

2024

INTERIM REPORT

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)

*Service* LET SERVICES  
CREATE VALUE

RONSHINE

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Ou Guofei (*Chairman*)

Ms. Lin Yi

Mr. Ma Xianghong (resigned on 29 April 2024)

### Independent Non-executive Directors

Mr. Chen Zhangwang

Mr. Kwok Kin Kwong Gary

Mr. Lin Zhongxiaolu (appointed on 12 August 2024)

Mr. Ye Azhong (resigned on 10 June 2024)

## AUDIT COMMITTEE

Mr. Kwok Kin Kwong Gary (*Chairman*)

Mr. Chen Zhangwang

Mr. Lin Zhongxiaolu (appointed on 12 August 2024)

Mr. Ye Azhong (resigned on 10 June 2024)

## REMUNERATION COMMITTEE

Mr. Chen Zhangwang (*Chairman*)

Mr. Ou Guofei

Mr. Lin Zhongxiaolu (appointed on 12 August 2024)

Mr. Ye Azhong (resigned on 10 June 2024)

## NOMINATION COMMITTEE

Mr. Ou Guofei (*Chairman*)

Mr. Chen Zhangwang

Mr. Lin Zhongxiaolu (appointed on 12 August 2024)

Mr. Ye Azhong (resigned on 10 June 2024)

## AUDITOR

Elite Partners CPA Limited <sup>(Note)</sup>

*Certified Public Accountants and*

*Registered Public Interest Entity Auditor*

Level 23, YF Life Tower

33 Lockhart Road

Wan Chai, Hong Kong

## LEGAL ADVISERS

*As to Hong Kong law:*

Sidley Austin

*As to Cayman Islands law:*

Conyers Dill & Pearman

## 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

Note: Elite Partners CPA Limited has resigned as the auditor of the Company with effect from 30 August 2024. Further announcement in relation to the appointment of the Company's new auditor will be made by the Company as and when appropriate.

## Corporate Information

### 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

### 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.rxswwy.com](http://www.rxswwy.com)

### STOCK CODE

Main Board of The Stock Exchange of Hong Kong  
Limited: 2207

# 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 C1 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

“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
“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 C3 to the Listing Rules
“Mr. Ou”	Mr. Ou Zonghong (歐宗洪), former chairman of the Board, former executive Director and one of the Controlling Shareholders
“Nomination Committee”	the nomination committee of the Board
“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, Taiyuan, Qingdao, Jiujiang, Nanchang, Zhengzhou, Hechi, Jiangmen, Guangzhou, Fuyang, Qinzhou and Lanzhou
“Previous Period”	the six months ended 30 June 2023
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the six months ended 30 June 2024
“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 Main Board of 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 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 (%)
	2024	2023	
	(RMB'000)		
	Unaudited	Unaudited	
Revenue	<b>425,077</b>	438,044	-3.0%
Cost of sales	<b>(344,656)</b>	(353,793)	-2.6%
Gross profit	<b>80,421</b>	84,251	-4.5%
Other income and other gains	<b>72</b>	2,202	-96.7%
(Loss)/profit before income tax	<b>(150,368)</b>	18,518	-912.0%
(Loss)/profit for the period	<b>(113,626)</b>	12,585	-1,002.9%
— attributable to owners of the Company	<b>(113,626)</b>	12,585	-1,002.9%
— attributable to non-controlling interests	<b>0</b>	0	-0.0%

	As at	As at	Change in percentage (%)
	30 June	31 December	
	2024	2023	
	(RMB'000)		
	Unaudited	Audited	
Total assets	<b>1,154,416</b>	1,298,040	-11.1%
Total liabilities	<b>555,646</b>	585,643	-4.9%
Total equity	<b>598,771</b>	712,397	-15.9%



# Chairman's Statement

Dear Shareholders,

Thank you for your valuable support and trust in Ronshine Service. On behalf of the Board of Directors, I am pleased to present you with the interim results of the Group for the Reporting Period.

For the Reporting Period, the revenue of the Group amounted to RMB425.1 million, representing a decrease of approximately 3.0% as compared with the Previous Period. During the Reporting Period, the Group's revenue from property management services recorded a year-on-year increase of approximately 2.9% to RMB357.8 million, accounting for approximately 84.2% of the total revenue; the Group's revenue from value-added services to non-property owners decreased by approximately 37.6% as compared with the Previous Period to RMB40.9 million, accounting for approximately 9.6% of the total revenue; the revenue from community value-added services recorded a year-on-year increase of approximately 6.1% to RMB26.3 million, accounting for approximately 6.2% of the total revenue. A healthier revenue structure has been seen in the property management services, the value-added services to non-property owners and the community value-added services.

The year of 2024 marks the second year of the three-year strategic plan of the Group with "deep cultivation and growth" as its strategic theme. "Deep cultivation" means that facing the uncertainties in the current macroeconomic situation and the industrial downturn, the Group will "strengthen lower-tier markets and cultivate internal strength", by "consolidating the fundamentals" at the business level, "enhancing quality" at the standard level and "strengthening external expansion" at the independence level. "Growth" means that in the context that the property management industry still has huge development potentials and broad prospects, the Group will "break through upwards and make horizontal expansion", by "propagating brand" to enhance influence, upholding a business philosophy of "steady development" and "empowering with value-added services" in terms of the construction of organizational structure.

In line with the strategic theme of "deep cultivation and growth", the Group will insist on cultivating core areas in the future. The Group will vigorously acquire project resources in areas where the Group has good market position to improve project density, thereby creating more space in revenue growth and cost reduction. Meanwhile, we will proceed to push forward the development strategy of "1+N", endeavoring to explore diversified value-added services on the basis of consolidating service qualities and strengthening basic property services. Besides, we will also adhere to technological innovation to enhance the Group's software and hardware strengths, and take good advantage of the technology-driven management efficiency improvement to offset the impact of the increasing labour cost on the Group's profitability.

For a long time, the Group has been exploring the management model during the industrial downturn, upholding the corporate mission of "letting service create value (讓服務創造價值)", and insisting on 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)". As of July 2024, the Company has successively launched special programmes such as the "Unmanned Attendance (無人值守)" and the "Revenue Growth and Efficiency Improvement (增收提效)", aiming to further enhance management efficiency and bring operation efficiency to a higher level.

