

ROISERV 榮萬家

Roiserv Lifestyle Services Co., Ltd.

榮萬家生活服務股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 2146



2023

Annual Report



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Zhang Wenge

Independent Non-executive Directors

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

SUPERVISORY COMMITTEE

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

JOINT COMPANY SECRETARIES

Mr. Xiao Tianchi
Ms. So Shuk Yi Betty (*resigned on June 5, 2023*)
Mr. Chung Ming Fai (*appointed on June 5, 2023; resigned on January 5, 2024*)
Mr. Diao Shaolong (*appointed on January 5, 2024*)

AUTHORISED REPRESENTATIVES

Mr. Xiao Tianchi
Ms. So Shuk Yi Betty (*resigned on June 5, 2023*)
Mr. Chung Ming Fai (*appointed on June 5, 2023; resigned on January 5, 2024*)
Mr. Diao Shaolong (*appointed on January 5, 2024*)

AUDITOR

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

COMPLIANCE ADVISOR

Maxa Capital Limited
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Sheung Wan, Hong Kong

LEGAL ADVISOR

Sidley Austin (as to Hong Kong laws)

REGISTERED OFFICE IN THE PRC

Office Building No. 9, Pingan Street
South Xia'an Highway
Xianghe County Development Zone
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Hebei Province
PRC

HEADQUARTERS IN THE PRC

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Hebei Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

18/F, China Building
29 Queen's Road Central
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H SHARE REGISTRAR

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17/F, Far East Finance Centre
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PRINCIPAL BANKS

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

INVESTOR RELATIONS

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STOCK CODE

2146



FINANCIAL HIGHLIGHTS

For the year ended December 31,

	2023	2022	Change in percentage
Results Summary			
Revenue (RMB'000)	1,831,897	2,014,870	-9.1%
Gross profit (RMB'000)	456,881	642,471	-28.9%
Net profit for the year (RMB'000)	130,692	245,576	-46.8%
Adjusted profit for the year (RMB'000)	132,399	252,947	-47.7%
Gross profit margin (%)	24.9%	31.9%	-6.9 percentage points
Basic earnings per Share (RMB)	0.34	0.64	-47.8%

As at December 31,

	2023	2022	Change in percentage
Balance Sheet Summary			
Total assets (RMB'000)	4,154,225	4,052,730	2.5%
Cash and cash equivalents (RMB'000)	659,310	824,330	-20.0%
Total liabilities (RMB'000)	2,061,108	1,953,339	5.5%
Total equity (RMB'000)	2,093,117	2,099,392	-0.3%
Equity attributable to owners of the Company (RMB'000)	2,074,197	2,090,402	-0.8%
Current ratio (times)	1.9	1.9	0.0%
Liabilities to assets ratio (%)	49.6%	48.2%	1.4 percentage points



MAJOR HONORS AND AWARDS IN 2023

On April 26, 2023, Roiserv ranked 15th of the 2023 TOP 100 Property Management Companies in China, 1 rank higher than that of 2022



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





HONORS AND AWARDS

On May 30, 2023, Roiserv was honored with the title of 2023 Top 20 Listed Company of Property Management Service



On June 28, 2023, Roiserv was honored with the title of 2023 Top 20 of China Property Management Companies



On June 28, 2023, Roiserv was honored with the title of 2023 Leading Companies of China in Residential Property Service



On June 28, 2023, Roiserv was honored with the title of 2023 Leading Companies of China in Smart Property Service





HONORS AND AWARDS

On June 28, 2023, Roiserv was honored with the title of 2023 Leading Property Management Companies of China in Value-added Services Operation



On September 1, 2023, the Company was honored with the title of 2023 TOP20 Companies of China in Residential Property Service



On September 1, 2023, Roiserv was honored with the title of 2023 Leading Companies of China in Property Management Satisfaction



On September 1, 2023, the Company was honored with the title of 2023 Residential Serviceability Benchmark Project – Shijiazhuang Rongsheng Huafu



On September 1, 2023, Roiserv was honored with the title of 2023 Top 100 of Most Valuable Brand of China Property Management Service



On September 1, 2023, Roiserv was honored with the title of 2023 Top 30 Brand Property Management Companies in North China





On December 8, 2023, the Company's Shijiazhuang Jinxiu School project and Cangzhou Rongsheng Mansion project were awarded the 2023-2024 China Five-Star Property Service Project by the Beijing China Index Academy





CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2023, we continued to uphold the customer-oriented service philosophy, improve the quality of services, put into practice the values of “sincerity, warmth and thoughtfulness”, and strive for the goal of becoming a caring, warm-hearted, trustworthy and well-received quality life service provider with a far-sighted service philosophy and a coverage on the whole life cycle and the entire community service chain. For the year ended December 31, 2023, the Group recorded revenue of approximately RMB1,831.9 million, representing a decrease of approximately 9.1% as compared to that of 2022; gross profit of approximately RMB 456.9 million, representing a year-on-year decrease of approximately 28.9%. Net profit for the year amounted to approximately RMB130.7 million, representing a decrease of approximately 46.8% as compared to that of 2022. Gross profit margin for the Period was approximately 24.9%, a decrease of approximately 6.9 percentage points year-on-year. Profit attributable to the owners of the Company was approximately RMB126.3 million, representing a decrease of approximately 47.8% as compared to that of 2022. Basic earnings per share amounted to RMB0.34, representing a decrease of approximately 47.8% as compared to that of 2022. The Board did not recommend the payment of a final dividend for the year ended December 31, 2023.

INDUSTRY STATUS

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

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

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

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



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

CORPORATE STRATEGIES

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

Continue to enhance brand value

Our brand is our utmost important asset. Our brand represents our corporate mission of “the builder of ideal human settlements, the connector of space and behavior, the innovator of property service industry” and our corporate values of “sincerity, warmth and thoughtfulness”. Customer recognition of our brand will bring more business opportunities and brand premium. We plan to continue enhancing our brand recognition through the following measures: (i) establishing a quality brand image with enhanced service quality. We strive to improve the service quality for each of our managed property in order to enhance the customer satisfaction level and improve brand recognition; (ii) enriching the service chain and extending service boundaries through mergers and acquisitions, including the acquisitions of Hebei Jinxiang Property Group Co., Ltd.* (河北金項物業集團有限公司) (“**Jinxiang Property**”), which focuses on public property management business, and Wanjia Smart Environment (Beijing) Co., Ltd.* (萬家智慧環境(北京)有限公司) (“**Wanjia Smart**”), which focuses on urban operation business. We have leveraged our internal potential to establish the service brand “YoHo to Home” (呦吼到家), offering property owners more thoughtful housekeeping and related services; (iii) launching robust brand building activities. At the fifth annual YoHo Family Festival (呦吼家庭節), we gathered with over 100,000 property owners outdoors to revitalize the once-silent community, infusing it with renewed energy and engagement. By organizing community cultural activities and brand image campaigns such as the sixth Citizen Service Month (便民服務月), we enhanced customer satisfaction and brand awareness; and (iv) enhancing our influence in property industry development, including participating in the formulation of industry standards and attending industry summits and conferences. We believe that a trustworthy brand will enable us to obtain more property management projects, as well as enhancing our bargaining power, which will further improve our financial performance and competitiveness.

Further expand our business scale and market share

Leveraging our leading market position in the Bohai Economic Rim, and a national strategic service network consisted of the Bohai Economic Rim, the Yangtze River Delta Area, the Greater Bay Area and Central & Western China, as well as brand recognition and awareness, we aim to further expand our business and market share and achieve organizational growth. We plan to continue to improve our service quality by enhancing customer satisfaction and brand reputation through enhancing our quality service grading, constructing five-star projects and promoting the establishment of smart communities.



We plan to expand and deepen our cooperation with RiseSun Group by improving our capabilities in managing diversified types of properties. Strengthening third-party external expansion and enhancing multi-business formats and expanding our market share in cities we currently have operations in, we penetrate into new regions and new service areas. Meanwhile, leveraging our extensive property management service experience, we also plan to offer property management consultancy services to property developers and small-sized and medium-sized property management service companies. In 2023, we completed the acquisitions of Jinxiang Property and Wanjia Smart, whereby the Group's business gradually expanded to non-residential property services and urban services. Against the backdrop of a decreasing area of newly delivered housing in the upstream real estate industry and a shrinking annual takeover area in the property industry, the Group's expansion into diversified business operations will further expand the scale and scope of the Group's business operations, increase the Group's non-residential market share and enhance its competitiveness. Additionally, the diversified business development will also strengthen the Group's ability to adapt to market changes and its anti-risk capability.

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

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



Continue to enrich our community value-added services

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

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

We plan to further expand our turnkey furnishing services to provide property owners with services covering the whole life cycle of their properties. According to the diverse needs of property owners across different levels, differentiated and segmented services are provided to new and existing property owners. In terms of new house services, we collaborate with merchants to fulfill the product and service designs, taking into consideration the core concerns of property owners. Through activities such as constructing sample rooms and organizing property owner meetings, the Group delivers valuable services, increasing the order completion rate and turnover for merchants, ultimately achieving a win-win situation. In terms of services for existing property owners, the Group optimizes its products according to the length of their residence and changes in family members. By providing free value-added services, such as regular inspections and troubleshooting, the Group identifies potential needs of property owner's and seizes business opportunities. In addition, we plan to offer renovation, cleaning and remodeling services for used properties. We plan to further diversify our community value-added service offerings to cover housekeeping services, community elderly care and healthcare services. We also plan to provide integrated professional services such as indoor air quality improvement, housekeeping and cleaning, appliance cleaning services, and tailor make these services to property owners and residents based on their needs. We may also acquire downstream companies with community services that are complementary to our community value-added services, including, among others, companies engaged in decoration and renovation, education and training and housekeeping services.



Further invest in technologies, develop and promote smart community management

We will further invest in information technology and digital operation platforms to enhance our service quality and operational efficiency. We plan to build a resource management system and a remote data and video surveillance center and to upgrade our Carpark Entry and Exit Management System to achieve functions such as car park management and electronic payment through scanning QR code. We also plan to build intelligent management platforms, property management service platforms and value-added service platforms to enrich service scenarios and improve user experience. These new systems and functions are expected to integrate into our existing digital systems using devices connected by the Internet of Things technology and other information technologies, which enable us to collect real-time data from our equipment and facilities and to remotely monitor their operation status and receive alerts of malfunction incidents. It is planned to build a smart command system with integrated functions such as smart vehicle monitoring, smart pedestrian monitoring, smart security and smart facilities to improve the efficiency of project operation and management. We expect that digitalized management will enhance our ability to collect and analyze operational data and thus our manpower and other resources can be allocated and utilized more efficiently without compromising our service quality.

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

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

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

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

By Order of the Board

Geng Jianfu

Chairman and executive Director

April 30, 2024



BUSINESS REVIEW

OVERVIEW

The Group is a comprehensive property management service provider with a strategic service network across China. As of December 31, 2023, the Group had a total of 431 property management projects under management with an aggregate GFA under management of approximately 83.6 million sq.m., covering 65 cities across 19 provinces, municipalities and autonomous regions in China. As of December 31, 2023, the Group was contracted to manage 507 property management projects with an aggregate contracted GFA of approximately 101.1 million sq.m., covering 69 cities across 19 provinces, municipalities and autonomous regions in China.

The Group provides diversified services principally through four business lines, namely property management services, value-added services to non-property owners, community value added services and urban services. Its portfolio of managed properties comprises (i) residential properties; and (ii) non-residential properties, including (a) commercial properties, such as shopping malls, office buildings and serviced apartments; and (b) public and other properties, such as industry parks, the Olympic Village, schools and hospitals.

BUSINESS MODEL

The Group principally owns four major business lines, namely (i) property management services, (ii) value-added services to non-property owners, (iii) community value-added services, and (iv) urban services, which constitute the comprehensive services that the Group provides to its customers, and cover the entire value chain of property management.

- **Property management services:** The Group provides property developers, property owners and residents, as well as government and other public construction authorities with a wide range of property management services, primarily including security, cleaning, greening and gardening, and repair and maintenance services. Its portfolio of managed properties comprises (i) residential properties; and (ii) non-residential properties, including (a) commercial properties, such as shopping malls, office buildings and serviced apartments; and (b) public and other properties, such as industry parks, the Olympic Village, schools and hospitals. During the year ended December 31, 2023, all of the Group's property management fees were charged on a lump sum basis.
- **Value-added services to non-property owners:** The Group offers a comprehensive range of value-added services to non-property owners, primarily property developers. These services primarily comprise (i) property engineering services; (ii) on-site services; and (iii) other services which primarily include preliminary planning and design consultancy services, property delivery services and aftersales services.
- **Community value-added services:** The Group provides community value-added services to property owners and residents. It categorizes these services into two types: (i) home-living services which primarily include community retail, commercial procurement services, home repairs and maintenance, and housekeeping services; and (ii) property space management services which primarily include turnkey furnishing services and property brokerage services.
- **Urban services:** The Group provides integrated sanitation operation services in both urban and rural areas, which mainly include: urban and rural sanitation services, such as cleaning and janitorial services, garbage removal and river cleaning, etc.



PROPERTY MANAGEMENT SERVICES

Continuous high-quality growth in GFA size

The Group has been continuously expanding its property management service portfolio by obtaining new property management service contracts. As of December 31, 2023, the Group has contracted GFA of approximately 101.1 million sq.m., representing an increase of approximately 3.6% as compared with that as of December 31, 2022, and 507 contracted projects, representing an increase of approximately 4.3% as compared with that as of December 31, 2022. As of December 31, 2023, the GFA under management was approximately 83.6 million sq.m. relating to 431 projects under management, representing an increase of approximately 14.1% and 11.9% as compared with those as of December 31, 2022, respectively.

In addition, as of December 31, 2023, the Group had entered into 19 formal cooperation agreements with independent third-party property developers during the Relevant Year. In such cooperation agreements, such property developers engaged the Group as the property management services provider, entrusted the Group with the management of relevant projects and shall pay the Group property management fees based on agreed scope of services. The agreements executed in 2023 covered various types of businesses, such as government buildings, industrial parks, public buildings, residential buildings and landscaping. As at December 31, 2023, the properties managed by the Group under these formal cooperation agreements had an aggregate GFA of approximately 1.62 million sq.m..

The table below sets out the respective movements of the Group's contracted GFA and GFA under management for the years ended December 31, 2023 and 2022:

	Year ended December 31,			
	2023		2022	
	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 year	97,521	73,286	99,394	69,328
New engagements ⁽¹⁾	6,284	12,751	3,134	7,660
Terminations ⁽²⁾	(2,752)	(2,417)	(5,007)	(3,702)
As of the end of the year	101,053	83,620	97,521	73,286

Notes:

- (1) In relation to the residential communities and non-residential communities being managed by the Group, new engagements primarily include preliminary property management service contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.
- (2) These terminations include certain property management service contracts that the Group did not renew on a voluntary basis, as the Group reallocated its resources to more profitable contracts, so as to optimise its property management portfolio.

Geographic presence

Since the establishment of the Group, its business footprint has extended across the country. As of December 31, 2023, the Group established business presence in 69 cities in 19 provinces, municipalities and autonomous regions in the PRC.

The following table sets out the breakdown of the total GFA under management by geographic region as of the dates indicated:

	As of December 31,			
	2023 ('000 sq.m.)	%	2022 ('000 sq.m.)	%
Bohai Economic Rim ⁽¹⁾	49,395	59.1	41,382	56.5
Yangtze River Delta region ⁽²⁾	16,381	19.6	16,965	23.1
Greater Bay Area and surrounding regions ⁽³⁾	2,844	3.4	2,842	3.9
Central and Western China ⁽⁴⁾	15,000	17.9	12,097	16.5
Total	83,620	100.0	73,286	100.0

Notes:

- (1) In this region, the Group provided property management services to projects located in Hebei, Liaoning, Inner Mongolia and Shandong.
- (2) In this region, the Group provided property management services to projects located in Jiangsu and Zhejiang.
- (3) In these regions, the Group provided property management services to projects located in Huizhou in the Greater Bay Area and other cities in Guangdong.
- (4) In this region, the Group provided property management services to projects located in Guizhou, Henan, Hunan, Sichuan, Anhui and Chongqing.

Stabilised property management fees

While growing rapidly, the Group also maintains high-quality development requirements. By continuously optimising the service projects under management, the Group has maintained its average property management fees while achieved the growth of GFA under management. For the years ended December 31, 2023 and 2022, the unit price of the Group's consolidated average property management fees remained at RMB1.7/sq.m./month.

Diversified portfolio of property management services

The Group has a diversified portfolio of properties under management comprising (i) residential properties; and (ii) non-residential properties, including (a) commercial properties, such as shopping malls, office buildings and serviced apartments; and (b) public and other properties, such as industry parks, the Olympic Village, schools and hospitals.



MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets out the breakdown of the GFA under management and the number of projects under management under the Group's property management services by type of property as of the dates indicated:

	As of December 31,			
	2023		2022	
	GFA under management ('000 sq.m.)	Number of projects under management	GFA under management ('000 sq.m.)	Number of projects under management
Residential properties	76,103	370	67,914	327
Non-residential properties				
– Commercial properties	3,535	41	3,961	54
– Public and other properties	3,982	20	1,411	4
Subtotal	7,517	61	5,372	58
Total	83,620	431	73,286	385

In addition, under the strong support of RiseSun Group, and leveraging the Group's extensive industry experience and brand recognition, the Group has been expanding business cooperation with independent third-party property developers. As of December 31, 2023, the Group had an aggregate GFA under management of approximately 4.7 million sq.m. and an aggregate contracted GFA of approximately 5.6 million sq.m. with respect to properties developed by independent third-party property developers.

