

# 融信服務集團股份有限公司

## RONSHINE SERVICE HOLDING CO., LTD

(incorporated in the Cayman Islands with limited liability)

Stock Code : 2207

**2021**  
**INTERIM REPORT**

The background of the page features a decorative graphic consisting of several overlapping, curved bands in red and grey, creating a sense of movement and modernity. The bands curve from the bottom left towards the top right, framing the central text.

# Contents

Corporate Information	2
Definitions	4
Financial Highlights	7
Chairman's Statement	8
Business Review and Outlook	11
Management Discussion and Analysis	16
Corporate Governance and Other Information	26
Interim Condensed Consolidated Statement of Comprehensive Income	30
Interim Condensed Consolidated Balance Sheet	31
Interim Condensed Consolidated Statement of Changes in Equity	33
Interim Condensed Consolidated Statement of Cash Flows	34
Notes to the Condensed Consolidated Interim Financial Information	35

# 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

PricewaterhouseCoopers

*Certified Public Accountants and*

*Registered Public Interest Entity Auditor*

22/F, Prince's Building

Central

Hong Kong

## LEGAL ADVISER

*As to Hong Kong law:*

Sidley Austin

## 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

## Corporate Information

### 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

HKEx: 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 Yis  
Ms. Ng Wing Shan (*FCS, FCG*)

### AUTHORIZED REPRESENTATIVES

Ms. Lin Yi  
Ms. Ng Wing Shan

### PRINCIPAL BANKER

China Construction Bank

### WEBSITE

<https://www.rxswwy.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
“Capitalization Issue”	the issue of Shares made upon capitalization of certain sum standing to the credit of the share premium account of the Company as referred to in “Appendix IV — Statutory and General Information — A. Further Information about Our Company — 4. Written Resolutions of Shareholders Passed on June 10, 2021” in the Prospectus
“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

## Definitions

“GFA”	gross floor area
“Global Offering”	the Hong Kong public offering and the international placing of Shares as described in the Prospectus
“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, the Special Administrative Regions of Hong Kong and Macao 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 Date”	16 July 2021, the date on which dealings in the Shares on the Main Board of the Stock Exchange first commenced
“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
“Over-allotment Option”	the option granted by the Company to allot and issue up to 18,750,000 Shares in connection with the Global Offering as disclosed in the Prospectus

## Definitions

“Prospectus”	the prospectus of the Company dated 30 June 2021
“Reporting Period”	the six months ended 30 June 2021
“RMB”	Renminbi, the lawful currency of the PRC
“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 (%)
	2021	2020	
	(RMB'000)		
	Unaudited	Unaudited	
Revenue	<b>488,834</b>	318,403	53.5%
Cost of sales	<b>(344,999)</b>	(224,772)	53.5%
Gross profit	<b>143,835</b>	93,631	53.6%
Other income and other gains	<b>2,280</b>	2,634	-13.4%
Profit before income tax	<b>94,559</b>	58,799	60.8%
Profit for the period	<b>68,927</b>	40,907	68.5%
– attributable to owners of the Company	<b>66,483</b>	38,363	73.3%
– attributable to non-controlling interests	<b>2,444</b>	2,544	-3.9%

	As at	As at	Change in percentage (%)
	30 June	31 December	
	2021	2020	
	(RMB'000)		
	Unaudited	Audited	
Total assets	<b>487,416</b>	422,593	15.3%
Total liabilities	<b>363,122</b>	367,226	-1.1%
Total equity	<b>124,294</b>	55,367	124.5%



# Chairman's Statement

Dear Shareholders,

I am pleased to present the interim results of the Group for the six months ended 30 June 2021 on behalf of the Board.

In the first half of 2021, the Group's gross profit achieved a growth of approximately 53.6% to reach approximately RMB143.8 million. As management and cost control continued to improve, both gross profit margin and net profit margin improved by 0.6 percentage point and 2.8 percentage points respectively from the end of 2020, and net profit attributable to Shareholders amounted to approximately RMB66.5 million, representing a growth of approximately 73.3%.

The three major business lines, property management services, value-added services to non-property owners and community value-added services, advanced together and realised rapid business growth, wrapping up the Group's stage development in the first half with great achievements. In particular, the revenue from community value-added services recorded a leapfrog growth as high as 432.7%. Every progress in the stage is dependent on the strong support of all Shareholders and the unremitting efforts of all employees. Such achievements also strengthen our confidence about future development to some extent, and demonstrate the correctness of the Group's strategies.

After taking root and sprouting in Fuzhou in 2004 and realising the development strategy of relocating to Shanghai to base in the Yangtze River Delta and radiate to the whole country in 2017, the year of 2021 is another important milestone for Ronshine Service as the Group was listed on the Main Board of the Hong Kong Stock Exchange on 16 July. In the first half of this year, Ronshine Service harvested more-than-expected accomplishments, expanded the scale steadily and recorded great performance. As at 30 June 2021, contracted GFA and GFA under management was approximately 42.2 million sq.m. and 23 million sq.m., respectively, which covered 50 cities across the country.

Benefiting from the "1+N" strategy, the Group expands its services to residential properties, apartments, commercial office buildings, city complexes, government office buildings, industrial parks, hospitals and banks, and has six specialised companies currently, including Rongguan Engineering, Ronglin Trading, Rongmao Real estate, Hemei Environmental, Hairun Security and Commercial Management. In the first half of 2021, Ronshine Service had a total of 226 contracted projects and 136 items of properties under management.

In the meantime, the Group's continuous efforts in the development of third-party market begin to take effects, and the Group won the bidding for ten commercial, office and residential projects in the first half of 2021. 47 projects under management were developed by third-party developers, which accounted for 34.6% of the total projects; GFA under third party's management was 9.46 million sq.m., which accounted for 41.1% of the total GFA under management. Particularly, the nationwide driving services with the collaboration of China Merchants Bank is a unique highlight of value-added services to non-property owners.

## Chairman's Statement

In 2021, we have come to the crossroad of the "Two Centenary Goals". Difficulties, failures and setbacks in the past hundred years have never prevented people from forging ahead; they have only made people stronger and helped them mature. In the past hundred years, people have stood firm in ideals and convictions at critical historical junctures, rising undaunted to face challenges. This has demonstrated people's strength and advanced the country to a better development. As a property management enterprise, therefore, we should maintain the fighting spirit, move forward in exploration and aim to provide property owners with better, more comfortable, more convenient and smart community life.

The year 2021 is the first year of the "14th Five-Year Plan". The Outline of the 14th Five-Year Plan proposes the construction of "smart cities and digital villages" and states that "digital technologies will be used to help develop urban and rural areas and introduce new approaches to governance for better efficiency and livability." It is an inevitable trend that traditional cities will develop toward smart cities; as the cornerstone of smart city construction, smart communities are an indispensable and important support of the cause. Accordingly, developing "smart property" will become a new direction for the property management industry.