Last but not least, on behalf of the Board, I would like to extend my sincere gratitude to all Shareholders, investors, partners and customers for their long-term trust and support in Ronshine Service, and to all colleagues for their hard work and contributions to the Group's development. We will continue to uphold the corporate mission of "letting service create value" to stimulate development potential with high quality, and create sustainable value for the Shareholders, investors and customers.

**Ronshine Service Holding Co., Ltd**

**Ou Guofei**

*Executive Director and Chairman*

28 August 2024

# 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). 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 building a “better + (美好+)” community life service system; and is committed to 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.

## Business Review and Outlook

### Property Management Services

During the Reporting Period, property management services accounted for approximately 84.2% of total revenue and approximately 90.3% of gross profit.

Revenue from the provision of property management services amounted to approximately RMB357.8 million for the Reporting Period, representing a period-on-period increase of approximately 2.9% compared to approximately RMB347.7 million for the Previous Period, which was mainly attributable to the increase in property management projects.

Gross profit of the property management services business amounted to approximately RMB72.6 million, representing a decrease of approximately 2.4% compared to approximately RMB74.4 million for the Previous Period, and gross profit margin for the Reporting Period was approximately 20.3%, representing a decrease of approximately 5.1% compared to approximately 21.4% for the Previous Period.

During the Reporting Period, both GFA under management and contracted GFA decreased. As of 30 June 2024, the GFA under management reached approximately 30.7 million sq.m., representing a decrease of approximately 11.5%, or a net decrease of approximately 4.0 million sq.m., compared to approximately 34.7 million sq.m. as of 31 December 2023. The contracted GFA reached approximately 36.0 million sq.m., representing a decrease of approximately 10.9%, or a net decrease of approximately 4.4 million sq.m., compared to approximately 40.4 million sq.m. as of 31 December 2023.

During the Reporting Period, the number of projects under management reached 226, located in the Western Straits Region, Yangtze River Delta Region and Other Regions in China, covering 68 cities.

### Value-added Services to Non-property Owners

During the Reporting Period, value-added services to non-property owners accounted for approximately 9.6% of total revenue and approximately 3.3% of gross profit.

Revenue from value-added services to non-property owners amounted to approximately RMB40.9 million during the Reporting Period, representing a period-on-period decrease of approximately 37.6%, as compared to approximately RMB65.5 million for the Previous 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 and vehicle dispatching and managing services. During the Reporting Period, sales assistance services income reached approximately RMB8.3 million, representing a period-on-period decrease of approximately 50.4%; preliminary planning, design consultancy and pre-delivery services income reached approximately RMB3.3 million, representing a period-on-period decrease of approximately 82.2%. The decrease in income from 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 and vehicle dispatching and managing services income reached approximately RMB29.3 million, representing a period-on-period decrease of approximately 2.7%.

## Business Review and Outlook

### Community Value-added Services

During the Reporting Period, community value-added services accounted for approximately 6.2% of total revenue and approximately 6.3% of the Group's gross profit.

Revenue from the provision of community value-added services reached approximately RMB26.3 million as of 30 June 2024, representing a slight increase of approximately 6.1% as compared to approximately RMB24.8 million as of 30 June 2023.

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 RMB6.1 million, representing a period-on-period decrease of approximately 26.2% as compared to approximately RMB8.2 million as of 30 June 2023; revenue from Joyful Living Service reached approximately RMB10.9 million, representing a period-on-period increase of approximately 234.6% as compared to approximately RMB3.3 million of the Previous Period; revenue from Joyful Leasing and Sale Service reached approximately RMB0.2 million, representing a period-on-period decrease of approximately 97.7% as compared to approximately RMB8.3 million as of 30 June 2023, which was mainly attributable to the continued downturn in the real estate market and revenue. Revenue from ancillary services for common areas reached approximately RMB9.1 million, representing a period-on-period increase of approximately 80.4%.

### Outlook

2024 marks the third year of the Company's listing on the Main Board of the Stock Exchange (the "**Listing**"). Since the Listing, with a clearer strategic positioning and development direction, the Company has been able to further expand its scale of development by taking advantage of the listing 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 2024 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 given that 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.

## Business Review and Outlook

- 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 “1” represents the traditional property management service, and “N” represents both value-added services to non-property owners and community value-added services. We always believe that our “1+N” strategy helps 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 that expands our cooperation with independent third parties and increases our market share overall in a balanced manner.
- 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.
- 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.
- 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 2024, the Group recorded a slight decrease in contracted GFA and GFA under management. In addition to the Western Straits Region and Yangtze River Delta Region, the Group has also expanded to other economic zones in China, which primarily include but are not limited to the following municipalities and cities, namely Tianjin, Chengdu, Chongqing, Taiyuan, Qingdao, Jiujiang, Nanchang, Zhengzhou, Hechi, Jiangmen, Guangzhou, Fuyang, Qinzhou, Dezhou and Lanzhou in the PRC market.

As at 30 June 2024, the Group's contracted GFA amounted to approximately 36.0 million sq.m., and the number of contracted projects was 257 in total, representing a decrease of approximately 10.9% and approximately 2.7%, respectively, compared with those as of 31 December 2023. For the six months ended 30 June 2024, revenue generating GFA under management by the Group reached approximately 30.7 million sq.m., and the number of projects under management were 226, representing a decrease of approximately 11.5% and approximately 1.7%, respectively, compared with those as of 31 December 2023.

The average property management fee of the Group for the Reporting Period amounted to RMB2.9 per sq.m., representing a decrease of RMB0.2 per sq.m. compared with that for the Previous Period.

The table below sets forth the movement in the Group's contracted GFA and GFA under management for the Reporting Period and the Previous Period respectively:

	For the Reporting Period		For the Previous Period	
	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	40,431	34,710	45,848	33,707
(Withdrawals)/new engagements	(4,385)	(4,005)	2,633	3,735
As of the end of the period	36,046	30,705	48,481	37,442

## Geographic Presence of the Group

As at 30 June 2024, the Group had geographic presence in 68 cities in China.