The following table sets out the breakdown of the total GFA under management by the type of property developers as of the dates indicated:

	As of December 31,			
	2023		2022	
	GFA under management ('000 sq.m.)	%	GFA under management ('000 sq.m.)	%
RiseSun Group ⁽¹⁾	78,959	94.4	71,267	97.2
Properties developed by independent third-party property developers	4,661	5.6	2,019	2.8
Total	83,620	100.0	73,286	100.0

Note:

- (1) Including the projects independently developed by RiseSun Group and the properties jointly developed by RiseSun Group and other property developers in which RiseSun Group holds a controlling interest.



VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS

The Group provides a wide spectrum of value-added services to non-property owners, primarily property developers, through different phases of the property development and sales process, primarily including property engineering services, on-site services and other services. In 2023, the revenue from value-added services to non-property owners decreased by approximately 57.8% from approximately RMB388.9 million in 2022 to approximately RMB164.0 million.

The Group improved its independent operation capabilities by optimizing business structure of property engineering services, adjusting business models and establishing professional engineering management teams; relieved geographical restrictions, coordinated and deployed engineering resources, implemented a headquarters-branch linkage model, and standardized the engineering business management of property companies through the integration of personnel in various regions. However, as the non-owner value-added service customers are mainly property developers, due to the further decrease in the construction area and completed area of property developers in 2023, the property engineering services in the value-added services to non-property owners decreased significantly, and the revenue was significantly lower than the corresponding period in last year.

In order to cope with the overall downward economic situation of the upstream real estate industry, the Group has actively formulated plans to undertake new business. On the one hand, due to the overall downturn in the real estate industry, the Group's engineering business is expected to continue shrinking in 2024. As a result, the business will shift towards delivered properties and external projects. In 2024, the Group plans to further develop its community business for delivered properties, which includes engineering and maintenance services, home decoration, gardening and landscaping, and direct drinking water services. On the other hand, the Group actively negotiated on renovation, maintenance and management business of public buildings, municipal works, parks, urban sanitation, scenic spots and public parks, and deployed the whole construction business for the installation of non-motorized and motorized charging piles in residential communities, enterprises, institutions and public parking lots, to make up for the performance gap and expand into diversified business.

COMMUNITY VALUE-ADDED SERVICES

In order to improve the community living experience of owners and residents in the properties under the Group's management and create more value for its services, the Group provides a wide variety of community value-added services to property owners and residents, primarily including property space management services and home-living services. The revenue from community value-added services for the year ended December 31, 2023 was approximately RMB195.3 million, representing a decrease of approximately 18.8% from approximately RMB240.4 million for the corresponding period in 2022. This was mainly attributable to the decrease in revenue from sale of goods and parking agency revenue.



Property space management services

The Group provides property space management services for property owners and residents, and provide turnkey furnishing services that can improve property value, convenient property brokerage services and parking agent sales services by leveraging the active engagement and close relationships with the residents that it has nurtured through its property management operations. The revenue from property space management services for the year ended December 31, 2023 decreased by approximately 26.7% from approximately RMB97.8 million for the corresponding period in 2022 to approximately RMB71.7 million. This was mainly attributable to the economy downturn, which reduced customers' willingness to make purchases.

In terms of turnkey furnishing services, the Group places emphasis on addressing the diverse needs of property owners across different levels and has divided its business into two segments: (i) provision of interior decoration and design services to new property owners during their occupancy period; and (ii) provision of product replacement, environmental renovation and quality enhancement services to existing property owners. In terms of new house services, the Group collaborates with merchants to fulfill the product and service designs, taking into consideration the core concerns of property owners. Through activities such as constructing sample rooms and organizing property owner meetings, the Group delivers valuable services, increasing the order completion rate and turnover for merchants, ultimately achieving a win-win situation. In terms of services for existing property owner, the Group optimizes its products according to the length of their residence and changes in family members. By providing free value-added services, such as regular inspections and troubleshooting, the Group identifies potential needs of property owner's and seizes business opportunities.

For property brokerage business, the Group deploys a Sales and Lease Operation System which consists of a "property dictionary" (房源字典) system and a "resident-property matching" (房客匹配) system. The system ensures customer privacy and efficiently matches supply and demand information of properties, providing millions of property owners with convenient rental and sales channels and delivering a better service experience.

Home-living services

The Group offers home-living services to property owners and residents with a focus on their daily needs. The primary home-living services provided by the Group include: community retail and commercial procurement services, home repairs and maintenance as well as housekeeping services. The revenue from home-living services for the year ended December 31, 2023 decreased by approximately 13.3% from approximately RMB142.6 million for the corresponding period in 2022 to approximately RMB123.6 million.

In particular, regarding our new retail business, the Group has established a business model that combines "chain convenience stores + self-operated warehouses + community group purchases". We operate this new retail business in a comprehensive manner across different scenarios. Community new retail offline convenience store chain has been updated as "Linlin Convenience" (臨鄰便利), and online group purchase business has been refreshed as "Linlin GO" (臨鄰GO). We have launched the business model that combines "chain convenience stores + self-operated warehouses + community group purchases", to achieve S2B2C community retail services, creating a service model of easy order with convenience. Through a robust intelligent mid-platform system, we establish a dual advantage in the last 500 meters of purchase scenarios and purchase efficiency. While improving service efficiency, it also highlights the advantages of the supply chain. Additionally, we have the capability for supply chain output and single-product OEM. This enables us to provide property owners with more diverse, convenient, and cost-effective products. As of December 31, 2023, the Group had a total of 61 offline convenience stores which were located in the communities under its management, with over 52,000 stock keeping units ("SKUs") and approximately 1.15 million registered users on Rice Mall (米飯公社). The monthly activity of the Rice Mall APP increased by approximately 15% as compared to the same period of 2022.



URBAN SERVICES

Building on its existing business, the Group will continue to expand and develop new businesses. In 2023, the Group acquired Wanjia Smart Environment (Beijing) Co., Ltd.* (萬家智慧環境(北京)有限公司) and other companies, enabling it to offer integrated sanitation operation services in urban and rural areas. The Group focuses on addressing the actual market demands in these regions of China, supporting their high-quality development, addressing issues relating to sanitation and environmental governance, and delivering refined services for their better governance. As at December 31, 2023, the Group had signed 8 integrated sanitation operation projects in 5 cities covering Hebei Province and Heilongjiang Province.

CONCLUSION

For the year ended December 31, 2023, the Group's revenue was approximately RMB1,831.9 million, representing a decrease of approximately 9.1% as compared to the corresponding period in 2022; gross profit was approximately RMB456.9 million, representing a decrease of approximately 28.9% as compared to the corresponding period in 2022. Net profit in 2023 amounted to RMB130.7 million, representing a decrease of approximately 46.8% as compared to corresponding period in 2022. For the year ended December 31, 2023, the net profit attributable to the owners of the parent company amounted to approximately RMB126.3 million, representing a decrease of approximately 47.8% as compared to the corresponding period in 2022. Basic earnings per share in 2023 amounted to approximately RMB0.34.

OUTLOOK

Looking forward to 2024, the Group will (i) continue to uphold the principle of customer-oriented services, maintain property service quality, upgrade the property service brand, deepen its beautiful grading and five-star project building, enhance the Group's brand influence and market competitiveness, and increase customer recognition and brand reputation. The Group will continue to strengthen our market expansion efforts and further develop new projects through resources, channel development and cooperation; (ii) strategically invest in environment and sanitation, medical cosmetology, tourism and accommodation so as to expand its businesses and diversify its business portfolio. In 2023, the Company completed the acquisition of an 80% equity interest in Jinxiang Property and a 70% equity interest in Wanjia Smart, thus expanding a new business segment of government's public facilities, urban services, and etc. Through such acquisitions, the Company enriched the Group's business categories, optimized its revenue structure, and created synergies with its existing business, thereby enhancing the Group's comprehensive operating capability. The Group will continue to improve the non-owner value-added system, intervene from the planning and design of projects, and undertake the role of a pre-intermediary from the perspectives of post-period customers and property services to facilitate the upgrade of the property brand. In response to the overall economic downturn in the upstream property sector, the Group will actively diversify its value-added business to non-property owners. This expansion includes areas such as aging retrofitting and targeted renovations, aiming to improve its business margin; (iii) continuously improve the "whole life cycle and whole service chain" service system to continuously enrich the segment of community value-added services, further promote businesses such as car washing and beauty, kiosks, promote the property brokerage and other property space management services, and continue to promote the community health industry such as housekeeping service, community nursing service, healthy service and other services, to provide owners with a "convenient and reassuring" community health experience to enable owners to feel our "caring" property services. The Group will actively develop in-home businesses, such as indoor cleaning, furniture maintenance, and air purification, to meet the demand for environmental services and repair and maintenance; (iv) establish a quarter convenient living circle, further develop the tourism business with short-haul tours as the main focus, pilot the community elderly care business, comprehensively launch value-added services such as 4:30 classes and reading rooms in the community, further expand the house improvement business, and integrate value-added services for property owners into the quarter convenient living circle in the community; (v) at the same time strengthen the construction of financial management and control and capital support system, adjust the revenue structure and profit structure, strengthen cash flow management, and improve the risk resistance capability of the enterprise; and (vi) cultivate and introduce professional talent, optimize the talent structure, promote the information technology construction of the Company, achieve technology empowerment, thereby improving the efficiency and quality of the Company's decision-making process.



FINANCIAL REVIEW

Revenue

During the Relevant Year, the Group derived its revenue principally from four business lines, namely (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) urban services.

The following table sets forth the details of the Group's revenue recognised by business line for the years indicated:

	2023	2022	Change
	RMB'000	RMB'000	%
Property management services	1,335,013	1,281,876	4.1
Value-added services to non-property owners	163,986	388,902	(57.8)
Community value-added services	195,299	240,416	(18.8)
Urban Services	137,599	103,676	32.7
Total	1,831,897	2,014,870	(9.1)

The Group's revenue decreased by approximately 9.1% from approximately RMB2,014.9 million for the year ended December 31, 2022 to approximately RMB1,831.9 million for the year ended December 31, 2023. The reason for the change of revenue by business line are listed as follows:

- (i) the increase in revenue from property management services by approximately 4.1% from approximately RMB1,281.9 million for the year ended December 31, 2022 to approximately RMB1,335.0 million for the year ended December 31, 2023, which was primarily driven by the Group's business expansion. In particular, the GFA under management increased by approximately 14.1% from 73.3 million sq.m. as of December 31, 2022 to 83.6 million sq.m. as of December 31, 2023;
- (ii) the decrease in revenue from value-added services to non-property owners by approximately 57.8% from approximately RMB388.9 million for the year ended December 31, 2022 to approximately RMB164.0 million for the year ended December 31, 2023, which was mainly due to a significant decrease in demand for property engineering services, on-site services and other services as a result of the decrease in the overall completed GFA and construction GFA of the property developers in 2023; meanwhile, the Group also took the initiative to reduce the provision of such services to real estate developers, reduce capital advances, and focus on projects with guaranteed collection of payment;
- (iii) the decrease in revenue from community value-added services by approximately 18.8% from approximately RMB240.4 million for the year ended December 31, 2022 to approximately RMB195.3 million for the year ended December 31, 2023. This was mainly due to the impact of the real estate downturn cycle and the decrease in the sales and leasing of real estate, such as houses and parking spaces, which led to a decrease in sales and leasing intermediary income; and
- (iv) the increase in revenue from urban services by approximately 32.7% from approximately RMB103.7 million for the year ended December 31, 2022 to approximately RMB137.6 million for the year ended December 31, 2023, which was mainly attributable to the proactive expansion of the business in 2023. The Company's subsidiary, Rongsheng Anxu Environmental Development (Longhua) Co., Ltd.* (榮盛安旭環境發展(隆化)有限公司), has been carrying out rural urban service projects since October 2022.

Property management services

The following table sets forth a breakdown of the Group's revenue from property management services by type of property developers for the years indicated:

	Year ended December 31,			
	2023		2022	
	RMB'000	%	RMB'000	%
Properties developed by RiseSun Group ⁽¹⁾	1,287,669	96.4	1,247,182	97.3
Properties developed by independent third-party property developers	47,344	3.6	34,694	2.7
Total	1,335,013	100.00	1,281,876	100.00

Note:

- (1) Representing the properties independently developed by RiseSun Real Estate Development Co., Ltd.* (榮盛房地產發展股份有限公司) and its subsidiaries, which exclude the Group, and the properties jointly developed by RiseSun Group and other property developers in which RiseSun Group holds a controlling interest.

To facilitate the management of the property management network, the Group divides its geographic coverage into four major regions in the PRC, namely Bohai Economic Rim, Yangtze River Delta region, Greater Bay Area and surrounding regions, and Central and Western China. The following table sets out the total revenue for the years indicated from the provision of property management services by geographical coverage:

	Year ended December 31,			
	2023		2022	
	RMB'000	%	RMB'000	%
Bohai Economic Rim ⁽¹⁾	788,514	59.1	738,981	57.7
Yangtze River Delta region ⁽²⁾	237,522	17.8	265,899	20.7
Greater Bay Area and surrounding regions ⁽³⁾	58,159	4.4	58,684	4.6
Central and Western China ⁽⁴⁾	250,818	18.7	218,312	17.0
Total	1,335,013	100	1,281,876	100.0



MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) In this region, the Group provided property management services to projects located in Hebei, Liaoning, Inner Mongolia and Shandong.
- (2) In this region, the Group provided property management services to projects located in Jiangsu and Zhejiang.
- (3) In these regions, the Group provided property management services to projects located in Huizhou in the Greater Bay Area and other cities in Guangdong.
- (4) In this region, the Group provided property management services to projects located in Guizhou, Henan, Hunan, Sichuan, Anhui and Chongqing.

Value-added services to non-property owners

The Group offers a comprehensive range of value-added services to non-property owners, primarily property developers, mainly including property engineering services, on-site services and other services. The following table sets out the components of the revenue from value-added services to non-property owners for the years indicated:

	Year ended December 31,			
	2023		2022	
	RMB'000	%	RMB'000	%
Property engineering services	57,320	35.0	144,953	37.3
On-site services	29,566	18.0	113,274	29.1
Other services ⁽¹⁾	77,100	47.0	130,675	33.6
Total	163,986	100.0	388,902	100.0

Notes:

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



Community value-added services

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

	Year ended December 31,			
	2023		2022	
	RMB'000	%	RMB'000	%
Home-living services	123,636	63.3	142,608	59.3
Property space management services	71,663	36.7	97,808	40.7
Total	195,299	100.0	240,416	100.0

Urban services

The Group provides integrated sanitation operation services in both urban and rural areas, which mainly include: urban and rural sanitation services, such as cleaning and janitorial services, garbage removal and river cleaning, etc. The following table sets forth the components of the revenue from urban services for the years indicated:

	Year ended December 31,			
	2023		2022	
	RMB'000	%	RMB'000	%
Urban and rural sanitation services	137,599	100	103,676	100
Total	137,599	100	103,676	100



Cost of sales

The Group's cost of sales mainly consists of (i) employee benefit expenses; (ii) maintenance costs; (iii) engineering costs; (iv) greening and cleaning expenses; (v) costs of goods sold; (vi) utilities; (vii) taxes and other levies; (viii) cost of consumables; (ix) office expenses; (x) travelling and entertainment expenses; (xi) depreciation and amortization charges; and (xii) others. The Group's cost of sales increased by approximately 0.2% from approximately RMB1,372.4 million for the year ended December 31, 2022 to approximately RMB1,375.0 million for the year ended December 31, 2023. The cost of sales of 2023 was basically remained stable as compared to that of 2022.

Gross profit and gross profit margin

Category	Year ended December 31,			
	2023		2022	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Property management services	263,786	19.8	356,060	27.8
Value-added services to non-property owners	77,800	47.4	188,161	48.4
Community value-added services	89,669	45.9	76,359	31.8
Urban Services	25,626	18.6	21,891	21.1
Total	456,881	24.9	642,471	31.9

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit decreased by approximately 28.9% from approximately RMB642.5 million for the year ended December 31, 2022 to approximately RMB456.9 million for the year ended December 31, 2023.

The gross profit margin of the Group decreased from approximately 31.9% for the year ended December 31, 2022 to approximately 24.9% for the year ended December 31, 2023, which was mainly attributable to: (i) the Group recorded a lower gross profit from value-added services during the period, which generally have higher gross profit margin; (ii) the Group reduced the management fees for certain unoccupied units and parking spaces during the period due to the grim macroeconomic situation; and (iii) the Company invested more in manpower and material resources to enhance the quality of its services, which led to an increase in costs and a corresponding decrease in the gross profit margins of property management services and urban services, which decreased by 28.9% and 11.8%, respectively.



Selling expenses

The Group's selling expenses mainly consist of employee benefit expenses and office expenses for its sale and marketing staff. The Group's expenses increased by approximately 14.3% from approximately RMB7.2 million for the year ended December 31, 2022 to approximately RMB8.2 million for the year ended December 31, 2023, primarily due to the increasing efforts in business expansion and marketing promotion by the Group.

