrade of our intelligent information technology systems to maximize operational efficiency and enhance customer experience. We believe that such upgrade and development will facilitate a smoother running of our daily operations, reduce labor costs, achieve maximized operational efficiency, and eventually improve our profitability.
- 4. Building our ROYEEDS (融御) Brand for High-end Properties Management.** We will leverage our experience in managing mid- to high-end properties to further build our ROYEEDS (融御) brand into a leading property management brand for high-end properties. We plan to launch more projects under the brand in first-tier cities in the PRC and also plan to launch pilot project(s) in second-tier cities as well as other cities in the PRC with relatively high consumer spending power. The brand marketing for the ROYEEDS (融御) project will also be implemented to upgrade facilities and equipment for projects under the brand. We plan to increase the brand recognition of ROYEEDS (融御) by recruiting and training talents for premium service offering.
- 5. Focusing on Sustainable Talent Development.** We attach great importance to the attraction, training and retention of professional talents. For talent attraction, we plan to place greater emphasis on lateral recruitment in the market. For talent retention, we plan to offer more diversified promotion opportunities, such as internal election campaigns. Meanwhile, we will keep outstanding personnel from acquired companies.

Management Discussion and Analysis

SUMMARY OF OPERATING RESULTS

The profit margins of the Group vary across its three main business lines, namely, (i) property management services, (ii) value-added services to non-property owners and (iii) community value-added services. Any change in the structure of revenue contribution from the above three main business lines or change in gross profit margin of any business line may have a corresponding impact on its overall gross profit margin.

PROPERTY MANAGEMENT SERVICES

For the six months ended 30 June 2022, the Group achieved speedy growth in contracted GFA and GFA under management through its strong presence in the Western Straits Region and Yangtze River Delta Region. The Group has also rapidly expanded to the economic regions in China other than the Western Straits Region and Yangtze River Delta Region, which primarily include but not limited to the following municipalities and cities, namely Tianjin, Chengdu, Chongqing, Pu'er, Taiyuan, Qingdao, Jiujiang, Nanchang, Changsha, Zhengzhou, Cangzhou, Baise, Hechi, Hezhou, Wuzhou, Jiangmen, Guangzhou, Fuyang, Qinzhou, Dezhou and Lanzhou in the PRC market.

As at 30 June 2022, the Group's contracted GFA amounted to approximately 44.9 million sq.m., and the number of contracted projects was 278 in total, representing an increase of 0.7% and 3.7%, respectively, compared with those as of 31 December 2021. For the six months ended 30 June 2022, revenue generating GFA under management by the Group reached approximately 31.4 million sq.m., and the number of projects under management was 201, representing an increase of approximately 8.7% and 13.6%, respectively, compared with those as of 31 December 2021.

The average property management fee of the Group for the Reporting Period amounted to RMB3.1 per sq.m., an increase of 6.9%, compared to RMB2.9 per sq.m. for the corresponding period.

The table below indicates the movement in the Group's contracted GFA and GFA under management for the six months ended 30 June 2022 and 2021 respectively:

	For the six months ended 30 June 2022		For the six months ended 30 June 2021	
	Contracted GFA ('000 sq.m.)	GFA under management ('000 sq.m.)	Contracted GFA ('000 sq.m.)	GFA under management ('000 sq.m.)
As of the beginning of the period	44,573	28,879	38,119	19,930
New engagements	365	2,484	5,873	4,944
As of the end of the period	44,938	31,363	42,191	22,993

GEOGRAPHIC PRESENCE OF THE GROUP

As at 30 June 2022, the Group had expanded its geographic presence to 53 cities in China.

The table below sets forth a breakdown of the Group's total GFA under management as of the dates and total revenue generated from property management services by geographic location for the six months ended 30 June 2022 and 2021 respectively:

	For the six months ended 30 June 2022			For the six months ended 30 June 2021		
	GFA ('000 sq.m.)	Revenue (RMB'000)	%	GFA ('000 sq.m.)	Revenue (RMB'000)	%
The Western Straits Region	16,998	159,212	57.6%	14,607	122,809	55.7%
The Yangtze River Delta Region	7,314	81,191	29.4%	4,812	53,526	24.3%
Other regions	7,051	35,904	13.0%	3,574	44,076	20.0%
Total	31,363	276,307	100%	22,993	220,411	100%

VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS

The Group provides a series of value-added services to non-property owners, which primarily includes property developers. The Group's value-added services to non-property owners primarily consist of (i) sales assistance services; (ii) preliminary planning, design consultancy and pre-delivery services; and (iii) driving, vehicle dispatching and managing services, under which it provides its customers with drivers and related car management services on an on-demand basis according to the terms of relevant agreements.

The table below sets forth a breakdown of the Group's revenue generated from its value-added services to non-property owners for the period indicated:

	For the six months ended			
	30 June 2022		30 June 2021	
	RMB'000	%	RMB'000	%
Sales assistance services	68,361	51.3%	130,913	55.0%
Preliminary planning, design consultancy and pre-delivery services	33,820	25.4%	75,119	31.5%
Driving, vehicle dispatching and managing services	31,020	23.3%	32,128	13.5%
Total	133,201	100.0%	238,160	100.0%

COMMUNITY VALUE-ADDED SERVICES

The Group provides property owners and residents with a wide range of community value-added services. The Group's community value-added services primarily consist of (i) community shopping services (Joyful Life Service) (和美生活); (ii) decoration and furnishing services and home maintenance services (Joyful Living Service) (和美易居); (iii) property agency services (Joyful Leasing and Sale Service) (和美租售); and (iv) ancillary services for common areas, which primarily include advertising in and rental of common areas of residential properties under the Group's management.

In the first half of 2022, the revenue from community value-added services decreased by 18.3% to approximately RMB24.7 million compared to approximately RMB30.3 million in the same period of 2021, mainly due to the decrease in revenue from Joyful Life Service (community shopping service). During the six months ended 30 June 2022, revenue from community value-added services accounted for 5.7% of total revenue.