The table below sets forth a breakdown of the Group's total GFA under management and total revenue generated from property management services by geographic location for the Reporting Period and the Previous Period respectively:

	For the Reporting Period			For the Previous Period		
	GFA ('000 sq.m.)	Revenue (RMB'000)	%	GFA ('000 sq.m.)	Revenue (RMB'000)	%
The Western Straits Region	14,450	188,593	52.7%	18,916	202,458	58.2%
The Yangtze River Delta Region	9,204	129,490	36.2%	9,725	113,642	32.7%
Other Regions	7,501	39,762	11.1%	8,801	31,599	9.1%
<b>Total</b>	<b>30,705</b>	<b>357,845</b>	<b>100%</b>	<b>37,442</b>	<b>347,699</b>	<b>100%</b>

## 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 and vehicle dispatching and managing services, under which it provides drivers and vehicle management services to its customers 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 Reporting Period and the Previous Period respectively:

	For the Reporting Period		For the Previous Period	
	RMB'000	%	RMB'000	%
Sales assistance services	8,283	20.3%	16,685	25.5%
Preliminary planning, design consultancy and pre-delivery services	3,329	8.1%	18,739	28.6%
Driving and vehicle dispatching and managing services	29,303	71.6%	30,106	45.9%
<b>Total</b>	<b>40,914</b>	<b>100%</b>	<b>65,530</b>	<b>100%</b>

## Management Discussion and Analysis

### Community value-added services

The Group provides a wide range of community value-added services to property owners and residents. 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 Reporting Period, the revenue from community value-added services increased by approximately 6.1% to approximately RMB26.3 million compared to approximately RMB24.8 million in the Previous Period, mainly due to the increase in revenue from Joyful Living Service. During the Reporting Period, revenue from community value-added services accounted for approximately 6.2% of total revenue.

The following table sets forth the revenue breakdown of community value-added services of the Group for the Reporting Period and the Previous Period respectively:

	For the Reporting Period		For the Previous Period	
	RMB'000	%	RMB'000	%
Joyful Life Service (和美生活) <sup>(1)</sup>	6,065	23.0%	8,222	33.1%
Joyful Living Service (和美易居) <sup>(2)</sup>	10,929	41.6%	3,266	13.2%
Joyful Leasing and Sale Service (和美租售) <sup>(3)</sup>	189	0.7%	8,264	33.3%
Ancillary services for common areas <sup>(4)</sup>	9,135	34.7%	5,063	20.4%
<b>Total</b>	<b>26,318</b>	<b>100%</b>	<b>24,815</b>	<b>100%</b>

Notes:

- (1) Under Joyful Life Service (和美生活), the Group mainly provides 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 decoration work such as building balcony enclosures to property owners of the residential properties 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.



## Management Discussion and Analysis

### Financial review

#### Revenue

For the Reporting Period, 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 Reporting Period and the Previous Period respectively:

	<b>For the Reporting Period RMB'000</b>	For the Previous Period RMB'000	Change in percentage
<b>Revenue</b>			
Property management services	<b>357,845</b>	347,699	2.9%
Value-added services to non-property owners	<b>40,914</b>	65,530	-37.6%
Community value-added services	<b>26,318</b>	24,815	6.1%
<b>Total</b>	<b>425,077</b>	438,044	

The revenue of the Group decreased by approximately 3.0% from approximately RMB438.0 million for the Previous Period to approximately RMB425.1 million for the Reporting Period, remaining relatively stable.

#### 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.

The cost of sales of the Group decreased by approximately 2.6% from approximately RMB353.8 million for the Previous Period to approximately RMB344.7 million for the Reporting Period.

## Management Discussion and Analysis

### Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit decreased by approximately 4.5% from approximately RMB84.3 million for the Previous Period to approximately RMB80.4 million for the Reporting Period.

The Group's gross profit margin decreased from approximately 19.2% for the Previous Period to approximately 18.9% for the Reporting Period.

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

	For the Reporting Period %	For the Previous Period %
Property management services	20.3	21.4
Value-added services to non-property owners	6.5	7.2
Community value-added services	19.4	20.6
<b>Overall gross profit margin</b>	<b>18.9</b>	19.2

### 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 mainly comprised of government subsidies for creating jobs to support local economies. The Group's other income decreased by approximately 93.6% from approximately RMB1.9 million for the Previous Period to approximately RMB0.1 million for the Reporting Period.

### Other gains or losses – net

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

The Group recorded other losses of approximately RMB0.05 million for the Reporting Period as compared to other gains of approximately RMB0.3 million for the Previous Period, mainly due to the fluctuation in exchange gains or losses.

### 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 increased by approximately 23.9% from approximately RMB1.0 million for the Previous Period to approximately RMB1.2 million for the Reporting Period, primarily due to more marketing activities conducted by the Group as traffic in shopping malls recovered.

## 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 0.8% from approximately RMB34.7 million for the Previous Period to approximately RMB34.4 million for the Reporting Period, primarily due to the sound management and control on expenses by the Company.

### **Finance (cost)/income, net**

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

Finance costs decreased by approximately 60.8% from approximately RMB0.14 million for the Previous Period to approximately RMB0.06 million for the Reporting Period.

Finance income slightly decreased by approximately 7.4% from approximately RMB0.83 million for the Previous Period to approximately RMB0.77 million for the Reporting Period, due to the decrease in interest income.

### **Impairment losses on financial assets**

The Group's impairment losses on financial assets mainly include the allowance for impairment made in respect of trade receivables and other receivables. For the Reporting Period, the Group's impairment losses on financial assets amounted to approximately RMB196.0 million, representing a period-on-period increase of approximately 494.5%. This was mainly because the Group performed impairment tests on the carrying amount of trade receivables and other receivables and made reasonable impairment provisions based on the principle of prudence.

## Management Discussion and Analysis

### Third parties

The impairment of the expected credit loss (“ECL”) of the trade receivables and other receivables due from third parties (except for the other receivables due from two third parties) was determined by the Company based on the age of the account receivables as follows, which is consistent with the practice of the Company in the previous financial periods:

Account receivables aging	% of ECL allowance
Up to 1 year	1%
1 to 2 years	25%
2 to 3 years	50%
Over 3 years	100%

For the other receivables due from two third parties, which were deposits or performance guarantee for the Group’s tenders for projects in relation to digitalization improvement works, pre-delivery cleaning services, and other property management related works and services, 100% impairment was made irrespective of their age as it was expected that these third parties would not be able to pay due to their difficult operating conditions caused by the downturn of the real estate industry.