To better adapt to the industry development, Ronshine Service initiates the exploration of "smart property" on the basis of the existing "better + (美好+)" community life service system and the high-end property service brand "ROYEEDS (融御)". Upholding 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)", we create seven scenarios: smart access, smart security, smart environment, smart lighting, smart EBA, smart "Xiao Rong" and smart operation, that are based on advanced technologies including mobile officing, artificial intelligence, cloud computing and Internet of Everything. Through the Group's management of traditional properties, we strive to create "quality, cozy and loving (有品質、有溫度、有愛)" communities for property owners.

In August this year, Jiang Wan Ming Di Smart Community, one of the first pilot programmes for smart communities, was formally implemented as the first pilot programme of smart community of Ronshine Service. It is expected that "smart community" projects will be promoted in cities such as Hangzhou and Fuzhou by the end of this year.

Under the modern economic background, population is not a burden but the source of economic and social vitality and the foundation of innovation and entrepreneurship. Migrating cities are becoming China's new urbanization and one of the important driving forces of development. The growth of city population stimulates local demands for life services to surge; as a key performer of the "last mile" life services for residents, property management enterprises serve as the most direct booster of advancing economic and social development and meeting people's needs for a better life, and will also embrace unprecedented development opportunities.

## Chairman's Statement

With the dedicated deployment and the deep development of strategies, Ronshine Service achieves continuous improvement in its industry ranking. According to the list of China's leading 100 property service companies released by China Index Academy and China Real Estate Top 10 Research Group (中國房地產TOP 10研究組), we ranked 19th among China Top 100 Property Service Companies 2021 (2021中國物業服務百強企業榜單), improving further from the ranking of 20th place in 2020. In addition, we are recognised by China Index Academy as one of the "China Leading 100 Property Service Companies for Service Quality 2021 (2021年中國物業服務百強服務質量領先企業)", "China Leading Companies for Market-oriented Operation in Property Management Industry 2021 (2021年中國物業管理行業市場化運營領先企業)" and "China Leading Companies of High-end Property Services 2021 (2021年中國高端物業服務領先企業)".

In the future, Ronshine Service will further promote the "1+N" strategy and adhere to the development directions of standardisation, marketisation, technology and capitalisation. With the support of "technology + capital", it will expand the business scope, achieve diversification and enter the track of rapid development.

Last but not the least, on behalf of the Board, I would like to extend sincere gratitude to all shareholders, investors, partners and customers for their long-term trust and support to Ronshine Service, and to all colleagues for their dedications and contributions to the Group's development. We will continue to uphold the corporate mission "Let Service Create Value", further develop the potential of achieving high-quality development and create greater value for shareholders, investors and customers.

**Ronshine Service Holding Co., Ltd**

**Ou Zonghong**

*Executive Director and Chairman*

30 August 2021

# 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 services, 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 a vice president of Fujian Property Management Association (福建省物業管理協會). According to China Index Academy, the Group 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 2021, the Group provides property management services and value-added services in over 50 cities across China, with contracted GFA and GFA under management of approximately 42.2 million sq.m. and 23.0 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.

## Business Review and Outlook

### Property Management Services

During the Reporting Period, property management services accounted for 45.1% of the total revenue and 35.6% of the Group's gross profit.

Revenue from the provision of property management services amounted to approximately RMB220.4 million as of 30 June 2021, representing a period-on-period increase of approximately 33.3% as compared to RMB165.4 million as of 30 June 2020, which was mainly attributable to the rapid growth of GFA under management.

Gross profit of the property management services business amounted to RMB51.2 million, representing an increase of 33.7% compared to RMB38.3 million for the same period in 2020, and gross profit margin for the Reporting Period was 23.3%, which remained relatively stable compared to 23.2% as of 30 June 2020.

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 2021, the GFA under management reached approximately 23.0 million sq.m., representing an increase of approximately 35.3%, or a net increase of 6.0 million sq.m., compared to 17.0 million sq.m. as of 30 June 2020. The contracted CFA reached approximately 42.2 million sq.m., representing an increase of approximately 10.5%, or a net increase of 4.0 million sq.m., compared to 38.2 million sq.m. as at 31 December 2020.

During the Reporting Period, the number of projects under management reached 136, located in the Western Straits Region, Yangtze River Delta Region and Other Regions in China, covering 50 cities.

## Business Review and Outlook

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

During the Reporting Period, value-added services to non-property owners accounted for 48.7% of the total revenue and 56.7% of the Group's gross profit.

Revenue from value-added services to non-property owners amounted to approximately RMB238.2 million during the Reporting Period, representing a period-on-period growth of approximately 61.6%, as compared to RMB147.3 million for the corresponding period in 2020.

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 RMB130.9 million, representing a period-on-period increase of approximately 93.8% due to business expansion; preliminary planning, design consultancy and pre-delivery services income reached approximately RMB75.1 million, representing a period-on-period increase of 44.4%; and driving and vehicle dispatching and managing services income reached approximately RMB32.1 million, representing a period-on-period increase of 15.6%. The increase in the income from preliminary planning, design consultancy and pre-delivery services and driving and vehicle dispatching and managing services was attributable to the increase in market demand for such services.

### Community Value-added Services

During the Reporting Period, community value-added services accounted for 6.2% of the total revenue and 7.7% of the Group's gross profit.

Revenue from the provision of community value-added services reached approximately RMB30.3 million as of 30 June 2021, representing an increase of 432.7% as compared to RMB5.7 million as of 30 June 2020. The high growth rate was mainly contributed by the recovering demand for community value-added services from the COVID-19 impact in the first half of 2020.

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" (和美生活) reached approximately RMB23.7 million, representing a period-on-period increase of 1,014.3% as compared to RMB2.1 million as of 30 June 2020; income from "Joyful Living Service" (和美易居) reached approximately RMB2.6 million, representing a period-on-period increase of 28.9% as compared to RMB2.0 million of the corresponding period in 2020; income from "Joyful Leasing and Sale Service" (和美租售) reached approximately RMB0.9 million, representing a period-on-period decrease of 7.9% as compared to RMB1.0 million as of 30 June 2020, which was mainly attributable to the effect of pandemic and related control policies of the real estate industry; and income from ancillary services for common areas reached approximately RMB3.1 million, representing a period-on-period increase of 462.9%.

### Outlook

2021 marks the first year of the Company's listing on 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 2021 are set out below.