Administrative expenses

The Group's administrative expenses mainly consist of (i) employee benefit expenses; (ii) travelling and entertainment expenses; (iii) professional service fees, primarily including legal fees and information technology usage and maintenance fees for its mobile application; (iv) office expenses; (v) bank charges; (vi) cost of consumables; (vii) depreciation and amortization charges for the Group's office equipment; (viii) auditors' remuneration; and (ix) others. The Group's administrative expenses decreased by approximately 23.1% from approximately RMB171.5 million for the year ended December 31, 2022 to approximately RMB131.9 million for the year ended December 31, 2023, primarily due to the decrease in management salaries as a result of staffing and cost optimization undertaken by the Company.

LOSS ON IMPAIRMENT OF CREDIT

Basic principles of impairment provision of trade receivables and other receivables

The Company measured the expected credit losses caused by the impairment of various trade receivables and other receivables in accordance with the "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments". Due to the impact of the general downward trend of the real estate industry, the Company assessed the provision ratio for bad debts in a prudent manner and made an impairment provision of approximately RMB157.5 million in 2023.

Income tax expenses

The Group's income tax expenses comprise PRC corporate income tax. The Group's income tax expenses decreased by approximately 54.9% from approximately RMB79.8 million for the year ended December 31, 2022 to approximately RMB36.0 million for the year ended December 31, 2023. Such decrease was primarily due to the decrease in the Group's profit before tax as a result of the decline of its business. For the year ended December 31, 2023, the Group's effective income tax rate was approximately 21.6%. During the Relevant Year, an increasing number of subsidiaries within the Group qualified as "small low-profit enterprises" with taxable incomes below RMB3 million. As a result, more entities within the Group benefited from preferential income tax treatment at a rate of 5%, in contrast to the general income tax rate of 25%. This lowered the effective tax rate for the Relevant Year.

Profit and adjusted profit for the year

As a result of the aforementioned changes in the Group's financial conditions, the Group's profit for the year decreased by approximately 46.8% from approximately RMB245.6 million for the year ended December 31, 2022 to approximately RMB130.7 million for the year ended December 31, 2023. After excluding the share-based payments (net of tax), the Group's adjusted profit for the year decreased by approximately 47.7% from approximately RMB252.9 million for the year ended December 31, 2022 to approximately RMB132.4 million for the year ended December 31, 2023.



Non-generally accepted accounting principles (“non-GAAP”) financial measure

The adjusted profit is a non-GAAP measure used by the management of the Group to provide additional information on its operating performance and is not a standard measure under CASBE. The adjusted profit takes out the impact of share-based payments, which are non-recurring and not indicative of the actual performance of the Group’s business. The management of the Group believes that the non-GAAP measure provides investors with more clear view on the Group’s financial results, and with useful supplementary information to assess the performance of the Group’s strategic operations. The following table sets forth a reconciliation between the profit for the year and adjusted profit for the year:

	Year ended December 31,	
	2023	2022
	RMB’000	RMB’000
Profit for the year	130,692	245,576
Adjusted for:		
Share-based payments (net of tax)	1,707	7,371
Adjusted profit for the year	132,399	252,947

Profit attributable to owners of the Company

Profit attributable to owners of the Company amounted to approximately RMB126.3 million for the year ended December 31, 2023, representing a decrease of approximately 47.8% from approximately RMB242.1 million for the corresponding period in 2022.

Fixed assets, right-of-use assets and long-term prepaid expenses

The Group’s fixed assets, right-of-use assets and long-term prepaid expenses comprise office equipment, machinery, vehicles, leasehold improvements and right-of-use assets. As of December 31, 2022 and 2023, the Group’s fixed assets, right-of-use assets and long-term prepaid expenses amounted to approximately RMB63.1 million and RMB52.9 million, respectively. The decrease in the Group’s property, plant and equipment during the year ended December 31, 2023 was primarily attributable to amortized amount of depreciation of assets.

Investment properties

The Group’s investment properties represent car parks and retail units held to earn rentals and for capital appreciation. Its investment properties decreased from approximately RMB60.8 million as of December 31, 2022 to approximately RMB55.3 million as of December 31, 2023, which was mainly due to the disposal of investment properties as well as the impairment of investment property valuations.



Intangible assets

The Group's intangible assets mainly include computer software. The Group's intangible assets increased from approximately RMB6.3 million as of December 31, 2022 to approximately RMB10.6 million as of December 31, 2023, mainly due to the newly commissioned external research and development of the pan-retail O+O unified platform system during the period.

Inventories

The Group's inventories consist mainly of raw materials, convenience store merchandise, low-value consumables such as revolving materials. The Group's inventories increased from approximately RMB46.3 million as at December 31, 2022 to approximately RMB54.8 million as at December 31, 2023, which was mainly due to increase inventory of convenience store merchandise during the period.

Trade and other receivables and prepayments

The Group's trade and other receivables comprise trade receivables, note receivables, finance lease receivables, other receivables and prepayments to suppliers. As of December 31, 2023, the Group's trade and other receivables and prepayments amounted to approximately RMB3,035.3 million, representing an increase of approximately 8.5% from approximately RMB2,796.3 million as of December 31, 2022.

The Group's trade receivables mainly arise from the services provided under the Group's property management services, value-added services to non-property owners and community value-added services. As of December 31, 2023, the Group's trade receivables amounted to approximately RMB2,092.3 million, representing an increase of approximately 4.4% from approximately RMB2,004.7 million as of December 31, 2022.

As of December 31, 2023, the Group recorded finance lease receivables in the amount of approximately RMB6.0 million, primarily resulting from the finance lease agreements it entered into for sub-leasing certain car parks and retail units.

The Group's other receivables primarily consist of interest receivables, provisional payments, payments made on behalf of property owners and residents related to utility fees, collaboration deposits, tender deposits and advances to employees. As at December 31, 2023, the Group's other receivables amounted to approximately RMB786.0 million, representing an increase of approximately 12.9% as compared with that of approximately RMB696.4 million as at December 31, 2022.

As of December 31, 2023, the Group's prepayments amounted to approximately RMB149.1 million, representing an increase of approximately 77.5% as compared with that of approximately RMB84.0 million as of December 31, 2022. This was mainly due to the expansion of turnkey furnishing services under community value-added services and an increase in prepayments of materials procurement from property engineering business during the Relevant Year.



Trade and other payables

The Group's trade and other payables comprise trade payables, other payables, accrued payroll and taxes payables. As of December 31, 2023, the Group's trade and other payables amounted to approximately RMB1,620.7 million, representing an increase of approximately 4.0% from approximately RMB1,558.0 million as of December 31, 2022.

The Group's trade payables primarily represent its obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, including purchase of materials. As of December 31, 2023, the Group's trade payables amounted to approximately RMB860.0 million, representing an increase of approximately 4.8% from approximately RMB820.8 million as of December 31, 2022. This was mainly due to the increase in commodity payments during the Relevant Year.

The Group's other payables mainly represent deposits from property owners or residents and suppliers, maintenance funds for the properties under the Group's management, cash collected on behalf of property developers and owners, and utility fees paid on behalf of property owners and residents. As of December 31, 2023, the Group's other payables amounted to approximately RMB565.7 million, representing an increase of approximately 1.5% from approximately RMB557.6 million as of December 31, 2022.

As at December 31, 2023, the Group's accrued payroll was approximately RMB93.8 million, representing an increase of approximately 13.2% as compared with that of approximately RMB82.9 million as at December 31, 2022. This was mainly due to the increase in the deferred payroll of the Company as of December 31, 2023.

Working capital, liquidity and financial resources

The Group believes that, taking into account the financial resources available to it and the cash generated from its operations, it has sufficient working capital to meet the needs for working capital, capital expenditure and other capital needs. Going forward, the Group will closely monitors uses of cash and cash balances and strives to maintain a healthy liquidity for its operations.

Net current assets

As of December 31, 2023, the Group's net current assets amounted to approximately RMB1,768.3 million (December 31, 2022: approximately RMB1,793.4 million). The Group's total current assets increased by approximately 2.2% from approximately RMB3,728.4 million as of December 31, 2022 to approximately RMB3,811.3 million as of December 31, 2023. The Group's total current liabilities increased by approximately 5.6% from approximately RMB1,935.0 million as of December 31, 2022 to approximately RMB2,043.0 million as of December 31, 2023. This was mainly due to the increase in current assets and current liabilities as a result of the acquisition of Hebei Jinxiang Property Co., Ltd.* (河北金項物業有限公司) and Wanjia Smart Environment (Beijing) Co., Ltd.* (萬家智慧環境(北京)有限公司) in the Relevant Year.



Cash and cash equivalents

As at December 31, 2023, the Group's cash and cash equivalents (excluding restricted bank deposits) amounted to approximately RMB659.3 million, a majority of which were denominated in RMB, representing a decrease of approximately 20.0% from approximately RMB824.3 million as at December 31, 2022, which was mainly attributable to the payment of RMB90.15 million for the acquisitions of Hebei Jinxiang Property Group Co., Ltd.* (河北金項物業集團有限公司) and Wanjia Smart Environment (Beijing) Co., Ltd.* (萬家智慧環境(北京)有限公司) in the Relevant Year.

Indebtedness

As at December 31, 2023, the Group's outstanding bank loans totalled RMB3.11 million, which were denominated in RMB (December 31, 2022: RMB3.61 million), of which, the bank loans arising from the acquisition of Hebei Jinxiang amounted to RMB2.0 million, which was due on March 27, 2024. Pursuant to the acquisition agreement for Hebei Jinxiang, the principal and interest of the loan shall be repaid by Langfang International Exhibition Group Co., Ltd.* (廊坊國際展覽集團有限公司), the vendor for the acquisition of Hebei Jinxiang (the "**Vendor**"), upon maturity. The bank loans arising from the acquisition of Wanjia Smart amounted to RMB1.11 million, which will be due on November 6, 2024 and expected to be repaid on schedule.

Pledge of assets

As of December 31, 2023, the Group did not have any pledged assets (December 31, 2022: nil).

Financial risks

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Foreign exchange risk

The Group's businesses are principally conducted in RMB. As at December 31, 2023, the Group had cash amounted to HK\$33.8 million, equivalent to RMB30.6 million. Fluctuation of the exchange rates of RMB against HK\$ could affect the Group's results of operations.

Currently, the Group does not implement any foreign currency hedging policy, but the management of the Group will closely monitor the exposure to any exchange rates and consider the use of hedging instruments if necessary.



Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, contract assets, cash deposits at banks and financial assets at fair value through profit or loss. The carrying amounts of trade and other receivables, cash and cash equivalents and financial assets at FVPL represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group expects that there is no significant credit risk associated with cash deposits at banks as they are substantially deposited at banks of high credit ratings. Management expects that there will not be any significant losses resulting from non-performance by these counterparties.

The Group expects that there is no significant credit risk associated with financial assets at fair value through profit or loss as the Group furnishes investment mandates to commercial banks, and these mandates require them to invest in wealth management products with high market credit rating, liquidity and stable return. Management expects that there will not be any significant losses resulting from non-performance by these counterparties.

The Group assessed that the expected credit loss (ECL) rates for trade and note receivables and contract assets from related parties were low considering the good financial position and credit history of the related parties. The Directors believe that there is no material credit risk inherent in trade and note receivables and contract assets from related parties. Apart from trade receivables and contract assets due from related parties, the Group has a large number of customers and there was no concentration of credit risk. In the event that the Group is unable to recover the receivables from the related parties, the Group will consider to take various measures, including but not limited to realize assets to offset debts (including residences, shops, parking spaces, apartments).

The Group expects the credit risk associated with other receivables due from related parties (including the loans due from related parties) to be low, since these entities have a strong capacity to meet their contractual cash flow obligations in the near term. The Group has assessed that the ECL rate for the amounts due from these entities are immaterial under the 12 months ECL method and considered them to have low credit risk, and thus the loss allowance is immaterial. Going forward, the management will continue to make periodic collective assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience.

Liquidity risk

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

CONTINGENT LIABILITIES AND LITIGATIONS

As of December 31, 2023, the Group did not have any material contingent liabilities or litigations (December 31, 2022: nil).

COMMITMENTS

As of December 31, 2023, the lease commitment of the Group as a lessee amounted to approximately RMB14.6 million (December 31, 2022: approximately RMB30.0 million).



KEY FINANCIAL RATIOS

As of December 31, 2023, the current ratio was 1.9 times (December 31, 2022: approximately 1.9 times) and its gearing ratio was approximately 49.6% (December 31, 2022: approximately 48.2%).

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

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

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of December 31, 2023, the Group had no material off-balance sheet commitments and arrangements.

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

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

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

On July 28, 2023, the Company, RiseSun Holdings Co., Ltd.* (榮盛控股股份有限公司) and Wanjia Smart entered into an agreement in relation to the acquisition of 70% equity interest of Wanjia Smart by the Company from the RiseSun Holdings Co., Ltd.* (榮盛控股股份有限公司), pursuant to which the Company agreed to acquire, and the RiseSun Holdings Co., Ltd.* (榮盛控股股份有限公司) agreed to dispose of, 70% equity interest in Wanjia Smart at a consideration of RMB50,155,000.

For further details, please refer to the announcement of the Company dated July 28, 2023.

On November 16, 2023, in order to manage the Group's receivables exposure, the Company entered into a debts settlement framework agreement with RiseSun Real Estate Development Co., Ltd.* (榮盛房地產發展股份有限公司) and its subsidiaries and associates (excluding the Group) (the "**RiseSun Development Group**"), pursuant to which the Company acquired (i) a total of 10,870 parking spaces; and (ii) a total of 332 residential, office and retail units (with a total GFA of approximately 26,341.01 square meters) of the RiseSun Development Group in the PRC at a consideration of RMB567,857,855.55. It was agreed by the Company and the RiseSun Development Group under the debts settlement framework agreement that the consideration for the acquisition of settlement properties payable by the Group shall be offset against the receivables due by RiseSun Development Group to the Group on a dollar-for-dollar basis, and thus no separate cash payment will be made by the Group to the RiseSun Development Group.

On January 31, 2024, the acquisition was approved by the Company in an extraordinary general meeting, after which the Group proceeded with the acquisition of settlement properties.

For further details, please refer to the circular of the Company dated January 12, 2024.

Save as disclosed above, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, during the year ended December 31, 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company had not executed any agreement in respect of material investment or capital asset and did not have any other plans relating to material investment or capital asset as at the date of this report. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the shareholders as a whole. The potential investment opportunity will be funded by internal resources, including the net proceeds from the Listing.

PROCEEDS FROM LISTING

H shares of the Company were listed on the Main Board of the Stock Exchange on January 15, 2021, with 94,000,000 new H Shares allotted and issued. The net proceeds from the Listing amounted to approximately HK\$1,168 million. Such proceeds will be applied in the same manner as set out in the Prospectus. Having considered the change in the market conditions and the business needs of the Group since the Listing, on June 16, 2023, the Board has resolved to change (the “**Change**”) the use of the net proceeds such that the unutilized net proceeds in the amounts of approximately HK\$385.4 million from “strategic acquisitions and investments in property management companies” under “business expansion” will be re-allocated to: (i) fund the strategic acquisitions and investments in target companies engaging in environmental sanitation, medical beauty and tourism and accommodation totalled of approximately HK\$151.8 million; (ii) allow a further allocation of approximately HK\$58.4 million to “further diversify the Group’s community value-added service offerings to cover housekeeping services, community elderly care and healthcare service” under “enrich community value-added service offerings” and expand the coverage to include also “agricultural and sideline products and breeding and decoration services”; and (iii) allow a further allocation of approximately HK\$175.2 million to be used for “working capital and other general corporate purposes”. For further details, please refer to the announcements of the Company dated June 16, 2023 and August 29, 2023 respectively. Details of the net proceeds as at December 31, 2023 is set forth below:

	Planned use of net proceeds after the Change		Unutilised net proceeds as of January 1, 2023	Actual use of net proceeds during the year ended December 31, 2023	Unutilised net proceeds as of December 31, 2023	Expected timeline of the intended use of proceeds
	HK\$'million Approximate	% Approximate	HK\$'million Approximate	HK\$'million Approximate	HK\$'million Approximate	
(a) Business expansion:	467.20	40.00	338.73	162.26	176.47	
(i) Strategic acquisitions and investments in property management companies	140.16	12.00	131.94	95.90	36.04	2026
(ii) Strategic acquisitions and investments in downstream companies	175.20	15.00	54.95	0.00	54.95	2024
(iii) strategic acquisitions and investments in companies engaged in environmental sanitation, cosmetic medicine, and tourism	151.84	13.00	151.84	66.36	85.48	2025



	Planned use of net proceeds after the Change		Unutilised net proceeds as of January 1, 2023	Actual use of net proceeds during the year ended December 31, 2023	Unutilised net proceeds as of December 31, 2023	Expected timeline of the intended use of proceeds
	HK\$'million Approximate	% Approximate	HK\$'million Approximate	HK\$'million Approximate	HK\$'million Approximate	
(b) Enrich community value-added service offerings:	233.60	20.00	218.30	24.68	193.62	
(i) Increase the coverage of the Group's offline convenience stores, expand product offerings and enhance intelligent operations at the Group's offline convenience stores	46.70	4.00	43.71	23.92	19.79	2024
(ii) Further develop and expand the Group's property brokerage services to cover intermediary services relating to the sales and leasing of properties managed by the Group	46.70	4.00	46.72	0.00	46.72	2024
(iii) Further diversify the Group's community value-added service offerings to cover housekeeping services, agricultural and aquaculture products and farming, renovation services, community elderly care and healthcare services	140.20	12.00	127.87	0.76	127.11	2025



MANAGEMENT DISCUSSION AND ANALYSIS

	Planned use of net proceeds after the Change		Unutilised net proceeds as of January 1, 2023	Actual use of net proceeds during the year ended December 31, 2023	Unutilised net proceeds as of December 31, 2023	Expected timeline of the intended use of proceeds
	<i>HK\$'million</i> <i>Approximate</i>	<i>%</i> <i>Approximate</i>	<i>HK\$'million</i> <i>Approximate</i>	<i>HK\$'million</i> <i>Approximate</i>	<i>HK\$'million</i> <i>Approximate</i>	
(c) Upgrade information technology infrastructure:	175.20	15.00	163.16	6.78	156.38	
(i) Upgrade the Group's one-stop omnichannel service platform to enrich service scenarios and improve user experience	58.40	5.00	51.62	6.52	45.10	2024
(ii) Build and upgrade information technology systems	43.80	3.75	42.85	0.11	42.74	2024
(iii) Increase the coverage of information technology systems and roll out smart community management tools in the communities under the Group's management	43.80	3.75	39.49	0.15	39.34	2024
(iv) Upgrade the Group's information management systems	29.20	2.50	29.20	0.00	29.20	2024
(d) Working capital and other general corporate purposes	292.00	25.00	191.26	157.67	33.59	2024
Total	1,168.00	100.00	911.45	351.39	560.06	

Affected by a downward cycle of the upstream real estate industry, revenue growth slowdown in the industry and the changing of external competition environment, the Company has invested more prudently in business expansion, enrichment in community value-added services portfolio, upgrade in IT infrastructure and other aspects, and therefore the expected timeline of the intended use of proceeds from Listing was later than originally scheduled.