### Related parties

The impairment of the ECL of the trade receivables and other receivables due from related parties as at 30 June 2024 (the “**Related Party Receivables**”) was approximately RMB147 million, comprising (i) impairment of trade receivables of approximately RMB123 million, which was determined as follows: (a) for trade receivables due from related parties with whom the Group had new business transactions within 24 months preceding 30 June 2024 (the “**Reference Date**”), based on the ECL assessment performed by an independent valuer as at the Reference Date using the risk default method based on the Company’s plan to recover the receivables through cash, litigation, asset-based debt settlement and an anticipation that the debt restructuring plan would be completed by no later than 31 December 2025 (being 549 days from the Reference Date); and (b) for the remaining balance of trade receivables due from related parties, 100% impairment was made; and (ii) impairment of other receivables of approximately RMB24 million, which represented a full impairment of the other receivables due from related parties except for an amount of RMB10,750 which was impaired as to 64.39%. The other receivables mainly comprised deposits paid for obtaining exclusive sales agency rights of carparks of related parties.

The Related Party Receivables arose in the ordinary and usual course of business of the Group and are within the scope of the continuing connected transactions as disclosed in the Company’s circular dated 20 January 2023 and the Company’s announcement dated 23 November 2022, as the case may be.

## Management Discussion and Analysis

For the purpose of managing the payment risks arising from such continuing business relationship, the Group has adopted the following measures:

1. The Group has reviewed and will continue to review the operating conditions of Ronshine China and its subsidiaries ("**Ronshine China Group**") and the associates of Mr. Ou (other than Ronshine China Group) (the "**Associates**"), including their respective property portfolios, project pipelines and contracted sales from time to time, for the purpose of assessing the business stability of Ronshine China Group and the Associates.
2. The Group will continue to monitor the payment progress closely and will use its best endeavours to make payment request with Ronshine China Group and the Associates as and when appropriate.
3. The Group will continue to monitor the outstanding balance of the receivables due from Ronshine China Group and the Associates on a project-by-project basis. In respect of projects with poor collection status and are loss making, the Group will terminate such projects as and when appropriate.
4. For the deposits paid for obtaining exclusive sales agency rights of carpark of Ronshine China Group, the Group will accelerate and complete the sale of the car parking spaces, including by reducing their sales price, to facilitate recovery of the deposits as and when appropriate.

### Loss/profit before income tax

As a result of the aforementioned changes in the Group's financials, the Group recorded loss before income tax of approximately RMB150.4 million for the Reporting Period as compared with a profit before income tax of approximately RMB18.5 million for the Previous Period.

### 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 recorded income tax expenses of approximately RMB5.9 million for the Previous Period, and recorded income tax credit of approximately RMB36.7 million for the Reporting Period, primarily due to the increase in deferred income tax from approximately RMB8.4 million for the Previous Period to approximately RMB48.6 million for the Reporting Period.

The effective income tax rate of the Group for the Reporting Period was 24.4%, compared to 32.0% for the Previous Period. Effective income tax was calculated based on EIT divided by loss/profit before income tax.

## Management Discussion and Analysis

### **Loss/profit for the period attributable to owners of the Company**

As a result of the aforementioned changes in the Group's financials, the Group recorded loss for the period attributable to owners of the Company of approximately RMB113.6 million for the Reporting Period as compared with a profit for the period attributable to owners of the Company of approximately RMB12.6 million for the Previous Period.

### **Profit for the period attributable to non-controlling interests**

Profit for the period attributable to non-controlling interests was zero, remaining unchanged from the Previous Period.

### **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 amortized cost using the effective interest method.

As at 30 June 2024, the Group's trade receivables amounted to approximately RMB283.0 million, representing a decrease of approximately RMB56.1 million or approximately 16.5% compared with approximately RMB339.1 million as of 31 December 2023. The decrease was mainly due to the fact that the ageing of the receivables due from related parties and third parties lengthened and the increase in the bad debt provision ratio as a result of the weak performance of the real estate industry in general, leading to a longer settlement cycle.

### **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 2024, the Group's trade payables amounted to approximately RMB183.1 million, representing an increase of approximately 0.2% from approximately RMB182.8 million as of 31 December 2023, remaining relatively stable.

## Management Discussion and Analysis

### LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group's net current assets amounted to approximately RMB500.6 million (31 December 2023: approximately RMB660.1 million). Specifically, the Group's total current assets decreased by approximately 15.1% from approximately RMB1,243.4 million as at 31 December 2023 to approximately RMB1,055.6 million as at 30 June 2024. The Group's total current liabilities decreased by approximately 4.9% from approximately RMB583.3 million as at 31 December 2023 to approximately RMB555.0 million as at 30 June 2024.

As at 30 June 2024, the Group had cash and bank balances of approximately RMB674.3 million (31 December 2023: approximately RMB751.8 million), with no borrowings (31 December 2023: nil).

### CONTINGENT LIABILITIES

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

### KEY FINANCIAL RATIOS

#### Current ratio

As at 30 June 2024, the current ratio of the Group was 2.2 times (31 December 2023: 2.4 times). The Group's current ratio slightly decreased. The current ratio is calculated as current assets divided by current liabilities as of the same date.

#### Gearing ratio

As at 30 June 2024, the gearing ratio of the Group was 0.3% (31 December 2023: 0.7%), mainly due to the decrease 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

The Group will continue to focus on its business strategies as set out in the prospectus of the Company dated 30 June 2021 (the "**Prospectus**"). As at the date of this report, save as disclosed in the Prospectus and the section headed "Change in use of proceeds" in the announcement of the Company dated 30 August 2023, 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 (including sale of treasury shares) of the Company.

As at 30 June 2024, the Company did not hold any treasury shares.

## Management Discussion and Analysis

### 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 Renminbi. Any depreciation of Renminbi would adversely affect the value of any dividends the Group pay to Shareholders outside of 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.

### SIGNIFICANT INVESTMENTS HELD

For the six months ended 30 June 2024, the Group did not hold any significant investments.

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

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2024.

### PLEDGE OF ASSETS

As at 30 June 2024, none of the assets of the Group were pledged.

### EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2024, the Group employed a total of 4,990 full-time employees (31 December 2023: 5,342 full-time employees). For the six months ended 30 June 2024, the staff cost recognized as expenses of the Group amounted to approximately RMB209.5 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 emphasize individual initiatives and responsibilities. The Group believes that these initiatives have contributed to increased employee productivity.

The Group's employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. During the Reporting Period, 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, the Company did not have any share schemes.