1. **Expanding our Business Coverage.** We seek to diversify our project portfolio and expand our business coverage by pursuing strategic investments and acquisitions. As the PRC property management industry is fragmented and there are suitable investment and acquisition opportunities in the market, we plan to further solidify our market positions in the Western Straits Region and Yangtze River Delta Region and continue to expand into Other Regions, particularly the Greater Bay Area and midwestern region in China. We plan to not only grow by leveraging our stable relationship with Ronshine China to expand our property management services, but also through enhancement of our traditional property management services and diversification of value-added services to independent third parties. We also plan to establish extensive strategic cooperation with independent third-party property developers to further enhance our competitiveness in the property management industry.
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.

## Business Review and Outlook

- 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 emphasize the lateral recruitment in the market. For talent retention, we plan to offer more diversified promotion opportunities, such as internal election campaign. Meanwhile, we will keep outstanding personnel from acquired companies.



# Management Discussion and Analysis

## PROPERTY MANAGEMENT SERVICES

For the six months ended 30 June 2021, 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 of 31 December 2020, the Group had 119 projects under its management and 91 projects the Group was contracted to manage but not yet delivered to them, covering 44 cities in the two major regions and Other Regions, with a total GFA under management of approximately 19.9 million sq.m. and a total contracted GFA of approximately 38.2 million sq.m.

As at 30 June 2021, the Group's contracted GFA amounted to approximately 42.2 million sq.m., and the number of contracted projects was 226 in total, representing an increase of 10.5% and 7.6%, respectively, compared with those as of 31 December 2020. For the six months ended 30 June 2021, revenue generating GFA under management by the Group reached approximately 23.0 million sq.m., and the number of projects under management was 136, representing an increase of approximately 15.4% and 14.3%, respectively, compared with those as of 31 December 2020.

The average property management fee of the Group for the Reporting Period amounted to RMB2.9 per sq.m., an increase of 11.5%, compared to RMB2.6 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 2021 and 2020 respectively:

	For the six months ended 30 June 2021		For the six months ended 30 June 2020	
	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	38,119	19,930	27,561	15,879
New engagements	5,873	4,944	7,052	1,460
As of the end of the period	42,191	22,993	34,280	17,007

## GEOGRAPHIC PRESENCE OF THE GROUP

As at 30 June 2021, the Group had expanded its geographic presence to 50 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 2021 and 2020 respectively:

	For the six months ended 30 June 2021			For the six months ended 30 June 2020		
	GFA ('000 sq.m.)	Revenue (RMB'000)	%	GFA ('000 sq.m.)	Revenue (RMB'000)	%
The Western Straits Region	14,607	122,809	55.7	11,586	119,709	72.4
The Yangtze River Delta Region	4,812	53,526	24.3	3,019	26,354	15.9
Other regions	3,574	44,076	20.0	2,402	19,317	11.7
	<b>22,993</b>	<b>220,411</b>		17,007	165,380	

## VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS

The Group provides a series of value-added services to non-property owners, which primarily include 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 related car 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 period indicated:

	For the six months ended			
	30 June 2021		30 June 2020	
	RMB'000	%	RMB'000	%
Sales assistance services	130,913	55.0	67,549	45.8
Preliminary planning, design consultancy and pre-delivery services	75,119	31.5	52,004	35.3
Driving and vehicle dispatching and managing services	32,128	13.5	27,789	18.9
<b>Total</b>	<b>238,160</b>	<b>100.0</b>	<b>147,342</b>	<b>100.0</b>

## 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 first half of 2021, the revenue from community value-added services increased by 432.7% to approximately RMB30.3 million as compared to approximately RMB5.7 million in the same period of 2020, mainly due to the increase in revenue from Joyful Life Service (community shopping service). During the six months ended 30 June 2021, revenue from community value-added services accounted for 6.2% of total revenue.

The following table sets forth the revenue breakdown of community value-added services for the six months ended 30 June 2021 and 2020:

	For the six months ended			
	30 June 2021		30 June 2020	
	RMB'000	%	RMB'000	%
Joyful Life Service (和美生活) <sup>(1)</sup>	23,679	78.2	2,125	37.4
Joyful Living Service (和美易居) <sup>(2)</sup>	2,590	8.6	2,010	35.4
Joyful Leasing and Sale Service (和美租售) <sup>(3)</sup>	921	3.0	1,000	17.6
Ancillary services for common areas <sup>(4)</sup>	3,073	10.2	546	9.6
<b>Total</b>	<b>30,263</b>	<b>100</b>	<b>5,681</b>	<b>100</b>

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 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) 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 2021, 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		Change in percentage
	30 June		
	2021	2020	
	RMB'000	RMB'000	
<b>Revenue</b>			
Property management services	<b>220,411</b>	165,380	33.3%
Value-added services to non-property owners	<b>238,160</b>	147,342	61.6%
Community value-added services	<b>30,263</b>	5,681	432.7%
<b>Total</b>	<b>488,834</b>	318,403	

The revenue of the Group increased by approximately 53.5% from RMB318.4 million for the six months ended 30 June 2020 to RMB488.8 million for the six months ended 30 June 2021. This increase was mainly attributable to:

- (i) the increase in property management services for the six months ended 30 June 2021;
- (ii) the increase in revenue from sales assistance services for the six months ended 30 June 2021; and
- (iii) the increase in the amount of revenue from Joyful Life Service and Joyful Living Services for the six months ended 30 June 2021.

### 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 increased by approximately 53.5% from RMB224.8 million for the six months ended 30 June 2020 to RMB345.0 million for the six months ended 30 June 2021. This increase was mainly attributable to the expansion of business operation during the six months ended 30 June 2021.

## Management Discussion and Analysis

### Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit increased by approximately 53.6% from RMB93.6 million for the six months ended 30 June 2020 to RMB143.8 million for the six months ended 30 June 2021.

The Group's gross profit margin increased from 29.41% for the six months ended 30 June 2020 to 29.42% for the six months ended 30 June 2021.

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

	For the six months ended 30 June	
	2021	2020
	%	%
Property management services	23.3	23.2
Value-added services to non-property owners	34.3	36.6
Community value-added services	36.4	23.9
<b>Overall gross profit margin</b>	<b>29.4</b>	<b>29.4</b>

### 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 decreased by approximately 1.4% from RMB2.0 million for the six months ended 30 June 2020 to RMB1.9 million for the six months ended 30 June 2021.

### Other gains – 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 48.4% from RMB0.7 million for the six months ended 30 June 2020 to RMB0.3 million for the six months ended 30 June 2021, due to the decrease in investment income because the Group did not acquire any financial assets in 2021.

### Selling and marketing costs

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 10.0% from RMB4.0 million for the six months ended 30 June 2020 to RMB4.4 million for the six months ended 30 June 2021, primarily due to the expansion of the business's operation.

## 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 increased by approximately 40.2% from RMB33.2 million for the six months ended 30 June 2020 to RMB46.6 million for the six months ended 30 June 2021, primarily due to the expansion of business operations.

### 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 decreased by approximately 26.4% from RMB0.09 million for the six months ended 30 June 2020 to RMB0.06 million for the six months ended 30 June 2021.