EMPLOYEES AND REMUNERATION POLICY

Human resource has always been the most valuable resource of the Group. As of December 31, 2023, the Group had a total of 7,743 full-time employees. For the year ended December 31, 2023, the staff cost recognised as expenses of the Group amounted to approximately RMB600.5 million (2022: approximately RMB687.3 million).

The Group has established a competitive incentives and performance assessment system, providing equity incentives and performance-based salaries and bonuses. The Group provides incentives based on evaluation of employees' performance in a number of areas, such as business development, value-added services, basic service quality and overall performance. The Group provides incentives and bonuses on a combination of monthly, quarterly, annual and mid-to-long-term basis, and on regular and matter-specific basis, to motivate the employees' contribution. According to the relevant PRC laws and regulations, the Group makes contributions to social insurance fund, including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance, and housing provident fund for the benefit of the PRC employees.

In determining the remuneration of the Directors, the Board will make reference to the proposal of the remuneration committee of the Board, taking into account, among others, their respective duties and responsibilities, individual performance and the prevailing market conditions. The Group focuses on cultivating talents and providing different systematic training catering to individual needs. For example, the Group provides senior management with training on improvement of post-listing management and operational awareness, mid-level management with training on risk prevention and new business development empowerment, project managers with training on business professionalism and standardized operation, management trainees with training on improvement of basic-level management and professionalism etc., and continuously establishes and optimizes a hierarchical talent cultivation system to clear the development path for talents. As of December 31, 2023, the Group organized approximately 2,068 training sessions, with nearly 7,000 participants.



BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of Directors, Supervisors and senior management of the Company are as follows:

BIOGRAPHICAL DETAILS OF DIRECTORS

Mr. Geng Jianfu (耿建富), aged 59, was appointed as the chairman of the Board and an executive Director on April 6, 2020 and is responsible for decision-making, strategic planning and overall management of the Group. Mr. Geng Jianfu joined the Group in February 2016 and served as honorary chairman until April 2020, a position in which he was responsible for the Group's strategic decisions.

Prior to joining the Group, from February 1995 to December 2000, Mr. Geng Jianfu served as the manager at RiseSun Construction Engineering Co., Ltd. No. 3 Branch Office (榮盛建設工程有限公司第三分公司), a company mainly engaged in construction work, where he was responsible for project management. He joined RiseSun Real Estate Development Co., Ltd. (榮盛房地產發展股份有限公司) ("**RiseSun Real Estate**") in January 2001 and successively served as a deputy general manager of RiseSun Real Estate, the general manager of Langfang branch office and director of the board of RiseSun Real Estate until February 2016, where he was mainly responsible for comprehensive management of branch offices, investment and marketing development and property management. Mr. Geng Jianfu currently serves as the executive president of RiseSun Real Estate and is responsible for participating in the overall management of the real estate business. Mr. Geng Jianfu also concurrently serves as a director of various subsidiaries of RiseSun Real Estate and as a supervisor at RiseSun Holdings Co., Ltd. (榮盛控股股份有限公司) ("**RiseSun Holdings**").

Mr. Geng Jianfu graduated from China University of Petroleum (中國石油大學) in the PRC in July 1993, where he obtained a bachelor's degree in business management. He obtained a master's degree in industrial economics through distance learning from Wuhan University of Technology (武漢理工大學) in the PRC in December 2008. Mr. Geng Jianfu was certified as a Senior Engineer (高級工程師) by Hebei Provincial Title Reform Leading Group Office (河北省職稱改革領導小組辦公室) in December 2001 and a National First Class Registered Architect (國家一級註冊建造師) by Langfang Construction Engineering Secondary Professional School in September 2013.

Mr. Geng Jianfu is the brother of Mr. Geng Jianming (our ultimate Controlling Shareholder) who is the father-in-law of Mr. Xiao Tianchi (our executive Director, the Board secretary and the joint company secretary).

Ms. Liu Hongxia (劉紅霞) ("Ms. Liu"), aged 46, was appointed as an executive Director on August 22, 2022. Ms. Liu joined the Group in June 2022 as the Group's general manager and is responsible for overall operations and management of the Group.

Ms. Liu joined RiseSun Real Estate in 2001 and served as a development specialist of RiseSun Construction Engineering Co., Ltd. (榮盛建設工程有限公司) from July 2001 to February 2002, where she was responsible for business development of engineering projects. From February 2002 to July 2004, she served as the secretary of the chairman's office of RiseSun Holdings, assisting the chairman in daily work arrangements. From July 2004 to December 2005, she served as the deputy director of the chairman's office of RiseSun Holdings, where she was responsible for administrative management and participated in the management and operation. From December 2005 to May 2009, she served as the manager of the human resources department of RiseSun Holdings, where she was responsible for the human resources management. From May 2009 to March 2016, she served as the human resources director of RiseSun Real Estate, where she was responsible for the human resources management. From March 2016 to June 2022, she served as the general manager of the human resources information center of RiseSun Real Estate.

Ms. Liu graduated from Hebei Institute of Civil Engineering and Architecture (河北建築工程學院) with a bachelor's degree in architectural engineering in July 2001. She obtained a master's degree in business administration from Guanghua School of Management of Peking University (北京大學光華管理學院) in June 2017 and was awarded the title of engineer in May 2009.



As at the date of this report, Ms. Liu is deemed to be interested in the 23,733,000 Shares held by Xianghe Shengyide Commercial Consulting Center (Limited Partner) (香河盛繹德商務信息諮詢中心(有限合夥)) as its general partner.

Mr. Xiao Tianchi (肖天馳) (“Mr. Xiao”), aged 34, was appointed as an executive Director and the Board secretary on April 6, 2020 and a joint company secretary on June 8, 2020. He is responsible for assisting the chairman of the Board in strategic planning and capital operation management.

Prior to joining the Group, from September 2013 to August 2014, Mr. Xiao successively worked at fire police training bases (消防警官培訓基地) in Tianjin City and Jiangsu Province to learn professional skills and technologies related to firefighting and fire safety. From June 2013 to August 2017, he served as an acting deputy squadron leader and deputy political instructor at Xingpu Road Squadron of Nanjing Fire Brigade (南京市消防支隊興浦路中隊), where he was mainly responsible for fire-fighting and rescue operations, political education and work related to emergency management. He subsequently served as the staff officer at Gulou District Brigade of Nanjing Fire Brigade (南京市消防支隊鼓樓區大隊), where he was mainly responsible for supervising work related to fire-fighting and inspections of fire-fighting facilities and equipment in buildings. In August 2017, he was appointed as the captain staff of the Supervision and Management Section of Fire Prevention Supervision Department of Cangzhou Public Security Fire Brigade (滄州市公安消防支隊防火監督處監督管理科), where he was responsible for the review of fire safety specifications for architectural drawings. Mr. Xiao joined RiseSun Real Estate in December 2018 as an assistant to the chairman, where he was responsible for assisting the chairman of RiseSun Real Estate with daily work arrangements, supervising the implementation of business plans and participating in the company’s daily management until April 2020.

Mr. Xiao graduated from Shenzhen University (深圳大學) in the PRC in June 2013, where he obtained a bachelor’s degree in industrial design.

Mr. Xiao is the son-in-law of Mr. Geng Jianming (our ultimate Controlling Shareholder and the brother of Mr. Geng Jianfu (the chairman of the Board and the executive Director)).

As at the date of this report, Mr. Xiao is deemed to be interested in the Shares held by his spouse, Ms. Geng Fanchao. Mr. Xiao is deemed to hold 22,740,000 shares of the Company, representing 6.05% of the total share capital of the Company.

Mr. Zhang Wenge (張文革) (“Mr. Zhang”), aged 56, was appointed as a non-executive Director on April 6, 2020 and is responsible for providing guidance for the overall development of the Group.

Mr. Zhang joined the Group in June 2004 as the general manager of the Company until July 2007, where he was responsible for overall operations and management. He was appointed as our executive Director in December 2006 and resigned in February 2018.

Prior to joining the Group, Mr. Zhang had more than ten years of work experience in the hotel and property management industries. Mr. Zhang joined RiseSun Real Estate in July 2007 and successively served as the deputy general manager of Langfang Branch Office, director of property management and the general manager of the property management center until July 2017, where he was responsible for overall management and operations of the property management sector in RiseSun Development Group. Mr. Zhang currently also serves as a director and general manager at various subsidiaries of RiseSun Real Estate, where he is responsible for the overall operations and management of such subsidiaries.

Mr. Zhang graduated from Beijing International Studies University (北京第二外國語學院) in the PRC in July 1992, where he obtained dual bachelor’s degrees in Russian and Japanese.



BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Jin Wenhui (金文輝) (“Mr. Jin”), aged 54, was appointed as an independent non-executive Director on April 6, 2020 and is responsible for providing independent advice to the Board.

From July 1994 to December 1997, Mr. Jin was a teacher at Beijing Institute of Petrochemical Technology (北京石油化工學院). From December 1997 to December 2003, he successively served as an audit manager and senior partner at Zhongpeng Accounting Firm (中鵬會計師事務所), where he was responsible for managing audit projects. From May 2004 to July 2009, he served as the assistant to the president, the financial director, a director of the board and the vice president at RiseSun Holdings, and as the executive general manager at RiseSun Venture Capital Co., Ltd. (榮盛創業投資有限公司), a subsidiary of RiseSun Holdings, where he was mainly responsible for managing operations related to finance, auditing and investment. He worked at RiseSun Real Estate as a director of the board in January 2006 and was responsible for financial management and business decisions until January 2012. He also served as a supervisor at Langfang Ruisheng Investment Co., Ltd. (廊坊瑞盛投資股份有限公司), a subsidiary of RiseSun Real Estate, from May 2007 to February 2016, where he was responsible for supervising directors and senior management. After February 2016, Mr. Jin did not hold any position in RiseSun Holdings Group. In March 2011, Mr. Jin founded Beijing Jiahe Jinhui Venture Capital Co., Ltd. (北京佳禾金輝創業投資公司), a company mainly engaged in investment management and business consulting. He currently serves as its chairman of the board and general manager, and is mainly responsible for strategic planning and daily operation management. He has acted as an independent non-executive director of RiseSun Real Estate since November 2022.

Mr. Jin currently serves as a director at Oxford Vacmedix UK Ltd. and Changzhou Niujiin Shisong Biotechnology Co., Ltd. (常州牛津石鬆生物科技有限公司), all of which are mainly engaged in the development of biomedical and biotechnology, technology transfer and provision of technical services. He is responsible for formulating company strategies and development plans.

Mr. Jin graduated from Beijing Institute of Petrochemical Technology (北京石油化工學院) in the PRC in July 1994, where he obtained a bachelor’s degree in accounting. He graduated from Nanyang Technological University in Singapore in May 2005, where he obtained a master’s degree in business administration. He graduated from Tianjin University of Finance and Economics (天津財經大學) in the PRC in December 2010, where he obtained a doctor’s degree in finance. Mr. Jin was certified as a Certified Public Accountant by Ministry of Finance in the PRC in May 1997. He obtained the Independent Director Qualification Certificate awarded by the Securities Association of China (中國證券業協會) in July 2003. He obtained the Independent Director Qualification Certificate awarded by the Shenzhen Stock Exchange in November 2022.



Mr. Xu Shaohong Alex (許少宏) (“Mr. Xu”), aged 56, was appointed as an independent non-executive Director on August 22, 2022 and is responsible for providing independent advice to the Board.

Mr. Xu worked in the customer service department of HSBC Hong Kong Branch from 1993 to 2000; served as an assistant manager of the international private bank department of Citibank from 2000 to 2002; served as a department manager of customer service centre of HSBC from 2002 to 2003; served as a director of UBS Hong Kong Branch from 2005 to 2008; served as an executive director of Merrill Lynch (Asia Pacific) Limited from 2008 to 2009; served as a vice president of the private bank department of Credit Suisse from 2009 to 2011, responsible for private banking product sales and customer service; served as a managing director of the investment bank department of Guosen Securities (Hong Kong) Co., Ltd. (國信證券(香港)有限公司) from January 2011 to April 2012, responsible for corporate financing and stock sales. Since 2012, Mr. Xu has been in charge of the team sales management and internal control as well as compliance duties. He served as a managing director for China area of private bank department of BNP Paribas Hong Kong Branch from 2012 to 2016, responsible for review of team accomplishments and performance and other financial reports during his term of office; served as a managing director of Jupai Hong Kong Investment Limited (鉅派香港投資有限公司) from 2017 to 2018; and served as a vice president and the head of wealth and sale department of Hong Kong Kaisa Technology Financial Group (香港佳兆業科技金融集團) from 2018 to 2021. In 2022, he worked at Myriad Asset Management Company (萬方資產管理公司), responsible for review of department performance and financial reports including reporting the financial statements of the entire finance department to the board of directors. Mr. Xu has more than 30 years' experience in the area of commercial bank, investment bank and private bank service with extensive experience of financial services in Hong Kong and mainland China, and has expertise in stock block transactions and real estate project financing and providing professional investment advisory and asset management services.

Mr. Xu graduated from Shenzhen University in 1992, with a bachelor's degree in arts, and has type 1, 4 and 9 licenses issued by Hong Kong Securities and Futures Commission and Hong Kong Monetary Authority.

Mr. Tang Yishu (唐義書) (“Mr. Tang”), aged 53, was appointed as an independent non-executive Director on August 18, 2020 and is responsible for providing independent advice to the Board.

From July 1993 to September 1998, Mr. Tang worked as a teacher at Beijing Wuzi University (北京物資學院). From September 1998 to June 2004, he successively served as a project manager, a department manager, the deputy general manager and a partner at Zhongshi Accounting Firm Co., Ltd. (中實會計師事務所有限責任公司), where he was mainly responsible for business development and overall management of the audit department. From July 2004 to September 2009, he worked as a partner and a deputy chief accountant at Beijing Lixin Changjiang Certified Public Accountants Co., Ltd. (北京立信長江會計師事務所有限公司), where he was mainly responsible for business development and overall management of the audit, consulting and quality control departments. From September 2009 to November 2017, he was a partner at Reanda Certified Public Accountants LLP (利安達會計師事務所(特殊普通合夥)). He is currently a partner at Zhongxinghua Certified Public Accountants LLP (中興華會計師事務所(特殊普通合夥)). Since February 2022, he has been serving as an independent non-executive director of Huarui Traffic Technology Co., Ltd. (華睿交通科技股份有限公司) and since June 2022, he has been serving as the Asia Pacific regional director of Prime Global.

Mr. Tang graduated from Beijing Wuzi University (北京物資學院) in the PRC in July 1993, where he obtained a bachelor's degree in management engineering. He graduated from Deakin University in Australia in August 2002, where he obtained a master's degree in accounting. Mr. Tang is currently a Certified Public Accountant in the PRC, a Certified Public Accountant in Hong Kong and a Certified Public Accountant in Australia.



BIOGRAPHICAL DETAILS OF SUPERVISORS

Mr. Jing Zhonghua (景中華) (“Mr. Jing”), aged 46, was appointed as a Supervisor on April 6, 2020.