### NET PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The shares of the Company were listed on the Stock Exchange on 16 July 2021. The net proceeds from the Listing (including the partial exercise of the over-allotment option), after deducting the underwriting commission and other estimated expenses in connection with the Listing which the Company received amounted to approximately HK\$628.5 million (the “**Net Proceeds**”). 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.

As set out in the Prospectus, the Company intended to use the Net Proceeds for the purposes as follows:

- (i) approximately 60.0%, will be used to pursue selective strategic investment and acquisition opportunities and further develop strategic partnerships to expand the Group’s business scale and geographic coverage;
- (ii) approximately 11.0% will be used to further diversify the Group’s project portfolio and value-added services;
- (iii) approximately 15.0% will be used to develop and upgrade hardware and software used in the Group’s operations;
- (iv) approximately 4.0% will be used to further develop the Group’s property management services provided to high-end properties under the ROYEEDS (融御) brand; and
- (v) approximately 10.0% will be used for general business operations and working capital.

As set out in the announcement of the Company dated 30 August 2023, the Board resolved to re-allocate the amount of HK\$515.5 million being the unutilised net proceeds as at 30 August 2023 (the “**Re-allocation**”). As of 30 June 2024, approximately HK\$145.9 million of the Net Proceeds had been utilised by the Group in accordance with the intended purposes stated in the announcement dated 30 August 2023, and the unused Net Proceeds was held by way of bank deposits.

Save as disclosed above, as of the date of this report, there was no material change to the planned use of proceeds.

## Management Discussion and Analysis

The following table sets forth the breakdown of the utilization and proposed utilization of the Net Proceeds as of 30 June 2024:

Purpose	Intended use of Net Proceeds subsequent to Re-allocation	Approximate percentage of Net Proceeds subsequent to Re-allocation	Net Proceeds unutilised as of 1 January 2024	Actual use of the Net Proceeds during the Reporting Period	Unutilised Net Proceeds as at 30 June 2024	Expected timeframe for full utilisation of the Net Proceeds
	HK\$ million	% of the total amount	HK\$ Million	HK\$ Million	HK\$ Million	
(i) Pursuing selective strategic investment and acquisition opportunities	158.0	25.1%	158.0	0.0	158.0	On or before 31 December 2026
(ii) Diversifying the Group's project portfolio and value-added services	206.1	32.8%	159.5	5.3	154.2	On or before 31 December 2026
(iii) Developing and upgrading hardware and software used in the Group's operations	130.9	20.8%	104.1	2.1	102.0	On or before 31 December 2026
(iv) Further developing the Group's property management services provided to high-end properties under ROYEEDS (融御) brand	58.0	9.3%	41.5	2.6	38.9	On or before 31 December 2026
(v) General business operations and working capital	75.5	12.0%	31.8	2.3	29.5	On or before 31 December 2026
<b>Total</b>	<b>628.5</b>	<b>100%</b>	<b>494.9</b>	<b>12.3</b>	<b>482.6</b>	

# 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 contained in Part 2 of Appendix C1 to the Listing Rules 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 the Corporate Governance Code during the Reporting Period.

## COMPLIANCE WITH REQUIREMENTS UNDER RULES 3.10(1), 3.10A, 3.21, 3.25 AND 3.27A OF THE LISTING RULES

As disclosed in the announcement of the Company dated 10 June 2024, following the resignation of Mr. Ye Azhong as independent non-executive Director, member of each of the Audit Committee, Remuneration Committee and Nomination Committee, the Company only has two independent non-executive Directors, thus the number of the independent non-executive Directors falls below the minimum number required under Rules 3.10(1) and 3.10A of the Listing Rules. As a result of the insufficient number of independent non-executive Directors, the Company has also failed to comply with the requirements set out in Rule 3.21 of the Listing Rules with regard to the minimum number of members and the composition of the Audit Committee, and the current composition of the Remuneration Committee and Nomination Committee does not meet the requirements under Rule 3.25 and Rule 3.27A of the Listing Rules.

On 12 August 2024, Mr. Lin Zhongxiaolu was appointed as an independent non-executive Director, a member of each of the Audit Committee, Remuneration Committee and Nomination Committee. Upon the appointment of Mr. Lin Zhongxiaolu, the Company has re-complied with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules. The details of re-compliance with Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules were set out in the announcements of the Company dated 10 June 2024 and 12 August 2024 respectively.

## 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 2024, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was 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 or short positions which have been taken or deemed to be owned under such provisions of the SFO), or which was required to be entered in the register referred to therein pursuant to Section 352 of the SFO, or which was otherwise 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 2024, 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 <sup>(Note 1)</sup>	Approximate percentage of shareholding <sup>(Note 2)</sup>
Mr. Ou Zonghong <sup>(Note 3)</sup>	Founder of a Trust	375,000,000 (L)	73.80%
HSBC International Trustee Limited <sup>(Note 3)</sup>	Trustee of a trust	375,000,000 (L)	73.80%
Rongan Juxiang <sup>(Note 3)</sup>	Interest in controlled corporations	375,000,000 (L)	73.80%
Rongxin Yipin <sup>(Note 3)</sup>	Beneficial owner	300,000,000 (L)	59.04%
Fumei International <sup>(Note 3)</sup>	Beneficial owner	75,000,000 (L)	14.76%

Notes:

- (1) The letter (L) denotes the person's long position in the relevant Shares.
- (2) The calculation is based on the total number of 508,140,000 Shares in issue as at 30 June 2024.
- (3) 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 2024, 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 Reporting Period (for the Previous Period: Nil).

## AUDIT COMMITTEE AND REVIEW OF THE INTERIM RESULTS

The Board has established the Audit Committee with written terms of reference in compliance with the Listing Rules. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rxswy.com](http://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. As at the date of this report, the Audit Committee consists of three members, namely Mr. Kwok Kin Kwong Gary, Mr. Chen Zhangwang and Mr. Lin Zhongxiaolu, 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 as required under Rule 3.10(2) of the Listing Rules. The Audit Committee has reviewed and approved the unaudited interim results of the Group for the Reporting Period.

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.

## CHANGE OF AUDITORS

Elite Partners CPA Limited has resigned as the auditor of the Company with effect from 30 August 2024. Please refer to the Company's announcement dated 30 August 2024 for details. Further announcement in relation to the appointment of the Company's new auditor will be made by the Company as and when appropriate.

## IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, the Group did not have any important events subsequent to 30 June 2024 and up to the date of this report.