Finance income increased by approximately 49.1% from RMB0.3 million for the six months ended 30 June 2020 to RMB0.5 million for the six months ended 30 June 2021, 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 increased by approximately 60.8% from RMB58.8 million for the six months ended 30 June 2020 to RMB94.6 million for the six months ended 30 June 2021.

### 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 enterprise income tax ("EIT") (including deferred income tax) in the PRC.

The Group's income tax expenses increased by approximately 43.3% from RMB17.9 million for the six months ended 30 June 2020 to RMB25.6 million for the six months ended 30 June 2021.

The effective income tax rate of the Group for the six months ended 30 June 2021 was 27%, compared to 30% for the six months ended 30 June 2020. 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 land appreciation tax).

## Management Discussion and Analysis

### **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 increased by approximately 73.3% from RMB38.4 million for the six months ended 30 June 2020 to RMB66.5 million for the six months ended 30 June 2021.

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

Profit for the period attributable to non-controlling interests decreased by approximately 3.9% from RMB2.5 million for the six months ended 30 June 2020 to RMB2.4 million for the six months ended 30 June 2021, 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 2021, the Group's trade receivables amounted to approximately RMB194.1 million, representing an increase of approximately RMB92.5 million or 91.0% compared with RMB101.6 million as of 31 December 2020. The increase was mainly due to the receivables from third parties as a result of market expansion.

### **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 2021, the Group's trade payables amounted to approximately RMB62.2 million, representing an increase of approximately 22.1% from approximately RMB50.9 million as of 31 December 2020. The increase was mainly due to the increasing subcontracting costs.

## Management Discussion and Analysis

### SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 June 2021, the Group did not have any significant investments.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, the Group's net current assets amounted to RMB107.6 million (31 December 2020: RMB41.8 million). Specifically, the Group's total current assets increased by approximately 15.4% from RMB403.3 million as at 31 December 2020 to RMB465.4 million as at 30 June 2021. The Group's total current liabilities decreased by 1.0% from RMB361.5 million as at 31 December 2020 to RMB357.9 million as at 30 June 2021. The increase in the Group's total current assets was primarily attributable to the increase in amounts due from third parties by 124.5% from RMB52.6 million as at 31 December 2020 to RMB118.1 million as at 30 June 2021.

As at 30 June 2021, the Group had cash and bank balances of RMB218.6 million (31 December 2020: RMB249.2 million), with no borrowings (31 December 2020: Nil).

### CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any material contingent liabilities (31 December 2020: Nil).

### KEY FINANCIAL RATIOS

#### Current ratio

As at 30 June 2021, the current ratio of the Group was 1.3 times (31 December 2020: 1.1 times). The increase of the Group's current ratio was mainly attributable to the increase of amounts due from third parties. The current ratio is calculated as current assets divided by current liabilities as of the same date.

#### Gearing ratio

As at 30 June 2021, the gearing ratio of the Group was 7.1% (31 December 2020: 15.3%), 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

The Group will continue to focus on its business strategies as set out in the Prospectus. As at the date of this report, save as disclosed in the Prospectus, the Group has no plan for any material investments or capital assets.

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

Except for the Global Offering and the Capitalization Issue as described in the Prospectus and partial exercise of the Over-allotment Option as disclosed in the Company's announcement dated 9 August 2021, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company from 1 January 2021 up to the date of this report.



### 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 of the Company 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.

### MATERIAL ACQUISITION AND DISPOSAL

Other than the reorganisation which was completed on 9 October 2020 as set out in the Prospectus, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2021.

### PLEDGE OF ASSETS

As at 30 June 2021, none of the assets of the Group were pledged.

### EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2021, the Group employed a total of 5,441 full-time employees (31 December 2020: 5,342 full-time employees). For the six months ended 30 June 2021, the staff cost recognised as expenses of the Group amounted to RMB248.1 million (six months ended 30 June 2020: RMB189.8 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 do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. During the six months ended 30 June 2021, 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.

### EVENTS AFTER THE REPORTING PERIOD

#### (a) Capitalization Issue

By directors' resolution dated 10 June 2021 and conditional upon the share premium amount of the Company being credited as a result of the Global Offering, the Company issued additional 374,999,900 shares, credited as fully paid, to the existing shareholders of the Company on 16 July 2021.

## Management Discussion and Analysis

### (b) Global Offering

The Company successfully listed its shares on Main Board of The Stock Exchange of Hong Kong Limited on 16 July 2021 and issued 125,000,000 shares on 16 July 2021 by way of the Global Offering at a price of HK\$4.88 per share.

On 11 August 2021, the Company further issued 8,104,000 shares at a price of HK\$4.88 per share pursuant to the partial exercise of the Over-allotment Option. For further details, please refer to the Company's announcement dated 9 August 2021.

The net proceeds from the Global Offering (including the partial exercise of the Over-allotment Option), after deduction of the underwriting fees, commissions and related expenses payable by the Company, were approximately HK\$597 million.

### (c) Use of Proceeds

As disclosed in the Prospectus, the intended use of the net proceeds from the Global Offering is as follows:

- (i) approximately 60.0% (or approximately HK\$355.8 million) 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% (or approximately HK\$65.2 million) will be used to further diversify the Group's project portfolio and value-added services;
- (iii) approximately 15.0% (or approximately HK\$89.0 million) will be used to develop and upgrade hardware and software used in our operations;
- (iv) approximately 4.0% (or approximately HK\$23.7 million) 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% (or approximately HK\$59.3 million) will be used for general business operations and working capital.

Please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus for further details on the intended use and expected timeline of use of the net proceeds. As at the date of this interim report, the Company does not anticipate any change to the intended use and expected timeline of use of the net proceeds as disclosed in the Prospectus.

## CHANGE OF SENIOR MANAGEMENT

Mr. Cai Litang resigned as vice president of the Group with effect from 21 July 2021. The Company will make the appropriate disclosure on the biographical details of the remaining members of the senior management in the annual report.

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

The information regarding Directors as set out in the Prospectus 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.

Given that the Shares were not yet listed on the Stock Exchange as of 30 June 2021, the principles and code provisions of the Corporate Governance Code did not apply to the Company during the Reporting Period. The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of the Company's corporate governance practices, and the Corporate Governance Code has been applicable to the Company with effect from the Listing Date.

From the Listing Date to the date of this report, so far as the Directors are aware, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions with effect from the Listing Date. As the Shares were not yet listed on the Stock Exchange as of 30 June 2021, the Model Code did not apply to the Company during the Reporting Period.

The provisions of the Listing Rules regarding directors' compliance with the Model Code are applicable to the Directors with effect from the Listing Date. All Directors have confirmed, following specific enquiry made by the Company, that they have complied with the guidelines contained in the Model Code since the Listing Date up to the date of this report.