Prior to joining the Group, from July 2000 to December 2003, Mr. Jing served as an accounting head at Shenzhen Nanyou (Holdings) Corp. Ltd. (深圳市南油(集團)有限公司), a company mainly engaged in real estate development, where he was responsible for managing and overseeing the daily operations of the accounting department, monitoring and analyzing accounting data and producing financial reports or statements. From April 2004 to March 2010, he successively served as an accounting manager and financial manager at the Xi’an branch office of Gemdale Corporation (金地(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600383), where he was responsible for overseeing the overall preparation, management and monitoring of corporate budgets and performing financial analysis, reporting and management activities. From March 2010 to June 2015, he successively served as the deputy general manager of the finance department of the Xi’an branch office and the director of the finance center at Longfor Group Holdings Limited (龍湖集團控股有限公司), a company listed on the Stock Exchange (stock code: 0960), where he was mainly responsible for financial management, tax management and audit and financial supervision. He first joined RiseSun Real Estate in July 2015 as the general manager of the financial center until February 2020. He was subsequently promoted to become and currently serves as, the vice president, and is responsible for the operations and management of the financial center, financial management and accounting management.

Mr. Jing graduated from Jiangxi University of Finance and Economics (江西財經大學) in the PRC in July 2000 with a bachelor’s degree in Economics, majoring in Accounting. He was certified as a Certified Public Accountant by the Examination Committee of Certified Public Accountants of the Ministry of Finance in the PRC in December 2005.

Mr. Yang Xi (楊熙) (“Mr. Yang”), aged 44, was appointed as a Supervisor on March 2, 2023. He has 21 years of experience in media and research in the real estate and property industries. From July 2004 to February 2008, Mr. Yang served as the chief editor at Sina.com Technology (China) Co., Ltd., an online media company, mainly responsible for managing the operation of the real estate channel. From February 2008 to January 2015, he worked as the chief editor of Beijing Yisheng Leju Information Service Co., Ltd., an online to offline real estate service provider listed on the New York Stock Exchange (stock code: LEJU), mainly responsible for website publishing and editing. From January 2015 to February 2019, he served as the Chief Operating Officer at Shanghai Weimi Business Information Consulting Co., Ltd., mainly responsible for the company’s operations and management. The company is mainly engaged in business information consulting services. Since February 2019, Mr. Yang have been working at Beijing CRMRI Information Technology Co., Ltd. as the legal representative, director, and manager, mainly responsible for the management of the company, which is mainly engaged in information technology business. He was appointed as an independent non-executive director of Dexin Service Group (stock code: 02215) since January 2021. Since May 2023, he has been working for Beijing Zhongwu Zhihui Information Technology Co., Ltd. (北京中物智匯信息科技股份有限公司) as a legal representative, director and manager, and is mainly responsible for the management of the company, which is mainly engaged in the information technology business.

Mr. Yang obtained a Bachelor’s degree in Arts from Beijing Technology and Business University in June 2001. Since July 2019, Mr. Yang has been serving as the deputy secretary general of China Property Management Institute.



Mr. Zhang Yuanpeng (張元鵬) (“Mr. Zhang”), aged 31, was appointed as a Supervisor on May 22, 2020.

Since March 2018, Mr. Zhang has been serving as an assistant to the president at Zhongyu Gas Holdings Limited (中裕燃氣控股有限公司), a company listed on the Stock Exchange (stock code: 3633), and is responsible for implementing various tasks delegated by the president and coordinating with various departments.

Mr. Zhang graduated from Wuhan University (武漢大學) in the PRC in June 2015, where he obtained a bachelor’s degree in finance. He graduated from Lingnan University (嶺南大學) in Hong Kong in December 2017, where he obtained a master’s degree in human resource management and organizational behaviour.

Ms. Dong Hui (董慧), (“Ms. Dong”) aged 44, has been serving as the director of human resources and administrative affairs of the Company since she joined the Group in March 2020, and is responsible for management of human resources and administrative affairs. Prior to joining the Group, from July 2003 to April 2008, Ms. Dong served as a human resources specialist at China Light Industry Construction Co., Ltd. (中國輕工建設工程總公司), a company mainly engaged in project management, technical services, technical consulting and construction supervision, where she was primarily responsible for human resources related work. In April 2008, she joined RiseSun Real Estate and successively served as the director of human resources of the Langfang branch office, the service oversight director and the director of human resources of RiseSun Real Estate, where she was mainly responsible for human resources management until March 2020. Since April 6, 2020, Ms. Dong has served as a staff representative supervisor of the Company.

Ms. Dong graduated from Xi’an Industrial University (西安工業大學) in the PRC in July 2003, where she obtained a bachelor’s degree in human resources management. Ms. Dong obtained a First-level Human Resources Management Certificate awarded by the Ministry of Human Resources and Social Security in the PRC in December 2011.

Ms. Wu Xiyang (武曦穎) (“Ms. Wu”), aged 39, a member of the Communist Party of China, joined RiseSun Real Estate on December 15, 2011 and worked in the discipline and supervision department of RiseSun Real Estate in the roles of discipline & supervision specialist, discipline & supervision supervisor and discipline & supervision manager. She was transferred to the audit and compliance department of the Company on September 16, 2019 and currently holds the position of audit and compliance manager of the Company. Ms. Wu has served as our staff representative supervisor since July 17, 2023.

Ms. Wu graduated from Hebei GEO University (河北地質大學) in the PRC with a bachelor’s degree in accounting in June 2007.



BIOGRAPHIES OF SENIOR MANAGEMENT

Mr. Long Xiaokang (隆小康) (“Mr. Long”), aged 39, was appointed as the chief financial officer and the deputy general manager of the Group since July 20, 2022.

Mr. Long has extensive experience in financial management, investment and finance management, auditing and tax management. From July 2008 to August 2011, he served as the accounting supervisor of RiseSun Real Estate Development Co., Ltd. (榮盛房地產發展股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002146) in its Jiangsu Xuzhou project (江蘇徐州項目); from September 2011 to March 2016, he successively served as the finance manager and the chief financial officer of RiseSun Real Estate Development Co., Ltd. in its Anhui Bengbu project (安徽蚌埠項目), responsible for the financial management of Bengbu region; from April 2016 to September 2021, he successively served as the chief financial officer and the deputy general manager of RiseSun Xingcheng Investment Co., Ltd. (榮盛興城投資有限公司), responsible for the financial management and park operation of Rongsheng Industrial Park (榮盛產業園); from October 2021 to June 2022, he served as the deputy general manager of RiseSun Kanglv Investment Co., Ltd. (榮盛康旅投資有限公司), responsible for its financial management.

Mr. Long graduated from Hebei University of Economics and Business (河北經貿大學) with a bachelor’s degree in management in 2008 and graduated from Nankai University (南開大學) with a master’s degree in Executive Master of Business Administration in 2019. Mr. Long has extensive experience in financial management, investment and finance management, auditing and tax management.

Mr. Meng Qingbin (孟慶斌) (“Mr. Meng”), aged 40, was appointed as the deputy general manager when he joined the Group in July 2019 and is responsible for the management of value-added services, the brand center and information services. Prior to joining the Group, from October 2007 to January 2009, he successively served as an asset advisor and the branch manager at Beijing Anxin Ruide Real Estate Agent Co., Ltd. (北京安信瑞德房地產經紀有限公司), a company mainly engaged in real estate investment and brokerage services, where he was responsible for management of the real estate brokerage business and market development. From January 2009 to January 2013, he served as the regional business manager at Beijing Heshun Jiawei Real Estate Brokerage Co., Ltd. (北京和順嘉偉房地產經紀有限公司) (formerly known as Beijing Siyuan Innovation Real Estate Brokerage Co., Ltd. (北京思源創新房地產經紀有限公司)), a company mainly engaged in the provision of real estate brokerage services, where he was mainly responsible for the establishment and execution of real estate brokerage business, market development and participation in the group’s business strategy. He subsequently served as the director of the Marketing Center of Beijing Sohu New Media Information Technology Co., Ltd. (北京搜狐新媒體信息技術有限公司), a company mainly engaged in real estate internet advertising, e-commerce and value-added services. From July 2016 to July 2019, he served as the director of the Lease and Sale Center and Asset Management Center of Community Business Management Department of Longfor Property Services Group Co., Ltd. (龍湖物業服務集團有限公司), where he was mainly responsible for the overall management of the company’s national rental and sales and asset business.

Mr. Meng graduated from Gansu Agricultural University (甘肅農業大學) in the PRC in June 2006, where he obtained a bachelor’s degree in gardening. He graduated from ECEMA College of France with a master degree in business management in 2022.



Mr. Wang Yuliang (王玉良) (“Mr. Wang”), aged 48, was appointed as a deputy general manager upon joining the Group in March 2023, who is responsible for the management of investment development. He joined RiseSun Construction Engineering Co., Ltd. (榮盛建設工程有限公司), Branch 1 in July 2000; from July 2000 to October 2002, he served as a technician in the engineering department and later assumed the role of project manager. In October 2002, he was transferred to Risesun Construction and Municipal Corporation (榮盛建設市政公司); from October 2002 to June 2007, he served as a project manager and vice president of operations. From June 2007 to August 2009, he served as the manager of the planning and construction department of Xianghe Industrial Park. He was then promoted to deputy general manager of Xianghe Industrial Park in August 2009, and subsequently advanced to the position of general manager, a role he held from September 2016 until September 2022. From March 2021 to September 2022, he concurrently held the position of general manager of Rong’an Xianghe Environmental Engineering Company (榮安香河環境工程公司). Additionally, from June 2021 to September 2022, he served as the general manager of Rongcheng Construction Materials Tianjin Company (榮城建築材料天津公司), Tianjin Qinglin Horticultural Company (天津青林園藝公司) and Ye Rui Municipal Tianjin Branch (燁瑞市政天津分公司), respectively. From September 2022 to March 2023, he held the position of general manager of Ruisheng Company under the Langfang Holdings Group.

Mr. Wang graduated from Hebei University of Technology (河北工業大學) in the PRC in July 2000 with a bachelor’s degree in construction and civil engineering. He graduated from Hebei University of Technology in the PRC in January 2007 with a master’s degree in civil engineering. Mr. Wang was awarded the qualification title of Senior Engineer (Civil Construction Engineering Technology) on May 23, 2013, certified by the Department of Construction of Hebei Province (河北省建設廳).

Mr. Zhang Jian (張健) (“Mr. Zhang”), aged 41, was appointed as a deputy general manager in March 2023, who is responsible for the management of quality. He joined Langfang RiseSun Property Company (廊坊榮盛物業公司) in April 2006. From April 2006 to June 2008, he worked as a monitor, customer service staff, customer service supervisor and assistant manager in the management department of Alcadia. In June 2008, he was transferred to Langfang RiseSun Property Cangzhou Branch (廊坊榮盛物業滄州分公司) as assistant office manager. He was then promoted to property manager in July 2010, and subsequently further advanced to property director in January 2016. Additionally, he was concurrently appointed as general manager of the Cangzhou Business Management Da Shang (滄州商管大商) from March 2017 to July 2022. From February 2019 to March 2023, he held the position of general manager of Roiserv Cangzhou Branch.

Mr. Zhang graduated from Hebei University in the PRC in January 2015 with a bachelor’s degree in business administration.



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICE

The Group is committed to achieving a high standard of corporate governance to protect the Shareholders' overall interests.

Since the Listing, the Company has adopted and applied the Corporate Governance Code as its own corporate governance code. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code that were in force for the year ended December 31, 2023.

BOARD OF DIRECTORS

Composition of the Board

As at the date of this report, the Board consists of three executive Directors (namely Mr. Geng Jianfu (Chairman), Ms. Liu Hongxia and Mr. Xiao Tianchi), one non-executive Director (namely Mr. Zhang Wenge), and three independent non-executive Directors (namely Mr. Jin Wenhui, Mr. Xu Shaohong Alex and Mr. Tang Yishu). An updated list of Directors and their roles and functions is posted on the websites of the Stock Exchange and the Company, respectively. Their names and biographical details are set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" of this report. The Board is responsible for the overall management of the Company's operations, as well as overseeing and formulating the overall business strategy.

Apart from the information disclosed in the section headed "Biographical Details of Directors, Supervisors and Senior Management" of this report, there is no financial, business, family and other material or relevant relationship among the respective Directors, the Supervisors, the chairman and the president of the Company.

Save as disclosed above, for the year ended 31 December 2023, the Board has consistently complied with Rules 3.10(1) and (2) of the Listing Rules regarding the appointment of at least three independent non-executive Directors and at least one independent non-executive Director who shall have appropriate professional qualifications or accounting and financial management expertise. The three independent non-executive Directors account for over one-third of the Board, which meets the requirements of Rule 3.10A of the Listing Rules, that is, the independent non-executive directors of the listed issuer must represent at least one-third of the board. The Board believes that it has sufficient independence to safeguard the interests of the Shareholders.



DUTIES OF DIRECTORS

The Board is responsible for overseeing all major matters of the Company, including formulating and approving all policy matters, overall strategy, internal control and risk management systems, and supervising the duty performance of senior management. Directors shall make objective decisions based on the Company's overall interests. As at the date of this report, the Board consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. The names and biographical details of the Directors are listed in the section headed "Biographical Details of Directors, Supervisors and Senior Management" of this report.

The liability insurance of the Directors, Supervisors and senior management of the Company is maintained by the Company during the year ended December 31, 2023 to prevent and cover certain legal liabilities that may arise in the course of performing their duties.

BOARD AUTHORISATION

The management consisting of executive Directors and other senior management is authorised to implement the strategies and guidelines approved by the Board and is responsible for the day-to-day management and operations of the Group. The executive Directors and senior executives meet regularly to review the performance of the Group's overall business, co-ordinate overall resources, and make financial and operating decisions. The Board also gives clear instructions on its management powers (including circumstances where the management should report to it) and will regularly review the authorisation arrangements to ensure that they are suitable for the needs of the Group.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to prepare the Group's consolidated financial statements in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure the timely release of the Group's consolidated financial statements. The Directors are not aware of any significant uncertainties related to events or conditions, and these uncertainties may have a significant impact on the Company's ability to continue as a going concern. Therefore, the Directors have prepared the consolidated financial statements of the Group in accordance with the going concern standard.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Independent non-executive Directors play an important role in the Board by virtue of their independent judgments, and their views are of great significance in the decision of the Board. The functions of independent non-executive Directors include holding impartial views and judgments on such issues as the Company's strategy, performance and control; and reviewing the Company's performance and monitoring performance reports.

All independent non-executive Directors have extensive academic, professional, industry knowledge and management experience, and have made positive contributions to the Company's development by providing professional advice to the Board.

Confirmation of independence

The independence of the independent non-executive Directors has been assessed in accordance with the applicable Listing Rules, and the Company has received from each independent non-executive Director an annual written confirmation of his/her independence with reference to the factors set out under Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors meet the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and are independent.



INDEPENDENCE MECHANISMS

The Company has in place mechanisms to ensure independent views and input are available to the Board. The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement. Each independent non-executive Director is required to provide an annual confirmation of his/her independence to the Company and the Nomination Committee is responsible to assess the independence and time commitment of each independent non-executive Director at least annually.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. To facilitate proper discharge of their duties, all the Directors are entitled to seek advice from the company secretary of the Company or, upon reasonable request, seek independent professional advice at the Company's expense. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended December 31, 2023.

BOARD DIVERSITY POLICY

The Board has adopted the Board Diversity Policy, which sets out ways to achieve board diversity. The Company recognises and embraces the benefits of a diverse board and considers board-level diversity to be an important element in supporting the achievement of the Company's strategic goals and sustainable development. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and years of service. All Board appointments are based on elite management and consideration of candidates based on objective criteria with the benefits of board diversity fully taken into account.

During the year ended December 31, 2023, the Board had seven Directors with comprehensive and balanced knowledge, skills and experience in the areas of property management, accounting, investment, engineering and financial management. They had obtained various professional degrees, including engineering, business management, economics and accounting. The Board had three independent non-executive Directors who had different industry backgrounds, accounting for over one-third of the Board members.

Regarding gender diversity in the Board, the Company appointed Ms. Liu Hongxia as an executive Director of the Company on August 22, 2022, which was approved by the Shareholders. The Board satisfied with the current gender diversity of the Board. The Board targets to maintain at least one female Director and will consider appointing more female Directors in the future should there are suitable candidates. As of the date of this annual report, the Company has not set a target figure and timetable for increasing gender diversity at the Board level. The Company will also ensure that there is gender diversity when recruiting staff at mid to senior level of the Group so that it will have a pipeline of female senior management and potential successors to the Board in the future.

The Nomination Committee is responsible for ensuring the diversity of Board members and will review the Board Diversity Policy from time to time to ensure its continued effectiveness.



Gender Diversity of Employees

As at 31 December 2023, the Group has a total of 7,743 employees and the ratio of male to female employees is approximately 1:0.86. The Nomination Committee considered that the current ratio of male and female employees is relatively balanced, and the Group will continue to maintain the gender diversity in workforce. The Company will also ensure the gender diversity when recruiting staff at mid to senior level of the Group so that it will have a pipeline of female employees and potential successors to the senior management in the future.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

According to the Articles of Association, Directors shall be elected at the general meeting and the term of office of the Directors (including non-executive Directors) is from the date of passing the resolutions at the general meeting to the expiry date of the term of office of the Board of that session. The term of each session of the Board is three years, and the Directors are eligible for re-election upon expiry of the term.