By order of the Board

**Ronshine Service Holding Co., Ltd**

**Ou Guofei**

*Chairman*

Hong Kong, 28 August 2024

# Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	6	425,077	438,044
Cost of sales	9	(344,656)	(353,793)
<b>Gross profit</b>		<b>80,421</b>	84,251
Selling and marketing expenses	9	(1,182)	(954)
Administrative expenses	9	(34,429)	(34,701)
Net impairment losses on financial assets		(195,960)	(32,964)
Other income	7	124	1,929
Other gains or losses		(52)	273
<b>Operating (loss)/profit</b>		<b>(151,078)</b>	17,834
Finance income		766	827
Finance cost		(56)	(143)
Finance income — net	8	710	684
<b>(Loss)/profit before income tax</b>		<b>(150,368)</b>	18,518
Income tax expenses	11	36,742	(5,933)
<b>(Loss)/profit and total comprehensive income for the period</b>		<b>(113,626)</b>	12,585
<b>(Loss)/profit and total comprehensive income for the period attributable to:</b>			
— Owners of the Company		(113,626)	12,585
— Non-controlling interests		—	—
		<b>(113,626)</b>	12,585
<b>(Losses)/earnings per share (expressed in RMB)</b>			
— Basic and diluted	12	(0.22)	0.02

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 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	8,034	12,463
Intangible assets	14	5,837	5,828
Deferred income tax assets		84,954	36,363
		<b>98,825</b>	54,654
<b>Current assets</b>			
Inventories		1,635	1,738
Trade and other receivables and prepayments	15	370,387	489,844
Gains and losses on fair value change of financial assets		7,000	—
Restricted cash	16	2,262	17,000
Cash and cash equivalents	17	674,307	751,803
		<b>1,055,591</b>	1,243,386
<b>Total assets</b>		<b>1,154,416</b>	1,298,040
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
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		111,308	224,934
<b>Total equity</b>		<b>598,771</b>	712,397

## Condensed Consolidated Balance Sheet

	Notes	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	21	638	2,317
<b>Current liabilities</b>			
Contract liabilities		106,666	127,802
Trade and other payables	20	375,172	388,773
Lease liabilities	21	1,124	2,364
Current income tax liabilities		72,045	64,387
		555,007	583,326
<b>Total liabilities</b>		<b>555,645</b>	<b>585,643</b>
<b>Total equity and liabilities</b>		<b>1,154,416</b>	<b>1,298,040</b>

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

The condensed consolidated financial statements on pages 29 to 54 were approved by the board of directors on 28 August 2024 and are signed on its behalf by:

**Ou Guofei**  
*Executive Director and Chairman*

**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		
<b>Balance at 1 January 2024</b>	4,234	663,027	(179,798)	224,934	712,397	—	712,397
<b>Comprehensive income</b>							
Loss for the period	—	—	—	(113,626)	(113,626)	—	(113,626)
<b>Balance at 30 June 2024 (unaudited)</b>	4,234	663,027	(179,798)	111,308	598,771	—	598,771
<b>Balance at 1 January 2023</b>	4,234	663,027	(179,798)	214,276	701,739	—	701,739
<b>Comprehensive income</b>							
Profit for the period	—	—	—	12,585	12,585	—	12,585
<b>Balance at 30 June 2023 (unaudited)</b>	4,234	663,027	(179,798)	226,861	714,324	—	714,324

# Condensed Consolidated Statement of Cash Flows

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Cash used in from operations		(65,327)	(44,281)
Interest received	8	766	827
Income tax paid		(4,191)	(7,695)
<b>Net cash used in operating activities</b>		<b>(68,752)</b>	<b>(51,149)</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(655)	(2,776)
Purchase of intangible assets	14	(424)	(953)
Proceeds from disposal of property, plant and equipment		2,283	20
Purchase of financial assets at fair value through profit or loss		(7,000)	0
<b>Net cash used in investing activities</b>		<b>(5,796)</b>	<b>(3,709)</b>
<b>Cash flows from financing activity</b>			
Principal elements and interest elements of lease payments		(2,975)	(2,003)
<b>Net cash used in financing activity</b>		<b>(2,975)</b>	<b>(2,003)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(77,523)</b>	<b>(56,861)</b>
Cash and cash equivalents at beginning of period		751,803	724,110
Exchange gains on cash and cash equivalents		27	92
<b>Cash and cash equivalents at end of period</b>		<b>674,307</b>	<b>667,341</b>

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 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**”).

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 D2 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 2024 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2023.

### 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 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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 2022.

## 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 2024 and 2023, 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 2024 and 2023, 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 2024 and 31 December 2023, 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 2024 and 2023 is as follows:

Types of services	Revenue from customer and recognised	Six months ended 30 June	
		2024 RMB’000 (Unaudited)	2023 RMB’000 (Unaudited)
Property management services	over time	357,845	347,699
Value-added services to non-property owners	over time	40,914	65,530
Community value-added services		26,318	24,815
— Sales of goods	at a point in time	6,065	8,222
— Other value-added services	over time	20,253	16,593
		<b>425,077</b>	438,044

## Notes to the Condensed Consolidated Financial Statements

### 6 Revenue (Continued)

During the six months ended 30 June 2024 and 2023, revenue derived from customers who accounted for more than 10% of total revenue were set out below.

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Customer Group A*	19%	19%

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

### 7 Other income

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Additional deduction of value-added input tax	178	983
Government grants (Note (a))	(74)	909
Other	20	37
	<b>124</b>	<b>1,929</b>

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

### 8 Finance income — net

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Finance income</b>		
Interest income from bank deposits	766	827
<b>Finance cost</b>		
Interest expenses of lease liabilities	(56)	(143)
<b>Finance income — net</b>	<b>710</b>	<b>684</b>

## 9 Expenses by nature

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Employee benefit expenses (Note 10)	209,454	206,387
Greening and cleaning expenses	64,290	71,394
Maintenance costs	20,467	14,248
Office expenses	1,296	2,877
Community activities expenses	3,329	2,130
Travelling and entertainment expenses	1,735	1,524
Consultancy fee	2,721	3,979
Advertising expenses	243	2,451
Security charges	61,195	64,043
Taxes and other levies	1,924	2,199
Depreciation and amortisation charges	2,801	4,406
Bank charges	718	806
Auditors' remuneration		
— Audit services	—	665
— Non-audit services	—	36
Expenses relating to short-term leases	233	1,168
Cost of goods sold	6,698	9,265
Others	3,163	1,871
	<b>380,267</b>	<b>389,449</b>

## 10 Employee benefit expenses

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Wages, salaries and bonuses	180,254	175,303
Social insurance expenses and housing benefits (Note (a))	27,161	26,288
Other employee benefits (Note (b))	2,039	4,796
	<b>209,454</b>	<b>206,387</b>

- (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 2024 and 2023.