## 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 2021, the Shares were not yet listed on the Stock Exchange, and accordingly, the provisions of Divisions 7 and 8 of Part XV of the SFO and section 352 of the SFO were not applicable.

As at the Listing Date, the interests and short positions of the Directors and the chief executives 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, were as follows:

### Interests in Shares

Name of Director	Nature of Interest/Capacity	Number of Shares or Underlying Shares <sup>(Note 1)</sup>	Approximate percentage of shareholding <sup>(Note 1)</sup>
Mr. Ou Zonghong <sup>(Note 2)</sup>	Founder of a trust	375,000,000 (L)	75%

Notes:

- (1) The calculation is based on the total number of 500,000,000 Shares in issue as at the Listing Date. 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 the Listing Date, 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

As at 30 June 2021, the Shares were not yet listed on the Stock Exchange, and accordingly, the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable.

So far as is known to the Company, as at the Listing Date, 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 1)</sup>
HSBC International Trustee Limited <sup>(Note 2)</sup>	Trustee of a trust	375,000,000 (L)	75%
Rongan Juxiang <sup>(Note 2)</sup>	Interest in controlled corporations	375,000,000 (L)	75%
Rongxin Yipin <sup>(Note 2)</sup>	Beneficial owner	300,000,000 (L)	60%
Fumei International <sup>(Note 2)</sup>	Beneficial owner	75,000,000 (L)	15%

Notes:

- (1) The calculation is based on the total number of 500,000,000 Shares in issue as at the Listing Date. 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 the Listing Date, 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 2021 (for the six months ended 30 June 2020: 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 have 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, supervise and approve the financial reporting process, risk management and internal control system 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 is a member of Hong Kong Institute of Certified Public Accountants since February 2005 and possesses appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules. The Audit Committee has reviewed the unaudited interim condensed consolidated results of the Company for the six months ended 30 June 2021 and this interim report.

By order of the Board

**Ronshine Service Holding Co., Ltd**

**Ou Zonghong**

*Chairman*

Hong Kong, 30 August 2021

# Interim Condensed Consolidated Statement of Comprehensive Income

	Note	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	6	488,834	318,403
Cost of sales	9	(344,999)	(224,772)
<b>Gross profit</b>		<b>143,835</b>	93,631
Selling and marketing expenses	9	(4,393)	(3,992)
Administrative expenses	9	(46,586)	(33,237)
Net impairment losses on financial assets		(1,020)	(490)
Other income	7	1,933	1,961
Other gains — net		347	673
<b>Operating profit</b>		<b>94,116</b>	58,546
Finance income		507	340
Finance cost		(64)	(87)
Finance income — net	8	443	253
<b>Profit before income tax</b>		<b>94,559</b>	58,799
Income tax expenses	11	(25,632)	(17,892)
<b>Total comprehensive income for the period</b>		<b>68,927</b>	40,907
<b>Total comprehensive income for the period is attributable to:</b>			
— Owners of the Company		66,483	38,363
— Non-controlling interests		2,444	2,544
		<b>68,927</b>	40,907
<b>Earnings per share (expressed in RMB'000 per share)</b>			
— Basic and diluted earnings per share	12	665	384

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

Note: The earnings per share presented above has not been taken into account the proposed capitalisation issue pursuant to the resolutions in writing of the shareholders passed on 10 June 2021 because the proposed capitalisation issue has not become effective as at 30 June 2021.

# Interim Condensed Consolidated Balance Sheet

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	16,784	15,741
Intangible assets	14	1,245	393
Deferred income tax assets		3,938	3,184
		<b>21,967</b>	19,318
<b>Current assets</b>			
Trade and other receivables and prepayments	15	241,503	148,702
Restricted cash	17	5,352	5,352
Cash and cash equivalents	16	218,594	249,221
		<b>465,449</b>	403,275
<b>Total assets</b>		<b>487,416</b>	422,593
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	18(a)	—	—
Share premium	18(b)	146,798	146,798
Other reserves	19	(179,798)	(179,798)
Retained earnings		155,169	88,686
		<b>122,169</b>	55,686
<b>Non-controlling interests</b>		<b>2,125</b>	(319)
<b>Total equity</b>		<b>124,294</b>	55,367



## Interim Condensed Consolidated Balance Sheet

	Note	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	21	5,252	5,740
<b>Current liabilities</b>			
Contract liabilities		78,114	82,548
Trade and other payables	20	255,578	270,077
Lease liabilities	21	3,586	2,725
Current income tax liabilities		20,592	6,136
		<b>357,870</b>	361,486
<b>Total liabilities</b>		<b>363,122</b>	367,226
<b>Total equity and liabilities</b>		<b>487,416</b>	422,593

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

The condensed consolidated interim financial information on pages 30 to 58 were approved by the Board of Directors on 30 August 2021.

**Ma Xianghong**

*Director*

**Lin Yi**

*Director*

# Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							
		Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Note	RMB'000 (Note 18(a))	RMB'000 (Note 18(b))	RMB'000 (Note 19)	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2021 (Audited)</b>		—	146,798	(179,798)	88,686	55,686	(319)	55,367
<b>Comprehensive income</b>								
Profit for the period		—	—	—	66,483	66,483	2,444	68,927
<b>Balance at 30 June 2021 (Unaudited)</b>		—	146,798	(179,798)	155,169	122,169	2,125	124,294
<b>Balance at 1 January 2020 (Audited)</b>		—	—	5,000	106,175	111,175	(2,879)	108,296
<b>Comprehensive income</b>								
Profit for the period		—	—	—	38,363	38,363	2,544	40,907
Dividends	22	—	—	—	(100,000)	(100,000)	—	(100,000)
<b>Balance at 30 June 2020 (Unaudited)</b>		—	—	5,000	44,538	49,538	(335)	49,203

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

# Interim Condensed Consolidated Statement of Cash Flows

	Note	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations		(10,120)	16,004
Interest received	8	507	340
Income tax paid		(12,217)	(7,197)
<b>Net cash (used in)/generated from operating activities</b>		<b>(21,830)</b>	<b>9,147</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(1,829)	(110)
Purchase of intangible assets	14	(986)	(18)
Proceeds from disposal of property, plant and equipment		13	50
Acquisition of financial assets at fair value through profit or loss		—	(87,000)
Proceeds from disposal of financial assets at fair value through profit or loss		—	78,294
<b>Net cash used in investing activities</b>		<b>(2,802)</b>	<b>(8,784)</b>
<b>Cash flows from financing activities</b>			
Deemed distributions to the shareholders of the Company		(2,600)	—
Principal elements and interest elements of lease payments		(2,162)	(1,069)
Listing expenses paid		(1,167)	(1,448)
<b>Net cash used in financing activities</b>		<b>(5,929)</b>	<b>(2,517)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(30,561)</b>	<b>(2,154)</b>
Cash and cash equivalents at beginning of period		249,221	71,121
Exchange losses on cash and cash equivalents		(66)	—
<b>Cash and cash equivalents at end of period</b>		<b>218,594</b>	<b>68,967</b>

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

# Notes to the Condensed Consolidated Interim Financial Information

## 1 General information

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's shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 July 2021 (the "**Listing**").