The following table sets forth the revenue breakdown of community value-added services for the six months ended 30 June 2022 and 2021:

	For the six months ended			
	30 June 2022		30 June 2021	
	RMB'000	%	RMB'000	%
Joyful Life Service (和美生活) ⁽¹⁾	7,467	30.2%	23,679	78.2%
Joyful Living Service (和美易居) ⁽²⁾	2,756	11.1%	2,590	8.6%
Joyful Leasing and Sale Service (和美租售) ⁽³⁾	11,344	45.9%	921	3.0%
Ancillary services for common areas ⁽⁴⁾	3,165	12.8%	3,073	10.2%
Total	24,732	100%	30,263	100%

Notes:

- (1) Under Joyful Life Service (和美生活), the Group mainly offers community shopping services to property owners and residents of the properties under the Group's management. The majority portion of the Group's community shopping services is the offline community shopping services, under which the Group mainly sells popular products for selected holidays to property owners and/or residents at designated locations at residential properties under its management. The products generally include gift baskets, mooncakes and other popular gifts that suit the property owners and/or residents' holiday shopping needs.
- (2) Under Joyful Living Service (和美易居), the Group mainly provides property owners of the residential properties with decoration work such as building balcony enclosures under its management. The Group generally provides such services through sub-contractors and charge a fixed amount fee for the work as agreed between the property owners and the Group. In addition, the Group also provides a referral service to introduce property owners and/or residents to qualified contractors for other decoration work and charge a fixed fee for each successful introduction that result in an agreement between contractors and the property owner or resident regarding the agreed work. For the furnishing services, the Group may purchase interior decorations, home appliances and accessories according to the property owners' or residents' preferences and budgets.
- (3) The Joyful Leasing and Sale Service (和美租售) includes property agency services under which the Group assists property owners in search for buyers or tenants, marketing and liaising with potential buyers and tenants. Typically, once the potential buyer or tenant reaches an agreement with respect to the sale or lease of the property with the property owner, the Group would help guide the property owner to complete the transaction.
- (4) The Group provides ancillary services for common areas, which mainly include advertising in and rental of common areas of the properties under the Group's management.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2022, the Group derived its revenue from (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 from such sources for the period indicated:

	For the six months ended 30 June		Change in percentage
	2022 RMB'000	2021 RMB'000	
Revenue			
Property management services	276,307	220,411	25.4%
Value-added services to non-property owners	133,201	238,160	-44.1%
Community value-added services	24,732	30,263	-18.3%
Total	434,240	488,834	-11.2%

The revenue of the Group decreased by approximately 11.2% from RMB488.8 million for the six months ended 30 June 2021 to RMB434.2 million for the six months ended 30 June 2022. This decrease was mainly attributable to:

- (i) the decrease in revenue from preliminary planning, design consultancy services and pre-delivery services for the six months ended 30 June 2022;
- (ii) the decrease in revenue from sales assistance services for the six months ended 30 June 2022; and
- (iii) the decrease in the amount of revenue from Joyful Life Service for the six months ended 30 June 2022.

Cost of sales

The Group's cost of sales primarily included employee benefit expenses, greening and cleaning expenses, maintenance costs, security personnel expenses, office expenses, taxes and other levies, lease payments on short-term leases, depreciation and amortization charges and others.

During the Reporting Period, the cost of sales of the Group decreased by approximately 0.8% from RMB345.0 million for the six months ended 30 June 2021 to RMB342.4 million for the six months ended 30 June 2022.

Management Discussion and Analysis

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit decreased by approximately 36.1% from RMB143.8 million for the six months ended 30 June 2021 to RMB91.8 million for the six months ended 30 June 2022.

The Group's gross profit margin decreased from 29.4% for the six months ended 30 June 2021 to 21.1% for the six months ended 30 June 2022.

The gross profit margin of the Group by business line is as follows:

	For the six months ended 30 June	
	2022	2021
	%	%
Property management services	23.1	23.3
Value-added services to non-property owners	14.6	34.3
Community value-added services	34.5	36.4
Overall gross profit margin	21.1	29.4

Other income

During the Reporting Period, the Group's other income primarily included (i) additional deduction of value-added input tax, and (ii) government grants, which were mainly comprised of government subsidies for creating jobs to support local economies. The Group's other income increased by approximately 24.5% from RMB1.9 million for the six months ended 30 June 2021 to RMB2.4 million for the six months ended 30 June 2022.

Other gains or losses – net

The Group's other gains primarily consisted of (i) gains from forfeited deposits from tenants of non-residential properties, and (ii) others.

The Group's other gains decreased by approximately 86.5% from RMB0.3 million for the six months ended 30 June 2021 to RMB0.05 million for the six months ended 30 June 2022, mainly due to one-off insurance claim proceed during the six months ended 30 June 2021.

Selling and marketing expenses

The Group's selling and marketing costs mainly included (i) advertising expenses, which were primarily costs for advertising and marketing activities to promote the brands of the Group, (ii) marketing and sales employee benefit expenses relating to sales and marketing activities and (iii) others, which mainly included traveling and entertainment expenses.

The Group's selling and marketing costs decreased by approximately 38.5% from RMB4.4 million for the six months ended 30 June 2021 to RMB2.7 million for the six months ended 30 June 2022, primarily due to the cancellation of sales promotion activities as a result of the Pandemic.

Management Discussion and Analysis

Administrative expenses

The Group's administrative expenses primarily consisted of (i) employee benefit expenses for the Group's administrative staff, (ii) listing expenses, (iii) office expenses, (iv) travelling and entertainment expenses, (v) depreciation and amortization charges, (vi) consultancy fee for research on the Group's market positioning, (vii) lease payments on short term leases and (viii) others, which mainly included amortization of low-value consumables, expenses for insurance and training.

The Group's administrative expenses decreased by approximately 18.4% from RMB46.6 million for the six months ended 30 June 2021 to RMB38.0 million for the six months ended 30 June 2022, primarily due to listing expenses incurred in the first half of 2021.

Finance (cost)/income, net

The Group's net finance (cost)/income mainly included interest income from bank deposits and interest expense from lease liabilities.

Finance costs increased by approximately 87.5% from RMB0.06 million for the six months ended 30 June 2021 to RMB0.1 million for the six months ended 30 June 2022.

Finance income increased by approximately 243.8% from RMB0.5 million for the six months ended 30 June 2021 to RMB1.7 million for the six months ended 30 June 2022, due to the increase of the interest income from bank deposits.

Profit before income tax

As a result of the aforementioned changes in the Group's financials, the Group's profit before income tax decreased by approximately 49.6% from RMB94.6 million for the six months ended 30 June 2021 to RMB47.7 million for the six months ended 30 June 2022.

Income tax expenses

The Group's income tax expenses consist of current and deferred tax expenses in the PRC by the Company and its subsidiaries. Income tax expenses comprise provisions made for EIT (including deferred income tax) in the PRC.