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 their taxable incomes will be taxed at a reduced rate of 25% and at a preferential income tax rate of 20% in 2024 and 2023.

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.

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Current income tax	<b>11,849</b>	14,303
Deferred income tax	<b>(48,591)</b>	(8,370)
	<b>(36,742)</b>	5,933

## Notes to the Condensed Consolidated Financial Statements

### 12 (Losses)/earnings per share

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

	Six months ended 30 June	
	2024	2023
(Loss)/profit for the period attributable to owners of the Company, used in the basic and diluted (losses)/earnings per share calculations (RMB'000)	<b>(113,626)</b>	12,585
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic (losses)/earnings per share	<b>508,104,000</b>	508,104,000

No diluted (losses)/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
<b>As at 31 December 2023 (audited)</b>						
Cost	943	5,218	2,534	18,638	22,520	49,853
Accumulated depreciation	(829)	(4,158)	(2,018)	(12,322)	(18,063)	(37,390)
<b>Net book amount</b>	<b>114</b>	<b>1,060</b>	<b>516</b>	<b>6,316</b>	<b>4,457</b>	<b>12,463</b>
<b>Six months ended 30 June 2024 (unaudited)</b>						
Opening net book amount	114	1,060	516	6,316	4,457	12,463
Additions	200	159	19	277	—	655
Disposals	(3)	(134)	(10)	—	(2,136)	(2,283)
Depreciation charge	(49)	(260)	(115)	(1,687)	(690)	(2,801)
<b>Closing net book amount</b>	<b>262</b>	<b>825</b>	<b>410</b>	<b>4,906</b>	<b>1,631</b>	<b>8,034</b>
<b>As at 30 June 2024 (unaudited)</b>						
Cost	1,140	5,243	2,543	18,915	20,384	48,225
Accumulated depreciation	(878)	(4,418)	(2,133)	(14,009)	(18,753)	(40,191)
<b>Net book amount</b>	<b>262</b>	<b>825</b>	<b>410</b>	<b>4,906</b>	<b>1,631</b>	<b>8,034</b>
<b>As at 31 December 2022 (audited)</b>						
Cost	917	4,708	2,284	14,867	19,824	42,600
Accumulated depreciation	(740)	(3,628)	(1,751)	(8,016)	(14,660)	(28,795)
<b>Net book amount</b>	<b>177</b>	<b>1,080</b>	<b>533</b>	<b>6,851</b>	<b>5,164</b>	<b>13,805</b>
<b>Six months ended 30 June 2023 (unaudited)</b>						
Opening net book amount	177	1,080	533	6,851	5,164	13,805
Additions	21	358	10	2,387	2,434	5,210
Disposals	—	(15)	(5)	—	—	(20)
Depreciation charge	(42)	(271)	(124)	(1,751)	(1,866)	(4,054)
<b>Closing net book amount</b>	<b>156</b>	<b>1,152</b>	<b>414</b>	<b>7,487</b>	<b>5,732</b>	<b>14,941</b>
<b>As at 30 June 2023 (unaudited)</b>						
Cost	938	5,051	2,289	17,254	22,258	47,790
Accumulated depreciation	(782)	(3,899)	(1,875)	(9,767)	(16,526)	(32,849)
<b>Net book amount</b>	<b>156</b>	<b>1,152</b>	<b>414</b>	<b>7,487</b>	<b>5,732</b>	<b>14,941</b>

(a) No property, plant and equipment is restricted or pledged as security for liabilities as at 30 June 2024 (31 December 2023: nil).

## 14 Intangible assets

	<b>Software</b> RMB'000
<b>As at 31 December 2023 (audited)</b>	
Cost	8,058
Accumulated amortisation	(2,230)
<b>Net book amount</b>	<b>5,828</b>
<b>Six months ended 30 June 2024 (unaudited)</b>	
Opening net book amount	5,828
Additions	424
Amortisation	(415)
<b>Closing net book amount</b>	<b>5,837</b>
<b>As at 30 June 2024 (unaudited)</b>	
Cost	8,482
Accumulated amortisation	(2,645)
<b>Net book amount</b>	<b>5,837</b>
<b>As at 31 December 2022 (audited)</b>	
Cost	5,855
Accumulated amortisation	(1,476)
<b>Net book amount</b>	<b>4,379</b>
<b>Six months ended 30 June 2023 (unaudited)</b>	
Opening net book amount	4,379
Additions	953
Amortisation	(352)
<b>Closing net book amount</b>	<b>4,980</b>
<b>As at 30 June 2023 (unaudited)</b>	
Cost	6,808
Accumulated amortisation	(1,828)
<b>Net book amount</b>	<b>4,980</b>

(a) No intangible asset is restricted or pledged as security for liabilities as at 30 June 2024 (31 December 2023: nil).

## 15 Trade and other receivables and prepayments

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Trade receivables		
— Related parties (Note 25(d))	<b>191,160</b>	192,121
— Third parties	<b>306,847</b>	264,557
	<b>498,007</b>	456,678
Less: allowance for impairment of trade receivables	<b>(215,027)</b>	(117,619)
	<b>282,980</b>	339,059
Other receivables		
— Related parties (Note 25(d))	<b>23,944</b>	36,363
— Third parties	<b>179,565</b>	134,952
	<b>203,509</b>	171,315
Less: allowance for impairment of other receivables	<b>(127,886)</b>	(29,333)
	<b>75,623</b>	141,982
Prepayments to suppliers		
— Related parties	—	212
— Third parties	<b>11,784</b>	8,591
	<b>370,387</b>	489,844

## 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 2024 and 31 December 2023, the ageing analysis of the trade receivables based on invoice date were as follows:

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Up to 1 year	<b>247,558</b>	225,791
1 to 2 years	<b>88,816</b>	114,434
2 to 3 years	<b>88,060</b>	100,134
Over 3 years	<b>73,573</b>	15,319
	<b>498,007</b>	456,678

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2024, a provision of RMB215,027,000 was made against the gross amounts of trade receivables (31 December 2023: RMB117,619,000).