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 ultimate holding company was Rongyue Century Co., Ltd. ("**Rongyue Century**"), a company incorporated under the laws of British Virgin Islands ("**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. COVID-19 may affect the financial performance and position of the industry of property management. Since the outbreak of 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. As at the date that the condensed consolidated interim financial information is authorised for issue, COVID-19 doesn't have any material adverse impact on the financial position and operating result of the Group.

These condensed interim consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated. The condensed consolidated interim financial information has been approved for issue by the board of directors (the "**Board**") on 30 August 2021.

The condensed interim financial information has not been audited.

## 2 Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2021 has been prepared in accordance with HKAS 34 "Interim Financial Reporting".

The condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial statements. Accordingly, this information is to be read in conjunction with the financial statements for the years ended 31 December 2018, 2019 and 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), as set out in the prospectus of the Company dated 30 June 2021.

### 3 Accounting policies

The accounting policies applied are consistent with those in the preparation of the Group's financial statements for the years ended 31 December 2018, 2019 and 2020, except for the adoption of new and amended standards as set out below.

#### (a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the financial period beginning on 1 January 2021:

HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform — Phase 2
HKFRS 16 (Amendments)	COVID-19-Related Rent Concessions beyond 30 June 2021

The adoption of these standards and the new accounting policies disclosed did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments.

### 3 Accounting policies (Continued)

#### (b) New standards and amendments not yet effective for the financial period beginning on 1 January 2021 and not early adopted by the Group

Up to the date of issuance of this report, the HKICPA has issued the following new standards and amendments to existing standards which are not yet effective and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
Annual improvements Project	Annual Improvements to HKFRS Standards 2018-2020	1 January 2022
HKFRS 3, HKAS 16, and HKAS 37	Narrow-scope amendments (amendments)	1 January 2022
AG 5 (revised)	Revised Accounting Guideline 5 Merger Accounting for Common Control Combinations	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts — Cost to Fulfilling a Contract	1 January 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
HKAS 1 (Amendments)	Classification of liabilities as current or non-current	1 January 2023
HKFRS 17	Insurance contract (new standard)	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
HK Int 5 (2020)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new standards, interpretation and amendments. According to the preliminary assessment made by the Group, no significant impact on the Group's financial statements is expected when they become effective.

## 4 Critical accounting estimates and judgements

The preparation of interim financial information 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 this condensed consolidated interim financial information, 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 2018, 2019 and 2020.

## 5 Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("**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 2021 and 2020, 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 2021 and 2020, 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 at 30 June 2021, cash and cash equivalents of HK\$23,000 (equivalent to RMB19,000), US\$692,000 (equivalent to RMB4,468,000), and RMB38,194,000 were temporarily deposited in the Group's bank accounts in Hong Kong. Except for this, more than 99% of the Group's assets are situated in the Mainland of 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 2021 and 2020 is as follows:

	Revenue from customer and recognized	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Property management services	over time	220,411	165,380
Value-added services to non-property owners	over time	238,160	147,342
Community value-added services		30,263	5,681
— Sales of goods	at a point in time	23,679	2,125
— Other value-added services	over time	6,584	3,556
		<b>488,834</b>	318,403

During the six months ended 30 June 2021 and 2020, revenue derived from customers who accounted for more than 10% of total revenue were set out below.

	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Ronshine China Holding Limited and its subsidiaries (the "Ronshine China Group")	33%	34%
Customer Group A*	14%	19%

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



## 7 Other income

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Additional deduction of value-added input tax	1,347	539
Government grants (Note (a))	586	1,422
	<b>1,933</b>	<b>1,961</b>

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

## 8 Finance income — net

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Finance income</b>		
Interest income from bank deposits	507	340
<b>Finance cost</b>		
Interest expenses of lease liabilities	(64)	(87)
<b>Finance income — net</b>	<b>443</b>	<b>253</b>

## 9 Expenses by nature

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (Note 10)	248,094	189,846
Greening and cleaning expenses	62,655	34,543
Security charges	23,871	5,543
Cost of goods sold	19,669	2,088
Maintenance costs	11,123	6,539
Listing expenses	6,517	5,406
Community activities expenses	5,304	3,722
Depreciation and amortization charges	3,382	1,562
Office expenses	2,700	2,608
Consultancy fee	2,230	1,758
Taxes and other levies	2,175	1,863
Travelling and entertainment expenses	2,070	1,828
Advertising expenses	1,130	655
Lease payments on short term leases	1,029	768
Bank charges	666	488
Others	3,363	2,784
	<b>395,978</b>	<b>262,001</b>

## 10 Employee benefit expenses

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Wages, salaries and bonuses	209,310	168,616
Social insurance expenses and housing benefits (Note (a))	32,094	15,576
Other employee benefits (Note (b))	6,690	5,654
	<b>248,094</b>	<b>189,846</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 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 2021 and 2020.

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 2021 and 2020. "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.

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Current income tax	<b>26,386</b>	18,065
Deferred income tax	<b>(754)</b>	(173)
	<b>25,632</b>	17,892

## 11 Income tax expenses (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the group entities as follows:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Profit before income tax	94,559	58,799
Tax charge at effective rate applicable to profits in the respective Group entities	23,640	14,700
Tax effects of:		
— Expenses not deductible for tax purposes	1,724	1,427
— Tax losses and deductible temporary differences for which no deferred income tax asset was recognized	349	236
— The impact of change in tax rate applicable to a subsidiary	55	1,529
— Utilization of previously unrecognized tax losses	(136)	—
Income tax expenses	25,632	17,892

The effective income tax rate was 27% and 30% for the six months ended 30 June 2021 and 2020 respectively.

## 12 Earnings per share

### (a) Basic earnings per share

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the six months ended 30 June 2021 and 2020. In determining the weighted average number of ordinary shares outstanding, the 100 shares issued on 29 October 2020 were deemed to have been in issue since 1 January 2020.

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RMB'000)	<b>66,483</b>	38,363
Ordinary shares outstanding	<b>100</b>	100
<hr/>		
Basic earnings per share attributable to the owners of the Company during the period (expressed in RMB'000 per share)	<b>665</b>	384

### (b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Diluted earnings per share is equal to basic earnings per share.

- (c) The earnings per share presented above has not been taken into account the proposed capitalisation issue pursuant to the resolutions in writing of the shareholders passed on 10 June 2021 because the proposed capitalisation issue has not become effective as at 30 June 2021.