The Group's income tax expenses decreased by approximately 51.9% from RMB25.6 million for the six months ended 30 June 2021 to RMB12.3 million for the six months ended 30 June 2022.

The effective income tax rate of the Group for the six months ended 30 June 2022 was 26%, compared to 27% for the six months ended 30 June 2021. Effective income tax was calculated based on EIT divided by profit before income tax (excluding the share of net profit of investments accounted for using the equity method and LAT).

Profit for the period attributable to owners of the Company

As a result of the aforementioned changes in the Group's financials, the Group's profit for the period attributable to owners of the Company decreased by approximately 51.2% from RMB66.5 million for the six months ended 30 June 2021 to RMB32.5 million for the six months ended 30 June 2022.

Profit for the period attributable to non-controlling interests

Profit for the period attributable to non-controlling interests increased by approximately 17.4% from RMB2.4 million for the six months ended 30 June 2021 to RMB2.9 million for the six months ended 30 June 2022, which remained relatively stable.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

As at 30 June 2022, the Group's trade receivables amounted to approximately RMB347.9 million, representing an increase of approximately RMB68.4 million or 24.5% compared with RMB279.5 million as of 31 December 2021. The increase was mainly due to the fact that the receivables due from related parties and third parties increased as a result of the continued downturn in the real estate market.

Trade payables

Trade payables primarily represent the Group's obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers, including purchases of materials and utilities and purchases from subcontractors. The Group typically pays its suppliers on a monthly payment term.

As at 30 June 2022, the Group's trade payables amounted to approximately RMB92.3 million, representing an increase of approximately 31.7% from approximately RMB70.1 million as of 31 December 2021. The increase was mainly due to the Company's effort to strengthen its cash flow control within the accounting period.

SIGNIFICANT INVESTMENTS HELD

For the six months ended 30 June 2022, the Group did not hold any significant investments.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2022, the Group's net current assets amounted to RMB711.5 million (31 December 2021: RMB679.2 million). Specifically, the Group's total current assets increased by approximately 1.7% from RMB1,133.2 million as at 31 December 2021 to RMB1,152.3 million as at 30 June 2022. The Group's total current liabilities decreased by 2.9% from RMB454.0 million as at 31 December 2021 to RMB440.7 million as at 30 June 2022. The increase in the Group's total current assets was primarily attributable to the increase in trade and other receivables.

As at 30 June 2022, the Group had cash and bank balances of RMB622.5 million (31 December 2021: RMB761.9 million), with no borrowings (31 December 2021: Nil).

CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any material contingent liabilities (31 December 2021: Nil).

KEY FINANCIAL RATIOS

Current ratio

As at 30 June 2022, the current ratio of the Group was 2.6 times (31 December 2021: 2.5 times). The Group's current ratio remained relatively stable. The current ratio is calculated as current assets divided by current liabilities as of the same date.

Gearing ratio

As at 30 June 2022, the gearing ratio of the Group was 0.9% (31 December 2021: 1.2%), mainly due to the increase of total equity. The gearing ratio is calculated as total interest-bearing borrowings, including lease liabilities, divided by total equity as of the end of the relevant year/period and multiplied by 100%.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at the date of this report, the Group has no plan for any material investments or capital assets.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

FOREIGN CURRENCY RISK

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is RMB. Any depreciation of RMB would adversely affect the value of any dividends the Group pay to the Shareholders outside the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 29 June 2022, Rongxin Shiou Property Service Group Co., Ltd., an indirect wholly-owned subsidiary of the Company, ("**Ronshine Shiou**") entered into an agreement with Fujian Nuohai Construction Engineering Co., Ltd (a company established in the PRC with limited liability and a connected person of the Company at the subsidiary level as defined in the Listing Rules ("**Fujian Nuohai**"), pursuant to which Ronshine Shiou agreed to acquire, and Fujian Nuohai has agreed to dispose, 48% equity interest in Ronshine (Fujian) Property Management Co., Ltd. at a total consideration of RMB12,000,000 (equivalent to approximately HK\$14,280,614) (the "**Acquisition**").

For more details, in respect of the Acquisition, please refer to the announcements of the Company dated 29 June 2022 and 5 July 2022.

Save as disclosed above, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2022.

PLEDGE OF ASSETS

As at 30 June 2022, none of the assets of the Group were pledged.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2022, the Group employed a total of 4,886 full-time employees (31 December 2021: 5,685 full-time employees). For the six months ended 30 June 2022, the staff cost recognised as expenses of the Group amounted to RMB234.9 million.

The remuneration policy of the Group is to provide remuneration packages including salary, bonus and various allowances, so as to attract and retain top quality staff. In general, the Group determines employee salaries based on each employee's qualification, position and seniority. The Group has designed a periodical review system to assess the performance of its employees, which forms the basis of the determination on salary raise, bonus and promotion. As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of the Group's PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

Furthermore, the Group has implemented systematic, specialty-focused vocational training programs for its employees at different levels on a regular basis to meet different requirements and emphasise individual initiatives and responsibilities. The Group believes that these initiatives have contributed to increased employee productivity.

The Group's employees have not negotiated their terms of employment through any labor union or by way of collective bargaining agreements. During the six months ended 30 June 2022, no labor dispute had occurred which materially and adversely affected or was likely to have a material and adverse effect on the operations of the Group.

During the Reporting Period, there were no share incentive schemes of the Group.

NET PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Shares were listed on the Stock Exchange on 16 July 2021 (the "**Listing Date**"). The net proceeds received by the Company from the Global Offering, including the partial exercise of the over-allotment option, were approximately HK\$628.5 million (the "**Net Proceeds**").

As of 30 June 2022, approximately HK\$36.2 million of the Net Proceeds had been utilised by the Group in accordance with the intended purposes stated in the Prospectus, and the unused Net Proceeds was held by way of bank deposits.