At any time before the expiry of the Director's term, the Shareholders may dismiss any Director by an ordinary resolution at any general meeting convened and held in accordance with the Articles of Association, despite the contrary in the Articles of Association or the existence of any agreement reached between the Company and the Director (but without prejudice to any claim for damages under that agreement).

DIRECTOR TRAINING AND PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives comprehensive, formal and customised training at the time of appointment. Subsequently, the Directors will obtain the latest developments regarding the Listing Rules, legal and other regulatory requirements, as well as the Group's business development, and they will be encouraged to participate in continuous professional development to expand their knowledge and skills. For the year ended December 31, 2023, all the Directors (namely Mr. Geng Jianfu, Ms. Liu Hongxia, Mr. Xiao Tianchi, Mr. Zhang Wenge, Mr. Jin Wenhui, Mr. Xu Shaohong Alex and Mr. Tang Yishu) had participated in the continuous professional development plan and have complied with the code provision C.1.4 of the Corporate Governance Code and participated in continuous professional development including attended training relating to the Group's businesses, updates on the Listing Rules, legal and regulatory requirements and corporate governance practices, and read relevant materials to keep themselves abreast of regulatory developments and changes, to develop and refresh their knowledge and skills.

BOARD MEETING

The Board meets regularly to discuss and formulate the overall strategy, operations and financial performance of the Group. Directors can participate in person or through electronic communication. In accordance to C.5.1 of the Corporate Governance Code, the Board will hold at least four regular meetings per year at a frequency of approximately once a quarter, and will arrange ad hoc meetings if necessary. The date of each regular meeting is set in advance so that the Directors can attend the meeting in person. In accordance to C.2.7 of the Corporate Governance Code, the Chairman will also hold at least one meeting with the independent non-executive Directors without the presence of other Directors per year. As of December 31, 2023, the Chairman has arranged one relevant meeting with the independent non-executive Directors.

During the year ended December 31, 2023, the Directors made positive contributions to the affairs of the Group and had held 13 Board meetings.

Attendance records of Directors

During the year ended December 31, 2023, the attendance records of the Directors at Board meetings, meetings of special committees under the Board and general meeting are as follows:

Name	Number of meetings attended in 2023/number of meetings held during the Director's office				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Executive Directors					
Mr. Geng Jianfu (<i>Chairman</i>)	13/13	N/A	2/2	3/3	6/6
Ms. Liu Hongxia	13/13	N/A	N/A	N/A	6/6
Mr. Xiao Tianchi	13/13	N/A	N/A	N/A	6/6
Non-executive Director					
Mr. Zhang Wenge	13/13	4/4	N/A	N/A	6/6
Independent Non-executive Directors					
Mr. Jin Wenhui	13/13	4/4	2/2	N/A	6/6
Mr. Xu Shaohong Alex	13/13	4/4	N/A	3/3	6/6
Mr. Tang Yishu	13/13	N/A	2/2	3/3	6/6

NOMINATION POLICY

The Nomination Committee adopts a variety of methods to determine candidates for Directors, including recommendations from Board members and the management. In addition, the Nomination Committee will consider Director candidates appropriately submitted by Shareholders. The evaluation of the Nomination Committee on Director candidates may include, but is not limited to, review of resumes and work experience, personal interviews, verification of professional and personal recommendation letters, and performing background checks. The Board will consider the recommendations from the Nomination Committee and be responsible for designating candidates for Directors to be elected by Shareholders at the Company's general meeting, or appointing suitable candidates to serve as Directors to fill Board vacancies or as supplements to Board members, and to comply with the Articles of Association. All Director appointments should be confirmed through a letter of appointment and/or service contract, which should set out the main terms and conditions of Director appointment.

The Nomination Committee should consider the following eligibility requirements, which are minimum requirements for candidates to recommend to the Board potential new Directors or to continue to provide existing Directors:

- the highest personal and professional ethics and integrity;
- proven achievements and abilities of the nominee and exercise of reasonable business judgment;
- complementary skills with existing Board;



- ability to assist and support management and make a significant contribution to the Company’s success;
- understand the fiduciary duties required by Board members and the time and effort required to perform their duties diligently; and
- independence: independent non-executive Director candidates should meet the “independence” requirements under Rule 3.13 of the Listing Rules, and the composition of the Board should meet the requirements of the Listing Rules.

The Nomination Committee may also consider other factors that are considered to be in the interests of the Company and the Shareholders as a whole.

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

Since the Listing, the Company has adopted the Model Code as the guidelines for Directors’ and Supervisors’ dealings in the securities of the Company. Upon specific enquiries with all Directors and Supervisors, each of them has confirmed that during the year ended December 31, 2023, he/she has complied with the Model Code.

According to the Company’s requirements, the relevant management personnel and employees of the Company are also bound by the Model Code, which prohibits them from trading in the Company’s securities at any time when they have inside information related to the securities. The Company was not aware of any incidents of violations of the Model Code by relevant personnel and employees.

REMUNERATION OF SENIOR MANAGEMENT

According to code provision E.1.5 of the Corporate Governance Code, the annual remuneration of senior management (other than Directors) by band for the year ended December 31, 2023 is as follows:

	Number of senior management
Nil to RMB1,000,000	3
RMB1,000,001 to RMB1,500,000	1

DIVIDEND POLICY

Subject to compliance with applicable laws and regulations and the Articles of Association, the Group expects that the annual dividend payout shall not be less than 25% of the after-tax profit. The payment and amount (if any) of dividends depend on the Group’s operating results, cash flow, financial position, legal and regulatory restrictions on dividends, future prospects and other relevant factors. Shareholders will be entitled to receive the dividend on a pro-rata basis based on the paid-up Shares paid or credited to the Shares. The declaration, payment and amount of dividends will be completely determined by the Company. The proposed payment of dividends must also be at the discretion of the Board, and any announcement of the final dividend must be approved by Shareholders. The Board will review the dividend policy annually and does not guarantee that dividends will be declared or paid for any particular amount for any given period.



CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing corporate governance duties, including:

- develop and review the Company's policies and practices regarding corporate governance;
- review and monitor the training and continuous professional development of Directors and senior management;
- review and monitor the Company's compliance with policies and practices required by laws and regulations;
- develop, review and monitor codes of conduct and compliance manuals applicable to employees and Directors; and
- review the Company's compliance with the Corporate Governance Code.

For the year ended December 31, 2023, the Board has performed the above duties.

CHAIRMAN AND GENERAL MANAGER

For the year ended December 31, 2023, the chairman and the general manager were held by different individuals. The chairman is Mr. Geng Jianfu, and the general manager is Ms. Liu Hongxia. The separation of responsibilities between the chairman and general manager ensures that the responsibilities of the chairman in managing and leading the Board are clearly different from those of general manager in managing the Company's business.

BOARD COMMITTEES

The Board has established three committees, namely Audit Committee, Remuneration Committee and Nomination Committee, with respective written terms of reference to oversee related affairs of the Group.

AUDIT COMMITTEE

The Company established the Audit Committee in accordance with Rules 3.21 to 3.23 of the Listing Rules and established written terms of reference in accordance with the Corporate Governance Code. The main duties of the Audit Committee are to review and supervise the Group's financial reporting procedures and internal control systems, risk management and internal audit, provide advice to the Board, and perform other duties that the Board may delegate.

As of the date of this report, the Audit Committee consists of three members, including two independent non-executive Directors, Mr. Xu Shaohong Alex and Mr. Jin Wenhui, and one non-executive Director, Mr. Zhang Wenge. The chairman of the Audit Committee is Mr. Xu Shaohong Alex. Mr. Jin Wenhui was certified as a Certified Public Accountant by the Ministry of Finance of the PRC in May 1997 and has appropriate accounting and related financial management expertise, which meets the requirements of Rule 3.21 of the Listing Rules. Pursuant to the terms of reference of the Audit Committee, Audit Committee meeting shall be held at least twice every year or more frequently if circumstances require.

During the year ended December 31, 2023, the Audit Committee held four meetings and met with the Company's senior management and independent auditors to, among others, (1) consider the Group's annual results for the year ended December 31, 2022 and the interim results of the Group for the six months ended June 30, 2023; (2) review and discuss the Group's risk management and internal control systems, the effectiveness of the Company's internal audit and risk control functions; and (3) re-appoint the auditor.



REMUNERATION COMMITTEE

The Company has established the Remuneration Committee in accordance with Rules 3.25 to 3.27 of the Listing Rules and the Corporate Governance Code and has established its written terms of reference. The main responsibilities of the Remuneration Committee are to formulate policies on remuneration for Directors and senior management, and to establish formal and transparent procedures to formulate remuneration policies and provide recommendations to the Board; make recommendations to the Board on the remuneration package of each executive Director and senior management, and review and approve performance-based compensation with reference to corporate goals achieved from time to time. The remuneration of all Directors and senior management is regularly monitored by the Remuneration Committee to ensure that their remuneration levels are appropriate.

As of the date of this report, the Remuneration Committee consists of three members, including an executive Director, Mr. Geng Jianfu, and two independent non-executive Directors, Mr. Tang Yishu and Mr. Jin Wenhui. The chairman of the Remuneration Committee is Mr. Tang Yishu.

During the year ended December 31, 2023, the Remuneration Committee held two meetings to (1) review the Company's policy for the remuneration of the executive Directors; (2) assess the performance of the executive Directors and review the terms of their service contracts; (3) consider recommending the Shareholders to authorise the Board to fix the remunerations of the Directors; and (4) make recommendations on the remuneration packages of the executive Directors and senior management, and submit the proposal to the Board for approval.

NOMINATION COMMITTEE

The Company has established the Nomination Committee in accordance with Rule 3.27A and the Corporate Governance Code, with written terms of reference. The main duties of the Nomination Committee are to regularly review the structure, size and composition of the Board and make recommendations to the Board on any proposed changes to the composition of the Board; determine and select Board members or nominate Director candidates, and make recommendations to the Board and ensure diversity of board members; assess the independence of independent non-executive Directors and make recommendations to the Board on matters related to appointment, re-appointment and removal of Directors, and Director succession plans.

As of the date of this report, the Nomination Committee consists of three members, including one executive Director, Mr. Geng Jianfu, and two independent non-executive Directors, Mr. Xu Shaohong Alex and Mr. Tang Yishu. The chairman of the Nomination Committee is Mr. Geng Jianfu.

During the year ended December 31, 2023, three meetings were held to review the appointment of an independent non-executive Director; review the structure, size and composition of the Board of the Company, review the Board Diversity Policy, the measurable goals therefor and the progress towards such goals; evaluate the independence of independent non-executive Directors and submit the proposal to the Board for approval.



FINANCIAL REPORTING SYSTEM, RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Financial Reporting System

The Board, with the support of the financial department, is responsible for preparing the financial statements of the Company and the Group. As stated in the section headed “Report of the Board of Directors – Accounting Standards” of this report, CASBE was adopted and appropriate accounting policies were consistently used and applied in preparing the financial statements. The purpose of the Board is to make a clear and balanced assessment of the Group’s performance in its annual and interim reports to Shareholders, and to make appropriate disclosures and announcements in a timely manner. Under code provision D.1.1 of the Corporate Governance Code, the management will provide explanations and information to the Board to enable it to make an informed assessment of financial and other information submitted to the Board for approval.

The scope of work and reporting responsibilities of ShineWing Certified Public Accountants LLP, the Company’s external auditor, are set out in the “Auditor’s Report” on pages 75 to 80 of this report.

Risk Management and Internal Control Systems

The Board acknowledges its overall responsibility for maintaining adequate and effective risk management and internal control systems of the Group on an on-going basis and reviewing their effectiveness at least annually.

The Board and senior management are responsible for establishing, reviewing and implementing the Group’s risk management and internal control systems. The internal control system covers all major aspects of the Group’s operations, including sales, procurement, financial reporting, asset management, budget and accounting processes. The Group’s risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The Group also has internal audit and risk control functions, which mainly analyze and independently evaluate the adequacy and effectiveness of risk management and internal control systems, and report its findings to the senior management at least annually.

Regarding the Group’s risk management and internal control measures, the Group has formulated a comprehensive set of policies and guidelines, which detail all aspects of internal control standards, process used to identify, evaluate and manage significant risks, division of responsibilities, approval procedures, and personnel accountability. The Group also conducts regular internal assessments and training to ensure that its employees have sufficient knowledge of these policies and guidelines. For the year ended December 31, 2023, the Group has implemented procedures and internal controls to process and disclose inside information. In particular, the Group:

- has handled in strict accordance with the disclosure requirements of the Listing Rules and the Inside Information Disclosure Guidelines issued by the Securities and Futures Commission of Hong Kong in June 2012;
- has established its own disclosure obligation procedures that set out procedures and controls for assessing potential internal information and for processing and disseminating internal information. The procedures have been communicated to the Company’s senior management and employees and the Company monitors its implementation;
- made extensive, non-exclusive information disclosure to the public in financial reports, announcements and through channels such as websites.



The risk management and internal control systems are continuously reviewed and evaluated by the Audit Committee and executive Directors, and will be further reviewed and evaluated by the Board at least annually, covering all material controls, including financial, operational and compliance controls. During the year ended December 31, 2023, the Board, through the Audit Committee, has reviewed the Company's internal control and risk management systems and considered the systems to be effective and adequate.

AUDITOR'S REMUNERATION

For the year ended December 31, 2023, the remuneration for the audit services of ShineWing Certified Public Accountants (Special General Partnership) was RMB2 million (non-audit services: nil).

JOINT COMPANY SECRETARIES

For the year ended 31 December 2023, Mr. Xiao Tianchi (the executive Directors and the Board secretary) and Mr. Chung Ming Fai acted as joint company secretaries. For the year ended December 31, 2023, Mr. Xiao Tianchi and Mr. Chung Ming Fai have complied with the relevant professional training requirements under Rule 3.29 of the Listing Rules by taking at least 15 hours of relevant professional training to update their skills and knowledge. On January 5, 2024, Mr. Chung Ming Fai resigned as the joint company secretary of the Company and Mr. Diao Shaolong was appointed as a joint company secretary of the Company.

SHAREHOLDERS' RIGHT

The Company treats all Shareholders equally with a view to ensuring that their rights can be fully exercised and their legitimate interests can be safeguarded and that the Shareholders' general meeting can be convened and held in strict compliance with the relevant laws and regulations. The Company's corporate governance structure is to ensure that all Shareholders, especially the minority Shareholders, can enjoy equal benefits and undertake corresponding responsibilities.

Convening an Extraordinary General Meeting

Pursuant to the requirements of the Articles of Association, the Board may convene an extraordinary general meeting as it thinks fit. Shareholders requisitioning extraordinary general meetings or class meetings shall abide by the following procedures:

- (I) Shareholders individually or jointly holding over 10% of the voting Shares may request the Board to convene an extraordinary general meeting by signing and submitting one or more written requests with the same format and contents in which the matters for consideration at the meeting shall be set out clearly. The Board shall proceed to convene the extraordinary general meeting as soon as possible after receiving the aforesaid written request. For the purpose of the preceding requirement relating to the number of voting Shares held, such number shall be calculated on the basis of the number of relevant voting Shares held on the date of submission of such written request.
- (II) If the Board fails to issue a notice of such meeting within 30 days from the date of the receipt of the aforesaid written request, the Supervisory Committee may convene such a meeting by itself within 4 months from the date of receipt of the written request by the Board. If the Supervisory Committee fails to convene and preside over an extraordinary general meeting or a class meeting, Shareholders holding over 10% of the Shares individually or jointly may convene and preside over such a meeting by themselves, following the procedure for convening such meeting by the Board as much as possible.

Any reasonable expenses incurred by the Supervisory Committee or the Shareholders in convening and holding such meeting due to the failure of the Board to convene such meeting in response to the aforesaid request shall be borne by the Company.



Procedures to Put Forward Motions at General Meeting by Shareholders

Shareholders may make recommendations at the general meeting by two means: proposing a provisional resolution at general meetings and requiring the right to speak at the general meeting.

If the Company decides to hold a general meeting, Shareholders individually or jointly holding 3% or more of the total Shares carrying voting right shall be entitled to propose motions in writing to the convener 10 days before the convening of the general meeting. The convener shall dispatch a supplemental notice of the general meeting within 2 days from receipt of the proposal to notify other Shareholders and include such proposed motions into the agenda for such general meeting if they are matters falling within the functions and powers of general meeting.

Shareholders may submit and serve the motions directly through ir@roiserv.com.

Shareholders attending the general meeting may require the right to speak. The right to speak at general meetings can be conducted in writing and verbally. Shareholders or proxies requiring the right to speak shall register with the secretary to the Board or the chairman of the meeting prior to voting. The order of speaking shall follow the registration order.

Making Inquiry to the Board and Shareholders' Communication Policy

Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the Company. Such questions, requests and comments can be addressed to the Company by mail to RiseSun Development Mansion, 81 Xiangyun Road, Langfang Economic and Technological Development Area, Langfang, Hebei Province, the PRC (中國河北省廊坊市經濟技術開發區祥雲道81號榮盛發展大廈) or by email to ir@roiserv.com.

The Company ensures prompt dissemination of corporate communications to enable Shareholders and other stakeholders to keep abreast of the Group's business and developments so that they can make informed decisions. It publishes regulatory announcements and other corporate communications on its website.