## 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 2020 (Audited)</b>						
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)
<b>Net book amount</b>	<b>122</b>	<b>709</b>	<b>483</b>	<b>6,050</b>	<b>8,377</b>	<b>15,741</b>
<b>Six months ended 30 June 2021 (Unaudited)</b>						
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)
<b>Closing net book amount</b>	<b>88</b>	<b>760</b>	<b>558</b>	<b>6,545</b>	<b>8,833</b>	<b>16,784</b>
<b>As at 30 June 2021 (Unaudited)</b>						
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)
<b>Net book amount</b>	<b>88</b>	<b>760</b>	<b>558</b>	<b>6,545</b>	<b>8,833</b>	<b>16,784</b>
<b>As at 31 December 2019 (Audited)</b>						
Cost	668	3,408	1,683	2,260	4,987	13,006
Accumulated depreciation	(520)	(2,647)	(1,251)	(2,056)	(3,564)	(10,038)
<b>Net book amount</b>	<b>148</b>	<b>761</b>	<b>432</b>	<b>204</b>	<b>1,423</b>	<b>2,968</b>
<b>Six months ended 30 June 2020 (Unaudited)</b>						
Opening net book amount	148	761	432	204	1,423	2,968
Additions	—	53	57	—	2,051	2,161
Depreciation charge	(26)	(202)	(50)	(199)	(1,006)	(1,483)
<b>Closing net book amount</b>	<b>122</b>	<b>612</b>	<b>439</b>	<b>5</b>	<b>2,468</b>	<b>3,646</b>
<b>As at 30 June 2020 (Unaudited)</b>						
Cost	668	3,461	1,740	2,260	7,038	15,167
Accumulated depreciation	(546)	(2,849)	(1,301)	(2,255)	(4,570)	(11,521)
<b>Net book amount</b>	<b>122</b>	<b>612</b>	<b>439</b>	<b>5</b>	<b>2,468</b>	<b>3,646</b>

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

## 14 Intangible assets

	<b>Software</b> RMB'000
<b>As at 31 December 2020 (Audited)</b>	
Cost	1,003
Accumulated amortization	(610)
<b>Net book amount</b>	<b>393</b>
<b>Six months ended 30 June 2021 (Unaudited)</b>	
Opening net book amount	393
Additions	986
Amortization	(134)
<b>Closing net book amount</b>	<b>1,245</b>
<b>As at 30 June 2021 (Unaudited)</b>	
Cost	1,989
Accumulated amortization	(744)
<b>Net book amount</b>	<b>1,245</b>
<b>As at 31 December 2019 (Audited)</b>	
Cost	870
Accumulated amortization	(442)
<b>Net book amount</b>	<b>428</b>
<b>Six months ended 30 June 2020 (Unaudited)</b>	
Opening net book amount	428
Additions	18
Amortization	(79)
<b>Closing net book amount</b>	<b>367</b>
<b>As at 30 June 2020 (Unaudited)</b>	
Cost	888
Accumulated amortization	(521)
<b>Net book amount</b>	<b>367</b>

(a) No intangible asset is restricted or pledged as security for liabilities as at 30 June 2021.



## 15 Trade and other receivables and prepayments

	<b>As at 30 June 2021 RMB'000 (Unaudited)</b>	As at 31 December 2020 RMB'000 (Audited)
Trade receivables		
— Related parties (Note 25(d))	<b>76,037</b>	49,049
— Third parties	<b>123,605</b>	56,816
	<b>199,642</b>	105,865
Less: allowance for impairment of trade receivables	<b>(5,529)</b>	(4,231)
	<b>194,113</b>	101,634
Other receivables		
— Related parties (Note 25(d))	<b>9,980</b>	10,190
— Third parties	<b>27,085</b>	32,715
	<b>37,065</b>	42,905
Less: allowance for impairment of other receivables	<b>(4,720)</b>	(4,998)
	<b>32,345</b>	37,907
Prepayments to suppliers		
— Third parties	<b>7,986</b>	4,402
Deferred listing expenses (Note (b))	<b>6,404</b>	4,391
Prepaid tax	<b>655</b>	368
	<b>241,503</b>	148,702

## 15 Trade and other receivables and prepayments (Continued)

- (a) 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.

- (b) Deferred listing expenses will be deducted from equity upon listing of the Group.

As at 30 June 2021 and 31 December 2020, the ageing analysis of the trade receivables based on invoice date were as follows:

	<b>As at 30 June 2021 RMB'000 (Unaudited)</b>	As at 31 December 2020 RMB'000 (Audited)
Up to 1 year	<b>190,004</b>	97,455
1 to 2 years	<b>5,552</b>	4,960
2 to 3 years	<b>2,109</b>	1,881
Over 3 years	<b>1,977</b>	1,569
	<b>199,642</b>	105,865

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2021, a provision of RMB5,529,000 was made against the gross amounts of trade receivables (31 December 2020: RMB4,231,000).

## 16 Cash and cash equivalents

	<b>As at 30 June 2021 RMB'000 (Unaudited)</b>	As at 31 December 2020 RMB'000 (Audited)
<b>Cash at bank and on hand (Note (a))</b>		
— Denominated in RMB	<b>214,107</b>	244,294
— Denominated in US\$	<b>4,468</b>	4,919
— Denominated in HK\$	<b>19</b>	8
	<b>218,594</b>	249,221

- (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.

## 17 Restricted cash

Restricted cash represents subsidiaries' cash deposits in the bank as performance security for value-added services to non-property owners according to the requirements of certain clients.

## 18 Share capital and share premium

### (a) Share capital

	<b>Number of ordinary shares</b>	<b>Share capital HK\$'000</b>	<b>Equivalent share capital RMB'000</b>
<b>Authorized</b>			
As at 30 June 2021 (Unaudited) and 31 December 2020 (Audited)	38,000,000	380	345
<b>Issued</b>			
As at 30 June 2021 (Unaudited) and 31 December 2020 (Audited)	100	—	—

The Company was incorporated on 14 April 2020 with an authorized share capital of HK\$380,000 divided into 38,000,000 ordinary shares with a par value of HK\$0.01 each.