Management Discussion and Analysis

The Net Proceeds have been applied by the Group from the Listing Date up to 30 June 2022 as follows:

Use	Percentage of the Net Proceeds as stated in the Prospectus and allocation of the Net Proceeds after taking into account the partial exercise of the over-allotment option on 9 August 2021		Unutilised Net Proceeds as at 1 January 2022	Actual use of the Net Proceeds during the Reporting Period	Unutilised Net Proceeds as at 30 June 2022	Expected timeframe of full utilisation of the Net Proceeds
	% of total amount	HK\$ Million				
Pursuing selective strategic investment and acquisition opportunities	60.0%	377.1	377.1	0	377.1	31/12/2023
Diversifying the Group's project portfolio and value-added services	11.0%	69.1	60.3	7.5	52.8	31/12/2023
Developing and upgrading hardware and software used in the Group's operations	15.0%	94.3	88.3	4.1	84.2	31/12/2023
Further developing the Group's property management services provided to high- end properties under ROYEEDS	4%	25.1	23.9	1.9	22.0	31/12/2023
General business operations and working capital	10%	62.9	59.5	3.3	56.2	-
Total	100%	628.5	609.1	16.8	592.3	

Further details of the breakdown and implementation plans of the Net Proceeds are set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 30 June 2021 (the "**Prospectus**"). As at the date of this report, the Directors were not aware of any material change to the planned use of proceeds. It is currently expected that the unutilised Net Proceeds will be applied according to the purposes, allocations and timetable set out in the Prospectus.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CHANGE IN INFORMATION REGARDING DIRECTORS ACCORDING TO RULE 13.51B(1) OF THE LISTING RULES

As at 30 June 2022, the information regarding the Directors remains unchanged.

Corporate Governance and Other Information

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted the Corporate Governance Code as its own code on corporate governance and, to the best knowledge of the Directors, the Company had complied with all applicable code provisions under Part 2 of the Corporate Governance Code during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding the Directors' securities transactions.

All Directors have confirmed, following specific enquiry made by the Company, their compliance with the required standards contained in the Model Code during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were otherwise required, to be notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

Interests in Shares

Name of Director	Nature of Interest/Capacity	Number of Shares or Underlying Shares ^(Note 1)	Approximate percentage of shareholding ^(Note 1)
Mr. Ou Zonghong ^(Note 2)	Founder of a trust	375,000,000 (L)	73.80%

Notes:

- (1) The calculation is based on the total number of 508,104,000 Shares in issue as at 30 June 2022. The letter (L) denotes the person's long position in the relevant Shares.
- (2) Mr. Ou was the settlor and protector of the Family Trust with HSBC International Trustee Limited as trustee. Rongan Juxiang controlled 375,000,000 Shares through its wholly owned subsidiaries, namely Rongxin Yipin as to 300,000,000 Shares and Fumei International as to 75,000,000 Shares. Each of Mr. Ou, HSBC International Trustee Limited and Rongan Juxiang was deemed to be interested in the Shares held by Rongxin Yipin and Fumei International under the SFO.

Save as disclosed above, as at 30 June 2022, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations, which (a) were recorded in the register required to be kept by the Company under section 352 of the SFO, or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

So far as is known to the Company, as at 30 June 2022, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the Shares or underlying Shares:

Name of Shareholders	Nature of Interest/Capacity	Number of Shares or Underlying Shares ^(Note 1)	Approximate percentage of shareholding ^(Note 1)
HSBC International Trustee Limited ^(Note 2)	Trustee of a trust	375,000,000 (L)	73.80%
Rongan Juxiang ^(Note 2)	Interest in controlled corporations	375,000,000 (L)	73.80%
Rongxin Yipin ^(Note 2)	Beneficial owner	300,000,000 (L)	59.04%
Fumei International ^(Note 2)	Beneficial owner	75,000,000 (L)	14.76%

Notes:

- (1) The calculation is based on the total number of 508,104,000 Shares in issue as at 30 June 2022. The letter (L) denotes the person's long position in the relevant Shares.
- (2) Mr. Ou was the settlor and protector of the Family Trust with HSBC International Trustee Limited as trustee. Rongan Juxiang controlled 375,000,000 Shares through its wholly owned subsidiaries, namely Rongxin Yipin as to 300,000,000 Shares and Fumei International as to 75,000,000 Shares. Each of Mr. Ou, HSBC International Trustee Limited and Rongan Juxiang was deemed to be interested in the Shares held by Rongxin Yipin and Fumei International under the SFO.

Save as disclosed above, as at 30 June 2022, the Company had not been notified of any persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares that were recorded in the register required to be kept under section 336 of the SFO.

INTERIM DIVIDEND

The Board resolved not to declare the payment of any interim dividend for the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil).

AUDIT COMMITTEE

The Board has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.rxswy.com).

The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group, oversee the audit process, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board. The Audit Committee currently consists of three members, namely Mr. Kwok Kin Kwong Gary, Mr. Chen Zhangwang and Mr. Ye Azhong, each of whom is an independent non-executive Director. The chairman of the Audit Committee is Mr. Kwok Kin Kwong Gary, who possesses appropriate professional qualifications and being a member of Hong Kong Institute of Certified Public Accountants since February 2005. The Audit Committee has reviewed and approved the interim results of the Group for the six months ended 30 June 2022.

The Audit Committee has discussed, reviewed and agreed with the management of the Company regarding the accounting principles and practices adopted by the Group, together with the risk management, internal control and financial reporting matters. The Audit Committee considered that such results have been prepared in accordance with applicable accounting standards and requirements with sufficient disclosure.

EVENTS AFTER THE REPORTING PERIOD

Continuing Connected Transaction – Carpark Sales Agency Service Framework Agreement

On 21 July 2022, Ronshine Shiou and Shanghai Rongmao Real Estate Brokerage Co., Ltd. (“**Shanghai Rongmao**”) (both indirect wholly-owned subsidiaries of the Company) entered into the Carpark Sales Agency Service Framework Agreement with Rongxin (Fujian) Investment Group Co., Ltd. (“**Ronshine Fujian Investment**”) (an indirect wholly-owned subsidiary of Ronshine China) to provide a framework for the provision of sales agency services by the Group in respect of certain car parking spaces owned by Ronshine China and its subsidiaries (“**Ronshine China Group**”), for a period commencing from 21 July 2022 and ending on 31 December 2022 (both days inclusive).

Pursuant to the Carpark Sales Agency Service Framework Agreement, the Group shall pay deposits to Ronshine China Group for obtaining the Exclusive Sales Agency Rights in respect of the Exclusive Car Parking Spaces, which is expected to amount to approximately RMB50 million.

The provision of sales agency services under the Carpark Sales Agency Service Framework Agreement shall continue to be transactions pursuant to the Master Ronshine Property Management and Related Services Agreement as set out in the section headed “Connected Transactions” in the Prospectus, and the agency fee payable by Ronshine China Group to the Group shall be subject to the relevant annual caps thereunder. As such, no separate cap has been set for the provision of the sales agency services under the Carpark Sales Agency Service Framework Agreement.