The Company maintains balanced, clear and transparent communications with Shareholders to facilitate their understanding of the Group's performance and business operations, the Company has ongoing dialogue with the Shareholders and other investors through various communication channels and takes any areas of concern into consideration in formulating its business strategies. Shareholders may at any time make enquiries to the Board as described above or directly by raising questions at general meetings.

The Board welcomes views of the Shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. Board members and appropriate senior staff of the Group are available at the meetings to answer any questions raised by the Shareholders.

The Board has reviewed the shareholders' communication policy and its effectiveness was confirmed after considering the facts disclosed above.



CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2023, the Company amended the Articles of Association to comply with, among others, the core shareholder protection standards set out in Appendix 3 (renamed as Appendix A1 with effect from 31 December 2023) to the Listing Rules, adopt consequential changes to the Listing Rules as a result of the changes in the PRC regulations and to change its registered address and business scope. These amendments have been approved by the Shareholders.

On December 19, 2023, the Company completed the filing of the change for the amendments to its Articles of Association.

Details of the amendments are set out in the announcements of the Company dated May 18, 2023, November 10, 2023 and December 19, 2023, and the circulars of the Company dated 31 May 2023 and 10 November 2023.

The latest version of the Articles of Association are available on the Company's website (www.roiserv.com) and the Stock Exchange's website (www.hkexnews.hk).



REPORT OF THE BOARD OF DIRECTORS

The Board is pleased to present the annual report and audited consolidated financial statements of the Group for the year ended December 31, 2023.

PRINCIPAL BUSINESS

The Company and its subsidiaries are principally engaged in property management services, value-added services to non-property owners, community value-added services and urban services. An analysis on the Group's revenue and operating results for the year ended December 31, 2023 is set out in Note V to the consolidated financial statements of this report.

GEOGRAPHICAL ANALYSIS OF OPERATION

An analysis of the Group's revenue from operations by geographical locations of customers for the year ended December 31, 2023 is set out on page 25 of this report.

RESULTS AND OVERALL PERFORMANCE

The Group's results for the year ended December 31, 2023 are set out in the Consolidated Income Statement of this report.

BUSINESS REVIEW

The Group's business review, including the discussion on the major risks and uncertainties exposed to the Group and the potential business development course of the Group in the future, is set out in the sections headed "Report of the Board of Directors" and "Management Discussion and Analysis", which are on pages 60 to 72 and pages 17 to 39 of this report, respectively.

Details of the significant events which affected the Group and took place since the end of the financial year ended December 31, 2023 are set out in Note XIV to the consolidated financial statements on page 249 of this report. "Management Discussion and Analysis" on pages 17 to 39 of the annual report contains part of the analysis on the Group's annual performance using key financial performance indicators. For explanations on the major relations between the Company and its employees, customers and suppliers, please refer to the section headed "Management Discussion and Analysis – Employees and Remuneration Policy" and the section headed "Report of the Board of Directors – Major Customers and Suppliers" of this report. These discussions form part of this Report of the Board of Directors.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long-term sustainability of the environment and communities in which it operates. The Group operates its business in compliance with applicable environmental protection laws and regulations and has implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations. For further details of the Group's environmental policies and performance and discussion on the key relationships with the Group's major stakeholders, please refer to the environmental, social and governance report of the Company for the year ended December 31, 2023 published on the websites of the Stock Exchange and the Company.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended December 31, 2023, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.



FINAL DIVIDEND

The Board resolved not to recommend the payment of final dividend for the year ended December 31, 2023 (2022: Nil). As at December 31, 2023, there was no arrangement under which a Shareholder had waived or agreed to waive any dividends.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed as appropriate as set out below:

For determining the entitlement to attend, speak and vote at the AGM

For determining the entitlement to attend, speak and vote at the AGM, the Register of Members will be closed from Tuesday, June 25, 2024 to Friday, June 28, 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend, speak and vote at the AGM, unregistered holders of H Shares shall lodge all the share transfer documents accompanied by the relevant share certificates with the H share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for the registration of transfer of shares not later than 4:30 p.m. on Monday, June 24, 2024.

WITHHOLDING AND PAYMENT OF INCOME TAX

According to the Law on Enterprise Income Tax of the People's Republic of China (《中華人民共和國企業所得稅法》) which came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018 respectively, the Implementing Rules for the Law on Enterprise Income Tax of the People's Republic of China effective on January 1, 2008, the Notice on the Issues Concerning Withholding and Paying Enterprise Income Tax on the Dividends Paid by PRC Resident Enterprises to Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on November 6, 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from January 1, 2008 to non-resident enterprise shareholders, it is required to withhold and pay 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will withhold and pay 10% of the special dividend as enterprise income tax on behalf of non-resident enterprise shareholders whose names appear on the Register of Members of H Shares of the Company, i.e. any Shareholders who hold H Shares in the name of non-individual Shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organizations and groups, before distribution. After receiving dividends, the non-resident enterprises Shareholders may apply to the relevant tax authorities for enjoying treatment of tax treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such tax treaties (arrangement). After having verified that there is no error, the tax authorities shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the tax treaties (arrangement).

Pursuant to the Notice on the Issues Regarding Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the Company shall withhold and pay individual income tax for individual holders of H Shares. If the individual holders of H Shares are Hong Kong or Macau residents or residents of other countries or regions that have a tax rate of 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. If such Shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may provide assistance, provided that the relevant Shareholders submit the required documents and information in a timely manner. If such Shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may provide assistance provided that the Shareholders submit the relevant required documents and information in a timely manner.



REPORT OF THE BOARD OF DIRECTORS

If the individual holders of H Shares are residents of countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. If such Shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may apply, on behalf of such Shareholders and according to the relevant tax treaties, for the relevant agreed preferential tax treatment, provided that the relevant Shareholders submit the relevant documents and information in a timely manner required by the Administrative Measures on Enjoying Treatment under Tax Treaties by Non-resident Taxpayers (State Administration of Taxation Announcement 2015, No. 60) (《非居民納稅人享受稅收協議待遇管理辦法》(國家稅務總局公告2015年第60號)) and the provisions of the relevant tax treaties. The Company will assist with the tax refund subject to the approval of the competent tax authorities.

If the individual holders of H Shares are residents of countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such Shareholders. Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares of the Company in the PRC and in Hong Kong and other tax effects.

Pursuant to the relevant provisions under the Circular on Relevant Taxation Policies on the Pilot Interconnected Trading and Interoperability Mechanism between the Stock Markets of Shenzhen and Hong Kong (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends and bonus received by domestic investors from investing in H shares listed on the Stock Exchange through southbound trading, the company of such H shares shall withhold individual income tax at the rate of 20% on behalf of the investors. For dividends and bonus received by domestic securities investment funds from investing in shares listed on the Stock Exchange through southbound trading, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold the income tax for dividends and bonus on behalf of domestic enterprise investors and those domestic enterprise investors shall declare and pay the relevant tax themselves.

FIXED ASSETS

Details of the movements in the fixed assets of the Group for the year ended December 31, 2023 are set out in Note V.13 to the financial statements in this report.

BORROWINGS

For the year ended December 31, 2023, the Group had short-term borrowings of RMB2 million and long-term borrowings of RMB1.11 million due within one year.

SHARE CAPITAL

Details of the movements in the share capital of the Company for the year ended December 31, 2023 are set out in Note V.33 to the financial statements of this report.

UNDISTRIBUTED PROFIT

Details of the movements in the undistributed profit of the Company for the year ended December 31, 2023 are set out on in Note V.36 to the financial statements in this report. For the purpose of the Company, the undistributed profit available for distribution as at December 31, 2023 amounted to RMB616.8 million.



FINANCIAL STATEMENTS

The results of the Group for the year ended December 31, 2023 and its financial position as at December 31, 2023 are set out in the financial statements on pages 81 to 99 of this report.

DIRECTORS AND SUPERVISORS

During the year ended December 31, 2023 and up to the date of this report, the Directors and Supervisors are as follows:

Name of Director	Position
Mr. Geng Jianfu (<i>Chairman</i>)	Executive Director
Ms. Liu Hongxia	Executive Director
Mr. Xiao Tianchi	Executive Director
Mr. Zhang Wenge	Non-executive Director
Mr. Jin Wenhui	Independent Non-executive Director
Mr. Xu Shaohong Alex	Independent Non-executive Director
Mr. Tang Yishu	Independent Non-executive Director
Name of Supervisor	Position
Mr. Jing Zhonghua	President of the Supervisory Committee and Shareholder Representative Supervisor
Ms. Dong Hui	Employee Representative Supervisor
Ms. Wu Xiyi (<i>appointed on July 17, 2023</i>)	Employee Representative Supervisor
Mr. Yang Xi (<i>appointed on March 2, 2023</i>)	External Supervisor
Mr. Zhang Yuanpeng	External Supervisor
Mr. Wang Jiandong (<i>Resigned on March 2, 2023</i>)	External Supervisor
Mr. Liu Jifeng (<i>resigned on July 17, 2023</i>)	Employee Representative Supervisor

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the executive Directors and Supervisors has entered into a service contract with the Company and each of the non-executive Directors (including the independent non-executive Directors) has signed an appointment letter with the Company. The appointment of all Directors is effective from the respective appointment date until the expiry of the term of the second session of the Board, and appointment of all Supervisors is effective from the respective appointment date until the expiry of the term of the second session of the Supervisory Committee, subject to the termination by no less than one month's notice in writing served by either party. Both of the term of the second session of the Board and the Supervisory Committee are three years.

None of the Directors or Supervisors had entered into specific service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended December 31, 2023, none of the Directors or their respective associates (as defined under the Listing Rules) had any interests in any business which competes or may compete, either directly or indirectly, with the business of the Group.



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

As of December 31, 2023, the interests and short positions of each of our Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO) which is required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which is required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

(1) Interests in the Company

Name	Position	Nature of interest	Class of Shares	Shares held in the relevant class of Shares		Percentage of the
				Number ⁽¹⁾	Percentage ⁽¹⁾ (approx.)	total share capital of the Company ⁽¹⁾ (approx.)
Mr. Xiao Tianchi	Director	Interest of spouse ⁽²⁾	Domestic Shares	22,740,000 (L)	8.06%	6.05%
Ms. Liu Hongxia	Director	Interest in controlled corporations ⁽³⁾	Domestic Shares	23,733,000 (L)	8.42%	6.31%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares. As at December 31, 2023, the Company had 376,000,000 issued Shares, including 94,000,000 H Shares and 282,000,000 Domestic Shares.
- (2) By virtue of the SFO, Mr. Xiao Tianchi is deemed to be interested in the Shares held by his spouse, Ms. Geng Fanchao.
- (3) Ms. Liu Hongxia was a general partner of and had full control over Shengyide Commercial. By virtue of the SFO, Ms. Liu Hongxia is deemed to be interested in the Shares held by Shengyide Commercial.

(2) Interest in associated corporations of the Company

Name	Name of associated corporation	Nature of interest	Interest	Shareholding
			in shares ⁽¹⁾	percentage (approx.)
Mr. Geng Jianfu	RiseSun Real Estate Development	Beneficial owner	9,540,432 (L)	0.22%
	RiseSun Holdings	Beneficial owner	32,200,000 (L)	5.00%
	RiseSun Construction Engineering	Beneficial owner	9,180,000 (L)	2.78%
Mr. Jin Wenhui	RiseSun Holdings	Beneficial owner	2,860,000 (L)	0.44%

Note:

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

Save as disclosed above, to the best knowledge of the Directors and as at December 31, 2023, none of the Directors, Supervisors and chief executive of the Company had or was deemed to have interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including their interests and short positions deemed or taken under the relevant provisions of the SFO), or which were required to be entered in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As of December 31, 2023, to the best of Directors' knowledge, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares, which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register of the Company required to be kept pursuant to section 336 of the SFO:

Name of Shareholder	Nature of interest	Class of shares	Shares held in the relevant class of Shares ⁽¹⁾		Percentage of the total share capital of the Company ⁽¹⁾ (approx.)
			Number	Approximate percentage	
Mr. Geng ⁽²⁾	Interest in controlled corporations	Domestic Shares	235,527,000 (L)	83.52%	62.64%
RiseSun Holdings ⁽²⁾	Interest in controlled corporations	Domestic Shares	235,527,000 (L)	83.52%	62.64%
RiseSun Construction Engineering ⁽²⁾	Interest in controlled corporations	Domestic Shares	235,527,000 (L)	83.52%	62.64%
RiseSun Real Estate Development ⁽²⁾	Beneficial owner	Domestic Shares	235,527,000 (L)	83.52%	62.64%
Zhonghong Kaisheng ⁽³⁾	Beneficial owner	Domestic Shares	22,740,000 (L)	8.06%	6.05%
Ms. Geng Fanchao ⁽³⁾	Interest in controlled corporations	Domestic Shares	22,740,000 (L)	8.06%	6.05%
Shengyide Commercial	Beneficial owner	Domestic Shares	23,733,000 (L)	8.42%	6.31%
CITHARA GLOBAL MULTI-STRATEGY SPC – BOSIDENG INDUSTRY INVESTMENT FUND SP	Beneficial owner	H Shares	8,199,500 (L)	8.72%	2.18%
Cithara Investment International Limited	Investment manager	H Shares	17,999,500 (L)	19.15%	4.79%
Cithara Global Multi-Strategy SPC-Series 12 SP	Beneficial owner	H Shares	5,000,000 (L)	5.32%	1.33%
Huatai Securities Co., Ltd. ⁽⁴⁾	Interest in controlled corporations	H Shares	6,700,500 (L) 5,924,000 (S)	7.12% 6.30%	1.78% 1.58%
Tianjin Damai International Holdings Limited	Beneficial owner	H Shares	15,998,000 (L)	17.02%	4.25%



REPORT OF THE BOARD OF DIRECTORS

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares. The letter “S” denotes the person’s short position in the Shares. As at December 31, 2023, the Company had 376,000,000 issued Shares, including 94,000,000 H Shares and 282,000,000 Domestic Shares.
- (2) The Company’s Domestic Shares was owned as to 83.52% by RiseSun Real Estate Development, which was controlled by Mr. Geng through RiseSun Holdings and RiseSun Construction Engineering. RiseSun Real Estate Development was owned as to 12.88% by Mr. Geng, 21.81% by RiseSun Holdings and 8.42% by RiseSun Construction Engineering. Mr. Geng owned 60.09% of the equity interest of RiseSun Holdings and 18.18% of the equity interest of RiseSun Construction Engineering, and RiseSun Holdings in turn owned 71.29% of the equity interest of RiseSun Construction Engineering. By virtue of the SFO, Mr. Geng, RiseSun Construction Engineering and RiseSun Holdings are deemed to be interested in Shares held by RiseSun Real Estate Development.
- (3) Zhonghong Kaisheng is owned as to 48.83% by Ms. Geng Fanchao. By virtue of the SFO, Ms. Geng Fanchao is deemed to be interested in the Shares held by Zhonghong Kaisheng.
- (4) Huatai Securities Co., Ltd. was interested in the long position of 6,700,500 H Shares, representing 7.12% equity interest of H Shares in our Company and 5,924,000 short positions in H Shares, representing 6.30% equity interest of H Shares in our Company through its wholly-owned subsidiaries, Huatai International Financial Holdings Company Limited and Huatai Financial Holdings (Hong Kong) Limited indirectly. By virtue of SFO, Huatai Securities Co., Ltd. and Huatai International Financial Holdings Company Limited are deemed to be interested in the H Shares held by Huatai Financial Holdings (Hong Kong) Limited.

Save as disclosed above, as at December 31, 2023, the Directors were not aware of any persons (other than the Directors, Supervisors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which were required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register to be kept by the Company under section 336 of the SFO.



ARRANGEMENT TO PURCHASE EQUITY OR DEBT SECURITIES

During the year ended December 31, 2023, none of the Company, its holding company, or any of its subsidiaries was a party to any arrangement enabling the Directors to acquire benefits by means of the acquisition of equity or debt securities, including the debentures of the Company or any other body corporate.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the year ended December 31, 2023 and as of December 31, 2023, save as disclosed in this report, there was no transaction, arrangement or contract of significance, to which the Company, its holding company or subsidiary was a party, and in which the Directors and the Supervisors or their respective connected entities were materially interested, either directly or indirectly.

NON-COMPETITION UNDERTAKING

On December 19, 2020, each of the Controlling Shareholders entered into a deed of non-competition (the “**Undertakings**”) in favor of the Company, pursuant to which, each of the Controlling Shareholders has, among other things, irrevocably and unconditionally undertaken to the Company that he/she/it will not, and will procure his/her/its close associates not to compete with the Group’s business. Details of the Undertakings are set out in the section headed “Relationship with Controlling Shareholders – Deed of Non-Competition” in the Prospectus.

The independent non-executive Directors had reviewed the status of compliance and the confirmation provided by the Controlling Shareholders as part of the annual review process. On the basis that: (i) the Company has received the confirmations from its Controlling Shareholders regarding the Undertakings; (ii) there was no competing business reported by the Controlling Shareholders; and (iii) there was no particular situation rendering the full compliance of the Undertakings being questionable, the independent non-executive Directors are of the view that the Undertakings have been complied with and been enforced by the Company in accordance with the terms.