## 16 Restricted cash

As at 31 December 2023, 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 2024, restricted cash represents deposits placed to an independent third party's bank account for electronic toll collection systems.

## 17 Cash and cash equivalents

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
<b>Cash at bank and on hand (Note (a))</b>		
— Denominated in RMB	<b>674,019</b>	750,032
— Denominated in US\$	<b>263</b>	1,742
— Denominated in HK\$	<b>25</b>	29
	<b>674,307</b>	751,803

- (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
<b>Authorised</b>			
As of 30 June 2023, 31 December 2023, 1 January 2024 and 30 June 2024	3,000,000,000	30,000	24,528
<b>Issued</b>			
As of 1 January 2024 and 30 June 2024	508,104,000	5,081	4,234

### (b) Share premium

	Share premium RMB'000
Balance at 1 January 2024 and 30 June 2024 (unaudited)	663,027
Balance at 1 January 2023 and 30 June 2023 (unaudited)	663,027

## 19 Other reserves

	Capital reserves RMB'000
Balance at 1 January 2024 and 30 June 2024 (unaudited)	(179,798)
Balance at 1 January 2023 and 30 June 2023 (unaudited)	(179,798)



## Notes to the Condensed Consolidated Financial Statements

### 20 Trade and other payables

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Trade payables		
— Related parties (Note 25(d))	<b>1,608</b>	979
— Third parties	<b>181,503</b>	181,792
	<b>183,111</b>	182,771
Other payables		
— Related parties (Note 25(d))	<b>6,709</b>	5,727
— Third parties	<b>115,250</b>	124,786
	<b>121,959</b>	130,513
Accrued payroll	<b>39,393</b>	44,529
Other taxes payables	<b>30,709</b>	30,960
	<b>375,172</b>	388,773

## 20 Trade and other payables (Continued)

- (a) As at 30 June 2024 and 31 December 2023, the carrying amounts of trade and other payables approximated its fair values.
- (b) As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade payables based on invoice date were as follows:

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Up to 1 year	176,221	177,061
1 to 2 years	4,566	4,324
2 to 3 years	1,689	903
Over 3 years	635	483
	<b>183,111</b>	<b>182,771</b>

## 21 Leases

### Amounts recognised in the consolidated balance sheet

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
<b>Right-of-use assets</b>		
Properties (Note 13)	1,631	4,457
<b>Lease liabilities</b>		
Current	638	2,364
Non-current	1,124	2,317
	<b>1,762</b>	<b>4,681</b>

## Notes to the Condensed Consolidated Financial Statements

### 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 2024 (six months ended 30 June 2023: Nil).

### 23 Financial guarantees

As at 30 June 2024 and 31 December 2023, 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 2024.

#### (b) Contingencies

The Group did not have any material contingent liabilities as at 30 June 2024.

### 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
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
Chengdu Jinfenghua Real Estate Co., Ltd.* 成都金豐華置業有限公司	An associate 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
Fuzhou Yuxiang Real Estate Development Co., Ltd.* 福州市禹翔房地產有限公司	An associate of Ronshine China Group
Hairong (Zhangzhou) Property Co., Ltd.* 海融(漳州)房地產有限公司	A joint venture of Ronshine China Group
Hangzhou Jinhong Real Estate Development Co., Ltd.* 杭州錦虹房地產開發有限公司	An associate of Ronshine China Group
Hangzhou Linanlongxing 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 Meishengmei Real Estate Co., Ltd.* 杭州美生美置業有限公司	An associate of Ronshine China Group
Hangzhou Rongqia Industrial Co., Ltd.* 杭州融洽實業有限公司	An associate of Ronshine China Group
Hangzhou Ronxin Property Development Co., Ltd.* 杭州融歆房地產開發有限公司	An associate of Ronshine China Group
Hangzhou Rongxuan Real Estate Development Co., Ltd.* 杭州融暉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
Huzhou Rongda Real Estate Development Co., Ltd.* 湖州融達房地產開發有限公司	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
Jinhua Tianxi Real Estate Development 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
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
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
Nantong Jianghe Real Estate Co., Ltd.* 南通江河置業有限公司	An associate of Ronshine China Group
Nantong Rongxi Real Estate Development Co., Ltd.* 南通融璽房地產開發有限公司	A non-joint venture of Ronshine China Group
Putian Rongwanjun Real Estate Development Co., Ltd.* 莆田融萬駿房地產開發有限公司	A joint venture 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
Suzhou Rongpu Property Co., Ltd.* 蘇州融樸置業有限公司	A joint venture of Ronshine China Group
Xiuyi (Fujian) Landscape Engineering Co., Ltd.* 秀藝(福建)園林工程有限公司	A company controlled by Mr. Ou
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
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

\* 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	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Provision of services		
— Ronshine China Group	13,559	25,023
— Ronshine China Group's associates	2,180	2,478
— Ronshine China Group's joint ventures	605	6,864
— Companies controlled by Mr. Ou	31	—
	<b>16,375</b>	<b>34,365</b>

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Receipt of services		
— Companies controlled by Mr. Ou	—	—

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	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Salaries and other short-term employee benefits	1,001	848

## 25 Related party transactions (Continued)

## (d) Balances with related parties

	<b>As at 30 June 2024 RMB'000 (Unaudited)</b>	As at 31 December 2023 RMB'000 (Audited)
Trade receivables		
— Ronshine China Group	<b>179,072</b>	180,460
— Ronshine China Group's associates	<b>8,483</b>	8,707
— Ronshine China Group's joint ventures	<b>3,604</b>	2,953
Companies controlled by Mr. Ou	<b>1</b>	1
	<b>191,160</b>	192,121
Other receivables and deposits (i)		
— Ronshine China Group	<b>23,944</b>	36,363
Prepayments to suppliers		
— Ronshine China Group	—	212
Trade payables		
— Ronshine China Group	<b>1,608</b>	979
	<b>1,608</b>	979
Other payables		
— Ronshine China Group	<b>6,707</b>	5,725
— Companies controlled by Mr. Ou	<b>2</b>	2
	<b>6,709</b>	5,727

## 25 Related party transactions (Continued)

### (d) Balances with related parties (Continued)

- (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

Save as disclosed in this report, the Group did not have any important events subsequent to 30 June 2024 and up to the date of this report.