Corporate Governance and Other Information

As the highest of the applicable percentage ratios for the proposed annual cap amount in respect of the deposit payable by the Company under the Carpark Sales Agency Service Framework Agreement is more than 0.1% but less than 5%, the Carpark Sales Agency Service Framework Agreement is subject to the reporting, annual review and announcement requirements, but is exempted from circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

For more details, please refer to the announcement of the Company dated 21 July 2022.

CHANGE OF SENIOR MANAGEMENT

Mr. Liu Qifeng (劉祺峰), aged 37, was appointed as the vice president of the Company in August 2022. He is responsible for the planning and operation of the Group and the management of Zhejiang and Jiangxi regions. Mr. Liu has extensive experience in management. From April 2008 to February 2012, Mr. Liu served as the head of the project engineering, reporting and development department in the Yincheng Real Estate Nanjing Company (銀城地產南京公司), where he was responsible for the management and the application for approval and construction of civil engineering construction. From February 2012 to March 2018, Mr. Liu served as the head of the customer service line of East China Region of the China Resources Land Limited (華潤置地華東區域公司), where he was responsible for customer service management, house repair management and product quality control. From March 2018 to June 2021, Mr. Liu served as the head of customer relationship and the general manager of remaining projects of Ronshine Fujian Regional Group (融信福建區域集團), where he was responsible for coordinating the customer relationship management of over 40 projects in Fujian Region. From June 2021 to July 2022, Mr. Liu served as the head of the customer relationship centre of Ronshine China Group, where he was responsible for the overall management of the group's customer relationship.

Mr. Liu obtained a bachelor's degree in environmental engineering in water supply and drainage from Hohai University (河海大學) in July 2008. Mr. Liu also holds a Class B constructor license (二級建造師資格證書).

By order of the Board

Ronshine Service Holding Co., Ltd

Ou Zonghong

Chairman

Hong Kong, 31 August 2022

Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	6	434,240	488,834
Cost of sales	9	(342,401)	(344,999)
Gross profit		91,839	143,835
Selling and marketing expenses	9	(2,703)	(4,393)
Administrative expenses	9	(38,018)	(46,586)
Net impairment losses on financial assets		(7,529)	(1,020)
Other income	7	2,407	1,933
Other gains		47	347
Operating profit		46,043	94,116
Finance income		1,743	507
Finance cost		(120)	(64)
Finance income — net	8	1,623	443
Profit before income tax		47,666	94,559
Income tax expenses	11	(12,331)	(25,632)
Profit and total comprehensive income for the period		35,335	68,927
Profit and total comprehensive income for the period attributable to:			
— Owners of the Company		32,465	66,483
— Non-controlling interests		2,870	2,444
		35,335	68,927
			(Restated)
Earnings per share (expressed in RMB)			
— Basic and diluted	12	0.06	0.18

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Balance Sheet

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	13	14,968	17,642
Intangible assets	14	3,636	1,581
Deferred income tax assets		4,095	2,121
		22,699	21,344
Current assets			
Inventories		1,941	1,718
Trade and other receivables and prepayments	15	527,856	364,246
Restricted cash	16	1	5,352
Cash and cash equivalents	17	622,491	761,885
		1,152,289	1,133,201
Total assets		1,174,988	1,154,545
Equity			
Equity attributable to owners of the Company			
Share capital	18(a)	4,234	4,234
Share premium	18(b)	663,027	663,027
Other reserves	19	(179,798)	(179,798)
Retained earnings		233,551	201,086
		721,014	688,549
Non-controlling interests		9,662	6,792
Total equity		730,676	695,341

Condensed Consolidated Balance Sheet

	Notes	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities	21	3,565	5,199
Current liabilities			
Contract liabilities		93,623	95,747
Trade and other payables	20	305,816	313,314
Lease liabilities	21	2,898	3,102
Current income tax liabilities		38,410	41,842
		440,747	454,005
Total liabilities		444,312	459,204
Total equity and liabilities		1,174,988	1,154,545

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The condensed consolidated financial statements on pages 31 to 56 were approved by the board of directors on 31 August 2022 and are signed on its behalf by:

Ma Xianghong
Director

Lin Yi
Director

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company					Non- controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
	RMB'000 (Note 18(a))	RMB'000 (Note 18(b))	RMB'000 (Note 19)	RMB'000	RMB'000		
Balance at 1 January 2022	4,234	663,027	(179,798)	201,086	688,549	6,792	695,341
Comprehensive income							
Profit for the period	—	—	—	32,465	32,465	2,870	35,335
Balance at 30 June 2022 (unaudited)	4,234	663,027	(179,798)	233,551	721,014	9,662	730,676
Balance at 1 January 2021	—	146,798	(179,798)	88,686	55,686	(319)	55,367
Comprehensive income							
Profit for the period	—	—	—	66,483	66,483	2,444	68,927
Balance at 30 June 2021 (unaudited)	—	146,798	(179,798)	155,169	122,169	2,125	124,294

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

	Notes	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash used in from operations		(117,470)	(10,120)
Interest received	8	1,743	507
Income tax paid		(17,737)	(12,217)
Net cash used in operating activities		(133,464)	(21,830)
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,691)	(1,829)
Purchase of intangible assets	14	(2,330)	(986)
Proceeds from disposal of property, plant and equipment		12	13
Net cash used in investing activities		(4,009)	(2,802)
Cash flows from financing activities			
Deemed distributions to the shareholders of the Company		—	(2,600)
Principal elements and interest elements of lease payments		(1,958)	(2,162)
Listing expenses paid		—	(1,167)
Net cash used in financing activities		(1,958)	(5,929)
Net decrease in cash and cash equivalents		(139,431)	(30,561)
Cash and cash equivalents at beginning of period		761,885	249,221
Exchange losses on cash and cash equivalents		37	(66)
Cash and cash equivalents at end of period		622,491	218,594

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

1 General information

Ronshine Service Holding Co., Ltd (the “**Company**”) was incorporated in the Cayman Islands on 14 April 2020 as an exempted company with limited liability under the Companies Act CAP.22 of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are primarily engaged in the provision of property management services and related value-added services in the People’s Republic of China (the “**PRC**”) (the “**Listing Business**”).

The Company’s shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 July 2021.

The ultimate holding company was Rongyue Century Co., Ltd. (“**Rongyue Century**”), a company incorporated under the laws of British Virgin Islands (the “**BVI**”). The ultimate controlling shareholder of the Group was Mr.Ou Zonghong (“**Mr. Ou**”, or the “**Controlling Shareholder**”).