## 18 Share capital and share premium (Continued)

## (b) Share premium

	Share premium RMB'000
Balance at 1 January 2021 (Audited) and 30 June 2021 (Unaudited)	146,798

## 19 Other reserves

	Capital reserves RMB'000
Balance at 1 January 2021 (Audited) and 30 June 2021 (Unaudited)	(179,798)

## 20 Trade and other payables

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Trade payables		
— Related parties (Note 25(d))	—	5,437
— Third parties	62,164	45,495
	<b>62,164</b>	50,932
Other payables		
— Related parties (Note 25(d))	5,156	8,704
— Third parties	116,310	103,313
	<b>121,466</b>	112,017
Accrued payroll	52,823	91,031
Other taxes payables	19,125	16,097
	<b>255,578</b>	270,077

## 20 Trade and other payables (Continued)

- (a) As at 30 June 2021 and 31 December 2020, the carrying amounts of trade and other payables approximated its fair values.
- (b) As at 30 June 2021 and 31 December 2020, the ageing analysis of the trade payables based on invoice date were as follows:

	<b>As at 30 June 2021 RMB'000 (Unaudited)</b>	As at 31 December 2020 RMB'000 (Audited)
Up to 1 year	59,349	49,564
1 to 2 years	1,512	370
2 to 3 years	851	799
Over 3 years	452	199
	<b>62,164</b>	50,932

## 21 Leases

### Amounts recognized in the consolidated balance sheet

	<b>As at 30 June 2021 RMB'000 (Unaudited)</b>	As at 31 December 2020 RMB'000 (Audited)
<b>Right-of-use assets</b>		
Properties (Note 13)	8,833	8,377
<b>Lease liabilities</b>		
Current	3,586	2,725
Non-current	5,252	5,740
	<b>8,838</b>	8,465

## 22 Dividends

No interim dividend for the six months ended 30 June 2021 has been proposed by the board of directors.

## 23 Financial guarantees

As at 30 June 2021 and 31 December 2020, 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 2021.

### (b) Contingencies

The Group did not have any material contingent liabilities as at 30 June 2021.

## 25 Related party transactions

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

Name	Relationship with the Group
Mr. Ou 歐宗洪	Controlling shareholder of the Company
Fujian Dingcheng Investment Co., Ltd.* 福建鼎誠投資有限公司	A company controlled by Mr. Ou
Xiuyi (Fujian) Landscape Engineering Co., Ltd.* 秀藝(福建)園林工程有限公司	A company controlled by Mr. Ou
Fujian Xiuyi Greening Management Co., Ltd.* 福建秀宜綠化管理有限公司	A company controlled by Mr. Ou
Ronshine China Group 融信中國集團	A group controlled by Mr. Ou
Zhenjiang Yiteng Property Development Co., Ltd.* 鎮江億騰房地產開發有限公司	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
Ronglang Real Estate Development Co., Ltd.* 杭州融朗房地產開發有限公司	An Associate 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
Hangzhou Linanlongxing Real Estate Development Co., Ltd.* 杭州臨安龍興房地產開發有限公司	An Associate of Ronshine China Group
Hangzhou Longyi Real Estate Development Co., Ltd.* 杭州龍毅房地產開發有限公司	An Associate of Ronshine China Group

## 25 Related party transactions (Continued)

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

Name	Relationship with the Group
Hangzhou Meishengmei Real Estate Co., Ltd.* 杭州美生美置業有限公司	An Associate 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
Nantong Jianghe Real Estate Co., Ltd.* 南通江河置業有限公司	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
Hairong (Zhangzhou) Property Co., Ltd.* 海融(漳州)房地產有限公司	A joint venture of Ronshine China Group
Fuzhou Yubaichuan Real Estate Development Co., Ltd.* 福州裕百川房地產開發有限公司	A joint venture of Ronshine China Group
Hangzhou Xincheng Property Co., Ltd.* 杭州信辰置業有限公司	A joint venture of Ronshine China Group
Nanjing Kaijingsheng 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
Hangzhou Ronghao Real Estate Development Co., Ltd.* 杭州融浩置業有限公司	A joint venture of Ronshine China Group
Ningbo Fenghuahedu Real Estate Development Co., Ltd.* 寧波奉化和都房地產開發有限公司	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
Shanghai Biyang Real Estate Development Co., Ltd.* 上海碧楊置業有限公司	A joint venture of Ronshine China Group
Cixi Jingui Real Estate Development Co., Ltd.* 慈溪市金桂置業有限公司	A joint venture 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
Anji Rongshang Real Estate Development Co., Ltd.* 安吉融尚房地產有限公司	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
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
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
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
Hangzhou Jinguang Real Estate Co., Ltd.* 杭州錦官置業有限公司	A joint venture of Ronshine China Group
Mianyang Wanwei Jinxin Real Estate Development Co., Ltd.* 綿陽萬為金心房地產開發有限公司	A joint venture of Ronshine China Group
Mianyang Wanwei Jincal 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
Nanchong Wanwei Real Estate Development Co., Ltd.* 南充萬為房地產開發有限公司	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
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
Hangzhou Rongxing Real Estate Development Co., Ltd.* 杭州融幸商業發展有限公司	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

\* 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	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Provision of services		
— Ronshine China Group	162,713	106,704
— Ronshine China Group's associates	5,547	4,431
— Ronshine China Group's joint ventures	14,153	12,318
— Companies controlled by Mr. Ou	6	—
	<b>182,419</b>	123,453

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Receipt of services		
— Companies controlled by Mr. Ou	206	2,968

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	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and other short-term employee benefits	1,167	1,028

## 25 Related party transactions (Continued)

## (d) Balances with related parties

	As at 30 June 2021 RMB'000 (Unaudited)	As at 31 December 2020 RMB'000 (Audited)
Trade receivables		
— Ronshine China Group	67,466	43,505
— Ronshine China Group's associates	3,187	2,939
— Ronshine China Group's joint ventures	5,379	2,605
— Companies controlled by Mr. Ou	5	—
	<b>76,037</b>	49,049
Other receivables (i)		
— Ronshine China Group		
— Performance guarantee deposits	9,980	10,190
Trade payables		
— Ronshine China Group	—	620
— Companies controlled by Mr. Ou	—	4,817
	—	5,437
Other payables		
— Ronshine China Group	5,156	617
— Companies controlled by Mr. Ou	—	5,487
— Mr. Ou	—	2,600
	<b>5,156</b>	8,704

(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) Trade and other receivables, and trade and other payables due from/to related parties are unsecured and interest-free.

## 26 Event after the balance sheet date

### (a) Capitalisation issue

By directors' resolution dated 10 June 2021 and conditional upon the share premium amount of the Company being credited as a result of the proposed offering of the Company's shares, the Company issued additional 374,999,900 shares, credited as fully paid, to the existing shareholders of the Company on 16 July 2021.

### (b) Global offering

The Company successfully listed its shares on Main Board of The Stock Exchange of Hong Kong Limited on 16 July 2021 and issued 125,000,000 shares on 16 July 2021 by way of a global offering at a price of HK\$4.88 per share.

On 11 August 2021, the Company further issued 8,104,000 shares at a price of HK\$4.88 per share based on the partial exercise of over-allotment option.

The net proceeds after deduction of the underwriting fees, commissions and related expenses payable by the company in connection with the Global offering were approximately HK\$597 million.