The outbreak of the 2019 Novel Coronavirus (the “**COVID-19**”) had brought unprecedented challenges and added uncertainties to the economy. The COVID-19 may affect the financial performance and position of the industry of property management. Since the outbreak of the COVID-19, the Group kept continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group.

These condensed consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

2 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3 Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and the methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4 Critical accounting estimates and judgements

The preparation of the Group's condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

5 Segment information

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

During the six months ended 30 June 2022 and 2021, the Group is principally engaged in the provision of property management services and related value-added services, including pre-delivery services, household assistance service, sales services and other services, in the PRC.

During the six months ended 30 June 2022 and 2021, all the segments are domiciled in the PRC and all the revenue are derived in the PRC, and the segments are principally engaged in the provision of similar services to similar customers. All operating segments of the Group were aggregated into a single reportable segment.

As of 30 June 2022 and 31 December 2021, all of the non-current assets were located in the PRC.

6 Revenue

Revenue mainly comprises of proceeds from property management services, value-added services to non-property owners and community value-added services. An analysis of the Group's revenue by category for the six months ended 30 June 2022 and 2021 is as follows:

Types of services	Revenue from customer and recognised	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Property management services	over time	276,307	220,411
Value-added services to non-property owners	over time	133,201	238,160
Community value-added services		24,732	30,263
— Sales of goods	at a point in time	7,466	23,679
— Other value-added services	over time	17,266	6,584
		434,240	488,834

During the six months ended 30 June 2022 and 2021, revenue derived from customers who accounted for more than 10% of total revenue were set out below.

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Ronshine China Holdings Limited and its subsidiaries (the "Ronshine China Group")	20%	33%
Customer Group A*	16%	14%

* Customer Group A represents a combination of companies under one group.

7 Other income

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Additional deduction of value-added input tax	1,357	1,347
Government grants (Note (a))	1,050	586
	2,407	1,933

(a) Government grants mainly consist of financial subsidies granted by the local governments.

8 Finance income — net

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income from bank deposits	1,743	507
Finance cost		
Interest expenses of lease liabilities	(120)	(64)
Finance income — net	1,623	443

9 Expenses by nature

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Employee benefit expenses (Note 10)	234,876	248,094
Greening and cleaning expenses	68,401	62,655
Maintenance costs	10,291	11,123
Office expenses	3,032	2,700
Community activities expenses	2,979	5,304
Travelling and entertainment expenses	1,895	2,070
Consultancy fee	3,069	2,230
Advertising expenses	724	1,130
Security charges	38,140	23,871
Taxes and other levies	2,158	2,175
Depreciation and amortisation charges	4,628	3,382
Bank charges	761	666
Auditors' remuneration		
— Audit services	1,636	—
— Non-audit services	—	—
Expenses relating to short-term leases	290	1,029
Cost of goods sold	7,695	19,669
Listing expenses	—	6,517
Others	2,547	3,363
	383,122	395,978

10 Employee benefit expenses

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages, salaries and bonuses	195,745	209,310
Social insurance expenses and housing benefits (Note (a))	33,141	32,094
Other employee benefits (Note (b))	5,990	6,690
	234,876	248,094

- (a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the employee salary to the scheme to fund the retirement benefits of the employees.
- (b) Other employee benefits mainly include team building expenses, meal allowances and traveling allowances.

11 Income tax expenses

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

Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong for the six months ended 30 June 2022 and 2021.

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

The general corporate income tax rate in PRC is 25%, certain subsidiaries of the Group were qualified as "Small Low-Profit Enterprise" and will be taxed at the reduced tax rate of 20% in 2022 and 2021. "Small Low-Profit Enterprise" was entitled to a preferential income tax rate that was calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first RMB1 million of the taxable income of qualified entities are taxed at 5%, and the taxable income above RMB1 million and less than RMB3 million are taxed at 10%.

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the subsidiaries in Mainland China are incorporated in Hong Kong and fulfill the requirements to the tax treaty arrangements between Mainland China and Hong Kong. The Group has not accrued any withholding income tax for these undistributed earnings of its subsidiaries in Mainland China as the Group does not have a plan to distribute these earnings from its subsidiaries in Mainland China.

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	14,306	26,386
Deferred income tax	(1,975)	(754)
	12,331	25,632

12 Earnings per share

The calculation of basic and diluted earnings per share attributable to owners of the Company are based on the following data:

	Six months ended 30 June	
	2022	2021
Profit for the period attributable to owners of the Company, used in the basic and diluted earnings per share calculations (RMB'000)	32,465	66,483
<hr/>		
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	508,104,000	375,000,000
<hr/>		

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the six months ended 30 June 2021 had been adjusted retrospectively and on the assumption that the capitalisation issue had been in effective on 1 January 2021. Basic earnings per share for the six months ended 30 June 2021 has been restated accordingly.

No diluted earnings per share was presented as there was no potential ordinary shares in issue during both periods.

13 Property, plant and equipment

	Vehicles RMB'000	Office equipments RMB'000	Machinery RMB'000	Leasehold improvements RMB'000	Right-of-use assets RMB'000	Total RMB'000
As at 31 December 2021 (audited)						
Cost	928	4,532	2,109	12,374	18,334	38,277
Accumulated depreciation	(651)	(3,142)	(1,522)	(4,931)	(10,389)	(20,635)
Net book amount	277	1,390	587	7,443	7,945	17,642
Six months ended 30 June 2022 (unaudited)						
Opening net book amount	277	1,390	587	7,443	7,945	17,642
Additions	—	32	76	475	1,108	1,691
Disposals	(1)	(4)	(7)	—	—	(12)
Depreciation charge	(46)	(245)	(108)	(1,247)	(2,707)	(4,353)
Closing net book amount	230	1,173	548	6,671	6,346	14,968
As at 30 June 2022 (unaudited)						
Cost	924	4,492	2,088	12,849	19,442	39,795
Accumulated depreciation	(694)	(3,319)	(1,540)	(6,178)	(13,096)	(24,827)
Net book amount	230	1,173	548	6,671	6,346	14,968
As at 31 December 2020 (audited)						
Cost	704	3,689	1,864	8,817	14,232	29,306
Accumulated depreciation	(582)	(2,980)	(1,381)	(2,767)	(5,855)	(13,565)
Net book amount	122	709	483	6,050	8,377	15,741
Six months ended 30 June 2021 (unaudited)						
Opening net book amount	122	709	483	6,050	8,377	15,741
Additions	—	211	153	1,465	2,471	4,300
Disposals	—	(9)	—	—	—	(9)
Depreciation charge	(34)	(151)	(78)	(970)	(2,015)	(3,248)
Closing net book amount	88	760	558	6,545	8,833	16,784
As at 30 June 2021 (unaudited)						
Cost	704	3,733	2,017	10,282	16,703	33,439
Accumulated depreciation	(616)	(2,973)	(1,459)	(3,737)	(7,870)	(16,655)
Net book amount	88	760	558	6,545	8,833	16,784

(a) No property, plant and equipment is restricted or pledged as security for liabilities as at 30 June 2022 (31 December 2021: nil).

14 Intangible assets

	Software RMB'000
As at 31 December 2021 (audited)	
Cost	2,503
Accumulated amortisation	(922)
Net book amount	1,581
Six months ended 30 June 2022 (unaudited)	
Opening net book amount	1,581
Additions	2,330
Amortisation	(275)
Closing net book amount	3,636
As at 30 June 2022 (unaudited)	
Cost	4,834
Accumulated amortisation	(1,198)
Net book amount	3,636
As at 31 December 2020 (audited)	
Cost	1,003
Accumulated amortisation	(610)
Net book amount	393
Six months ended 30 June 2021 (unaudited)	
Opening net book amount	393
Additions	986
Amortisation	(134)
Closing net book amount	1,245
As at 30 June 2021 (unaudited)	
Cost	1,989
Accumulated amortisation	(744)
Net book amount	1,245

- (a) No intangible asset is restricted or pledged as security for liabilities as at 30 June 2022 (31 December 2021: nil).

15 Trade and other receivables and prepayments

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Trade receivables		
— Related parties (Note 25(d))	217,529	182,982
— Third parties	142,108	102,433
	359,637	285,415
Less: allowance for impairment of trade receivables	(11,725)	(5,917)
	347,912	279,498
Other receivables		
— Related parties (Note 25(d))	50,516	229
— Third parties	126,387	77,866
	176,903	78,095
Less: allowance for impairment of other receivables	(3,380)	(1,659)
	173,523	76,436
Prepayments to suppliers		
— Third parties	6,421	8,312
	527,856	364,246

15 Trade and other receivables and prepayments (Continued)

Trade receivables mainly arise from property management services and value-added services to non-property owners.

Property management services income are received in accordance with the terms of the relevant services agreements. Service income from property management services is due for payment by the resident upon the issuance of demand note.

Value-added services to non-property owners are usually due for payment upon the issuance of document of settlement.

As at 30 June 2022 and 31 December 2021, the ageing analysis of the trade receivables based on invoice date were as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Up to 1 year	328,618	263,250
1 to 2 years	25,123	17,531
2 to 3 years	3,076	2,430
Over 3 years	2,820	2,204
	359,637	285,415

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As of 30 June 2022, a provision of RMB11,725,000 was made against the gross amounts of trade receivables (31 December 2021: RMB5,917,000).

16 Restricted cash

As at 31 December 2021, restricted cash represents subsidiaries' cash deposits in the bank as performance security for value-added services to non-property owners according to the requirement of certain clients.

As at 30 June 2022, restricted cash represents deposits placed to an independent third party's bank account for ETC systems.

17 Cash and cash equivalents

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Cash at bank and on hand (Note (a))		
— Denominated in RMB	619,970	759,318
— Denominated in US\$	2,494	2,540
— Denominated in HK\$	27	27
	622,491	761,885

- (a) The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

18 Share capital and share premium

(a) Share capital

	Number of ordinary shares	Share capital HK\$'000	Equivalent share capital RMB'000
Authorised			
As of 14 April 2020 (date of incorporation) and 31 December 2020	38,000,000	380	345
Increase on 10 June 2021	2,962,000,000	29,620	24,183
<hr/>			
As of 30 June 2021, 31 December 2021, 1 January 2022 and 30 June 2022	3,000,000,000	30,000	24,528
<hr/>			
Issued			
As of 14 April 2020 (date of incorporation), 31 December 2020, 1 January 2021 and 30 June 2021	100	–	–
Issue of shares in connection with the capitalisation issue	374,999,900	3,750	3,124
Issue of new shares upon the Company's listing	125,000,000	1,250	1,042
Issue of new shares upon the exercise of the over-allotment option	8,104,000	81	68
<hr/>			
As of 31 December 2021 and 30 June 2022	508,104,000	5,081	4,234

18 Share capital and share premium (Continued)

(b) Share premium

	Share premium
	RMB'000
Balance at 1 January 2022 and 30 June 2022 (unaudited)	663,027
Balance at 1 January 2021 and 30 June 2021 (unaudited)	146,798

19 Other reserves

	Capital reserves
	RMB'000
Balance at 1 January 2022 (audited) and 30 June 2022 (unaudited)	(179,798)
Balance at 1 January 2021 and 30 June 2021 (unaudited)	(179,798)

20 Trade and other payables

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Trade payables		
— Related parties (Note 25(d))	—	67
— Third parties	92,264	69,997
	92,264	70,064
Other payables		
— Related parties (Note 25(d))	16,552	12,782
— Third parties	120,526	124,894
	137,078	137,676
Accrued payroll	53,427	82,288
Other taxes payables	23,047	23,286
	305,816	313,314

20 Trade and other payables (Continued)

- (a) As at 30 June 2022 and 31 December 2021, the carrying amounts of trade and other payables approximated its fair values.
- (b) As at 30 June 2022 and 31 December 2021, the ageing analysis of the trade payables based on invoice date were as follows:

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Up to 1 year	89,982	66,994
1 to 2 years	1,554	1,767
2 to 3 years	164	332
Over 3 years	564	971
	92,264	70,064

21 Leases

Amounts recognised in the consolidated balance sheet

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Right-of-use assets		
Properties (Note 13)	6,346	7,945
Lease liabilities		
Current	2,898	3,102
Non-current	3,565	5,199
	6,463	8,301

22 Dividends

The board of directors of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

23 Financial guarantees

As at 30 June 2022 and 31 December 2021, no asset was pledged for any parties and no financial guarantee was provided by any parties.

24 Commitments

(a) The Group did not have any material operating leases commitments or capital commitments as at 30 June 2022.

(b) Contingencies

The Group did not have any material contingent liabilities as at 30 June 2022.

25 Related party transactions

(a) Name and relationship with related parties

Name	Relationship with the Group
Ronshine China Group 融信中國集團	A group controlled by Mr. Ou
Anji Rongshang Real Estate Co., LTD.* 安吉融尚房地產有限公司	A joint venture of Ronshine China Group
Chengdu Haotian Real Estate Development Co., LTD.* 成都浩天房地產開發有限公司	A joint venture of Ronshine China Group
Cixi Jingui Real Estate Co., LTD.* 慈溪市金桂置業有限公司	A joint venture of Ronshine China Group
Fuzhou Rongxinglan Real Estate Development Co., LTD.* 福州融興藍房地產開發有限公司	A joint venture of Ronshine China Group
Hairong (Zhangzhou) Real Estate Co., LTD.* 海融(漳州)房地產有限公司	A joint venture of Ronshine China Group
Hangzhou Lin 'an Longxing Real Estate Development Co., LTD.* 杭州臨安龍興房地產開發有限公司	A joint venture of Ronshine China Group
Hangzhou Ronghao Real Estate Co., LTD.* 杭州融浩置業有限公司	A joint venture of Ronshine China Group
Hangzhou Rongxing Commercial Development Co., LTD.* 杭州融幸商業發展有限公司	A joint venture of Ronshine China Group
Hangzhou Rongxuan Real Estate Development Co., LTD.* 杭州融暄房地產開發有限公司	A joint venture of Ronshine China Group
Hangzhou Rongying Commercial Development Co., LTD.* 杭州融盈商業發展有限公司	A joint venture of Ronshine China Group
Jiangmen Rongchang Real Estate Development Co., LTD.* 江門市融昌房地產開發有限公司	A joint venture of Ronshine China Group

25 Related party transactions (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship with the Group
Jinhua Tianxi Property Co., LTD.* 金華天璽置業有限公司	A joint venture of Ronshine China Group
Jiujiang Rongxi Real Estate Development Co., LTD.* 九江融璽房地產開發有限公司	A joint venture of Ronshine China Group
Mianyang Wanwei Jincai Real Estate Development Co., LTD.* 綿陽萬為金彩房地產開發有限公司	A joint venture of Ronshine China Group
Nanjing Kai Jing Sheng Real Estate Development Co., LTD.* 南京愷璟晟房地產開發有限公司	A joint venture of Ronshine China Group
Qingdao West Coast Tianze Construction Development Co., LTD.* 青島西海岸天澤建設發展有限公司	A joint venture of Ronshine China Group
Shanghai Biyang Real Estate Co., LTD.* 上海碧楊置業有限公司	A joint venture of Ronshine China Group
Shanghai Xinqian Real Estate Co., LTD.* 上海心千置業有限公司	A joint venture of Ronshine China Group
Tianjin Jinrui Real Estate Co., LTD.* 天津金銳置業有限公司	A joint venture of Ronshine China Group
Zhoushan Kairong Real Estate Development Co., LTD.* 舟山愷融房地產開發有限公司	A joint venture of Ronshine China Group
Chengdu Jinfenghua Real Estate Co., LTD.* 成都金豐華置業有限公司	An Associate of Ronshine China Group
Fuzhou Yuxiang Real Estate Co., LTD.* 福州市禹翔房地產有限公司	An Associate of Ronshine China Group
Hangzhou Meishengmei Real Estate Co., LTD.* 杭州美生美置業有限公司	An Associate of Ronshine China Group
Hangzhou Harmony Industrial Co., LTD.* 杭州融洽實業有限公司	An Associate of Ronshine China Group
Hangzhou Rongxin Real Estate Development Co., LTD.* 杭州融歆房地產開發有限公司	An Associate of Ronshine China Group
Yueqing Rongliang Real Estate Development Co., LTD.* 樂清市融梁房地產開發有限公司	An Associate of Ronshine China Group
Nantong River Real Estate Co., LTD.* 南通江河置業有限公司	An Associate of Ronshine China Group
Suzhou Kaixingyu Real Estate Development Co., LTD.* 蘇州愷星鈺房地產開發有限公司	An Associate of Ronshine China Group
Zhenjiang Yiteng Real Estate Development Co., LTD.* 鎮江億騰房地產開發有限公司	An Associate of Ronshine China Group

* The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

25 Related party transactions (Continued)

(b) Transactions with related parties

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Provision of services		
— Ronshine China Group	88,021	162,713
— Ronshine China Group's associates	4,215	5,547
— Ronshine China Group's joint ventures	15,680	14,153
— Companies controlled by Mr. Ou	—	6
	107,916	182,419

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Receipt of services		
— Companies controlled by Mr. Ou	—	206

All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

(c) Key management compensation

Compensations for key management other than those for directors were as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and other short-term employee benefits	1,249	1,167

25 Related party transactions (Continued)

(d) Balances with related parties

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
Trade receivables		
— Ronshine China Group	189,638	158,929
— Ronshine China Group's associates	2,165	1,714
— Ronshine China Group's joint ventures	25,726	22,339
	217,529	182,982
Other receivables (i)		
— Ronshine China Group	50,516	229
Trade payables		
— Ronshine China Group	—	67
	—	67
Other payables		
— Ronshine China Group	16,552	11,925
— Companies controlled by Mr. Ou	—	857
	16,552	12,782

- (i) Other receivables mainly represented deposits of service provided to Ronshine China Group and other related parties, which will collect upon the termination of service contracts, the remaining balance are repayable on demand.
- (ii) Above trade receivables and trade payables due from/to related parties are trade in nature, while the other receivables and other payables due from/to related parties, except performance guarantee deposits, are non-trade in nature.

26 Events after the reporting period

Continuing connected transaction – Carpark sales agency services framework agreement

On 21 July 2022, Rongxin Shiou Property Service Group Co., Ltd. and Shanghai Rongmao Real Estate Brokerage Co., Ltd., indirect wholly-owned subsidiaries of the Company, entered into the carpark sales agency service framework agreement (the “**Agreement**”) with Rongxin (Fujian) Investment Group Co., Ltd., an indirect wholly-owned subsidiary of Ronshine China Holdings Limited, to provide a framework for the provision of sales agency services by the Group in respect of certain car parking spaces owned by Ronshine China Group for a period commencing from 21 July 2022 and ending on 31 December 2022 (both days inclusive).

Pursuant to the Agreement, the Group shall pay deposits to Ronshine China Group for obtaining the exclusive sales agency rights in respect of the exclusive car parking spaces, which is expected to amount to approximately RMB50 million.

Details of the continuing connected transaction are disclosed in the announcement of the Company dated 21 July 2022.