SIGNIFICANT CONTRACTS

During the year ended December 31, 2023 and as of December 31, 2023, save as disclosed in the section headed “Related Party Transactions” below, there was no significant contract relating to the business of the Group between the Company (or any of its subsidiaries) and the Controlling Shareholder(s) (or any of its/their subsidiaries), nor was there any significant contract for the provision of services by the Controlling Shareholder(s) (or any of its/their subsidiaries) to the Company (or any of its subsidiaries).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2023, the revenue attributable to the Group’s largest customer, and five largest customers in aggregate, represented approximately 0.86% and 3.33% of the Group’s total annual revenue, respectively.

For the year ended December 31, 2023, the purchase attributable to the Group’s largest supplier, and five largest suppliers in aggregate, represented approximately 6.46% and 18.30% of the Group’s total purchase, respectively.



Except that the Controlling Shareholders are the Group's largest customers and are interested in the Group, for the year ended December 31, 2023, none of the other Directors, Supervisors, their respective associates or other Shareholders (to the knowledge of the Directors, who are interested in more than 5% of the issued shares of the Company) had any interests in the five largest suppliers or customers of the Group.

CONTINUING CONNECTED TRANSACTIONS

The following transactions constituted continuing connected transactions of the Group for the year ended December 31, 2023, which are subject to the reporting and annual review requirements under Chapter 14A of the Listing Rules:

1. 2023 Master Property Management Services Agreement

On February 1, 2023, the Company entered into a master property services agreement with RiseSun Real Estate Development (the **"2023 Master Property Management Services Agreement"**), pursuant to which the Group agreed to provide property management services to RiseSun Group and its associates, including but not limited to (i) preliminary planning and design consultancy services; (ii) display units and on-site sales office management services; (iii) property pre-delivery services, including but not limited to property inspection and cleaning before delivery and pre-delivery preparation; and (iv) properties owned or used by RiseSun Real Estate Development Group and its associates, such as unsold property units, car parking lots and commercial properties (the **"Property Management Services"**), for a term commencing from January 1, 2023 and ending on December 31, 2025.

The maximum annual fee payable by RiseSun Group and its associates in relation to the Property Management Services to be provided by the Group under the 2023 Master Property Management Services Agreement for the year ended December 31, 2023 shall not exceed RMB250 million. RiseSun Real Estate Development is a controlling shareholder of the Company and thus a connected person of the Company under the Listing Rules.

For the year ended December 31, 2023, the actual transaction amount under the 2023 Master Property Management Services Agreement amounted to RMB217,008,107.42.

2. 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement

On February 1, 2023, the Company entered into a master small-scale engineering and related consultancy services agreement with RiseSun Real Estate Development (the **"2023 Master Small-Scale Engineering and Related Consultancy Services Agreement"**), pursuant to which the Group agreed to provide small-scale engineering and related consultancy services to RiseSun Group and its associates, including but not limited to (i) installing security systems before the delivery of the properties; (ii) erecting and dismantling outer fencing for construction sites; (iii) providing preliminary planning and design consultancy services in relation to small-scale engineering in the initial design, construction and post-delivery stages; (iv) construction site drainage services; (v) signboard production and installation; (vi) soft decoration services before the delivery of the properties; and (vii) after-sales repair services (the **"Small-Scale Engineering and Related Consultancy Services"**) for a term commencing from January 1, 2023 and ending on December 31, 2025.

The maximum annual fee payable by RiseSun Group and its associates under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement for the year ended December 31, 2023 shall not exceed RMB460 million. RiseSun Real Estate Development is a controlling shareholder of the Company and thus a connected person of the Company under the Listing Rules.

For the year ended December 31, 2023, the actual transaction amount under the 2023 Master Small-Scale Engineering and Related Consultancy Services Agreement amounted to RMB48,982,382.16.



CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 14A.55 of the Listing Rules, all the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that they have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

CONFIRMATION OF THE AUDITORS

The Board has engaged the auditors of the Company to report on the continuing connected transactions of the Company for the year ended December 31, 2023. The auditors of the Company have issued a letter in relation to the continuing connected transactions pursuant to Rule 14A.56 of the Listing Rules. In the letter, the auditors of the Company confirmed that, in respect of these continuing connected transactions of the Company during the year ended December 31, 2023, nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) have exceeded the annual caps set by the Company.

CONNECTED TRANSACTIONS

The following transactions constituted connected transactions of the Group for the year ended December 31, 2023:

Acquisition of Wanjia Smart

On July 28, 2023, the Company entered into an agreement with the RiseSun Holdings for the sale and purchase of the 70% equity interest in Wanjia Smart at a consideration of RMB50,155,000, subject to the terms and conditions as set out in the agreement. RiseSun Holdings is a controlling shareholder of the Company, and thus a connected person of the Company under Chapter 14A of the Listing Rules. Please refer to announcement of the Company dated July 28, 2023.

Debt Settlement Framework Agreement

On November 16, 2023, the Company entered into a debt settlement framework agreement with RiseSun Real Estate Development, pursuant to which, the Group will acquire the 10,870 parking spaces and 332 residential, office and retail units from RiseSun Group for the settlement of debt of RMB567,857,855.55 owed by RiseSun Group subject to the approval by independent shareholders of the Company. RiseSun Real Estate Development is a controlling shareholder of the Company and thus a connected person of the Company under the Listing Rules. Please refer to announcement dated November 16, 2023 and circular dated January 12, 2024 of the Company.



RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended December 31, 2023 are disclosed in Note XI to the financial statements of this report.

Save as disclosed above, the related party transactions set out in Note XI to financial statements for the year ended December 31, 2023 did not constitute non-exempted connected transaction or continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules with respect to the connected transactions or continuing connected transactions entered into by the Group during the year ended December 31, 2023.

PRE-EMPTIVE RIGHTS AND TAX RELIEF OR EXEMPTION

There is no provision on pre-emptive rights in the Articles of Association. The Company is not aware of any tax relief or exemption available to any existing Shareholder by reason of his/her holding of the securities of the Company.

SUFFICIENCY OF PUBLIC FLOAT

As of the date of this report, based on the information publicly available to the Company and within the best knowledge of its Directors, the Company has maintained sufficient public float as required under the Listing Rules.

CORPORATE GOVERNANCE

The Company has adopted, applied and complied with the code provisions as set out in the Corporate Governance Code set out in Appendix 14 (renumbered as Appendix C1 with effect from 31 December 2023) to the Listing Rules that were in force for the year ended December 31, 2023. The corporate governance practices of the Company are set out in the section headed "Corporate Governance Report" of this report.

FINANCIAL SUMMARY

Summary of the Group's results and assets and liabilities for the latest five financial years is set out in the section headed "Five-Year Financial Summary" on pages 262 to 263 of this report.

PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries of the Company as at December 31, 2023 are set out in Note VII to the financial statements in this report.

PERMITTED INDEMNITY

The Group has purchased and maintained liability insurance for the Directors for the year ended December 31, 2023, which provides appropriate cover for the Directors.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended December 31, 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

EQUITY LINKED AGREEMENT

No equity linked agreement was entered into during the year ended December 31, 2023.



CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

Please refer to the section headed “Biographical details of Directors, Supervisors and Senior Management” of this report for changes in the biographical details of the Directors and the Supervisors that are required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

MANAGEMENT CONTRACT

No contract concerning management of the whole or substantial part of any business of the Company was entered into during the year ended December 31, 2023.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company has no significant subsequent event for the year ended December 31, 2023.

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors, the Supervisors and the five highest paid individuals for the Relevant Year are set out in Note XI. 5 to the financial statements.

RETIREMENT BENEFIT SCHEME

The Group operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees’ salaries. There are no provisions under the retirement benefit scheme of the Group whereby forfeited contributions may be used to reduce future contributions. Details of retirement benefit scheme of the Group are set out in Notes V.25 and III.22 to the financial statements.

DONATIONS

The donation made by Group for the year ended December 31, 2023 was approximately RMB20,500.

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

As disclosed in the announcement of the Company dated November 15, 2022, on June 30, 2022, the Company entered into a sales agency service agreement (the “**Sales Agency Agreement**”) with Langfang Junyi Building Materials Co., Ltd. (廊坊俊義建材有限公司) (“**Langfang Junyi**”). Pursuant to the Sales Agency Agreement, Langfang Junyi shall grant the right to the Company to provide sales agency services on an exclusive basis in respect of certain car parking lots (the “**Parking Lot(s)**”) of Langfang Junyi for a term of two years from June 30, 2022 to June 30, 2024 where the Company was required to pay a refundable performance deposit amounting to RMB614,700,000 (the “**Performance Deposit**”) to guarantee its performance of duty and obligation under the Sales Agency Agreement. For each Parking Lot, a based price (the “**Base Price**”), which is approximately 70% to 80% of the market value of each Parking Lot, has been agreed between the Company and Langfang Junyi. The Company will then sell the Parking Lot to a third party customer at a selling price (the “**Agreed Price**”) which shall not be lower than the Base Price of such Parking Lot. The proceeds from the sale of the Parking Lots will be collected by the Company to offset the Performance Deposit first on a dollar for dollar basis, subject to the maximum of the Base Price of each Parking Lot. After the Base Price of a Parking Lot had been offset against the Performance Deposit, the difference between such Agreed Price and Base Price shall be distributed to Langfang Junyi and the Company in the proportion of 30% and 70%. Any outstanding Performance Deposit shall be returned to the Company within seven business days upon the expiry of the Sales Agency Agreement. As at December 31, 2023, the outstanding Performance Deposit is RMB470,880,057.39, representing 11.3% of the total asset of the Group.



ACCOUNTING STANDARDS

The Company is incorporated in the PRC and its overseas listed foreign shares have been listed on the Stock Exchange since January 15, 2021. It adopted Hong Kong Financial Reporting Standards (the “**HKFRSs**”) for the preparation of the Prospectus and its subsequent financial statements. In order to improve working efficiency and lower the cost for preparing two sets of financial statements in accordance with the PRC accounting standards as well as the HKFRSs, on February 18, 2022, the Board considered and approved to prepare the Company’s financial statements and disclose relevant financial information in accordance with CASBE starting from the annual report for the year ended December 31, 2021. The corresponding changes to the Articles of Association to allow publication of the Company’s financial statements in accordance with CASBE was approved by the Shareholders at the extraordinary general meeting of the Company held on March 8, 2022. For details, please refer to the announcements of the Company dated February 18, 2022 and March 8, 2022 and the circular of the Company dated February 21, 2022. The Company prepares the financial statements in accordance with CASBE and relevant regulations starting from the year ended December 31, 2021.

AUDITOR

On February 18, 2022, the Board announced that the Company and PricewaterhouseCoopers (“**PwC**”) could not reach a consensus on the audit fee for the financial year ended December 31, 2021. As PwC failed to reach a consensus with the Company on the audit fee and was unable to obtain the necessary information and evidence in respect of the matters it concerned for the implementation of the corresponding audit procedures, PwC has agreed to resign as the auditor of the Company with effect from February 14, 2022. With the recommendation of the Audit Committee, ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合伙)) (“**ShineWing**”) was proposed to be appointed as the new auditor of the Company in relation to the audit of the Company’s financial statements for the year ended December 31, 2021, subject to the approval by the Shareholders. The resignation of PwC and the appointment of ShineWing as the Company’s auditor were approved by the Shareholders at the extraordinary general meeting of the Company held on March 8, 2022. For details, please refer to the announcements of the Company dated February 18, 2022 and the circular of the Company dated February 20, 2022.

The consolidated financial statements of the Company for the years ended December 31, 2022 and 2023 have been audited by the Company’s auditor, ShineWing Certified Public Accountants LLP.

A resolution for the re-appointment of ShineWing Certified Public Accountants LLP as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

By Order of the Board

Geng Jianfu

Chairman and executive Director

Lang Fang, the PRC, April 30, 2024



REPORT OF THE SUPERVISORY COMMITTEE

COMPOSITION OF THE SUPERVISORY COMMITTEE

In accordance with the requirements of the Articles of Association, the Supervisory Committee of the Company consists of five members, of which there are two employee representative Supervisors, one Shareholder representative Supervisor and two external Supervisors. The term of office of Supervisors shall be three years, and is renewable upon re-election after the expiry of their term.

As of the date of this report, the composition of the Supervisory Committee of the Company is as follows:

Name	Position
Mr. Jing Zhonghua	President of the Supervisory Committee and Shareholder Representative Supervisor
Ms. Dong Hui	Employee Representative Supervisor
Ms. Wu Xiyong (<i>appointed on July 17, 2023</i>)	Employee Representative Supervisor
Mr. Yang Xi (<i>appointed on March 2, 2023</i>)	External Supervisor
Mr. Zhang Yuanpeng	External Supervisor
Mr. Wang Jiandong (<i>Resigned on March 2, 2023</i>)	External Supervisor
Mr. Liu Jifeng (<i>resigned on July 17, 2023</i>)	Employee Representative Supervisor

CHANGES IN SUPERVISORS

On February 1, 2023 that Mr. Wang Jiandong has tendered his resignation as the external Supervisor as he would like to devote more time to other personal business with effect from the date on which the appointment of a new Supervisor in replacement of Mr. Wang becomes effective. According to the recommendation of the Nomination Committee, Mr. Yang Xi has been nominated as a candidate for external Supervisor in replacement of Mr. Wang Jiandong. The proposed appointment of Mr. Yang Xi as an external Supervisor is subject to the Shareholders' approval at the EGM. On March 2, 2023, the resolution on Consideration and Approval of the Appointment of Mr. Yang Xi as the External Supervisor and Authorization for the Board of Directors to Fix His Remuneration (《審議及批准委任楊熙先生為外部監事，並授權董事會釐定其薪酬》) was considered and approved at the extraordinary general meeting, and thus Mr. Yang Xi was appointed as the external Supervisor.

On July 17, 2023, Mr. Liu Jifeng has tendered his resignation as the staff representative supervisor of the Company with effect from July 17, 2023 to devote more time to his personal engagements. The Company held a staff representative meeting on July 14, 2023 and has elected Ms. Wu Xiyong as the staff representative supervisor to fill the vacancy arising from the resignation of Mr. Liu.

MAJOR WORK PERFORMED BY THE SUPERVISORY COMMITTEE IN 2023

During the year ended December 31, 2023, the Supervisory Committee performed its duties diligently to supervise the operation and management of the Company in a legal, timely and effective manner under the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Articles of Association and the Listing Rules, which effectively safeguarded the interests of the Shareholders and the Company.



REPORT OF THE SUPERVISORY COMMITTEE

In 2023, the Supervisory Committee held a total of 5 meetings of the Supervisory Committee. The Supervisors carefully reviewed the meeting materials and fully studied and discussed the proposals before attending the meetings of the Supervisory Committee to earnestly perform their supervisory duties. The details of Supervisors attendance at the meetings of the Supervisory Committee held during the 2023 are as follows:

Name	Attendance in person	Attendance by proxy	Absence
Mr. Jing Zhonghua	5/5	N/A	N/A
Ms. Dong Hui	5/5	N/A	N/A
Ms. Wu Xiyang	2/2	N/A	N/A
Mr. Yang Xi	4/4	N/A	N/A
Mr. Zhang Yuanpeng	5/5	N/A	N/A

The Supervisory Committee supervised the operating activities of the Company, and supervised the Company in establishing a relatively comprehensive internal control system and corresponding internal control structure, and made great efforts to execute, improve and effectively implement the same so as to mitigate various operating risks of the Company.

The Supervisory Committee also inspected the detailed implementation of the financial management system of the Company and carefully reviewed the financial report of the Company. It considered the financial report of the Company to be true and reliable, and the audit opinions issued by the audit firm appointed by the Company to be objective and impartial.

The Supervisory Committee supervised the performance of duties by the Directors and senior management of the Company, and took the view that the Directors, president and other senior management of the Company diligently exercised various powers as delegated by the Shareholders and carefully discharged their duties under the principles of diligence and integrity. As at the date of this report, the Directors, president and other senior management conducted the work in strict accordance with the laws and regulations, the Articles of Association and other various provisions, to ensure the regulated operations of the Company, and they were not aware of any power abuse or any actions which might be detrimental to the interests of the Shareholders and the legitimate rights of employees of the Company.

The Supervisory Committee is satisfied with the operation management work conducted and the outstanding business performance achieved by the Board and management of the Company in 2023, and is fully confident in the development prospect of the Company in the future.

By Order of the Supervisory Committee

Jing Zhonghua

Chairman of the Supervisory Committee

Langfang, the PRC, April 30, 2024



信永中和会计师事务所

ShineWing
certified public accountants

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To the shareholders of Roiserv Lifestyle Services Co., Ltd.:

I. AUDIT OPINION

We have audited the accompanying financial statements of Roiserv Lifestyle Services Co., Ltd. (hereinafter referred to as “the Company”), including the Consolidated and Parent Company’s Balance Sheet as at December 31 2023, the Consolidated and Parent Company’s Income Statement, the Consolidated and Parent Company’s Cash Flow Statement, the Consolidated and Parent Company’s Statement of Changes in Shareholders’ Equity and Notes to the Financial Statements for 2023.

In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all major respects, and have fairly present the consolidated and the parent company’s financial position of the Company as at December 31 2023 and the Consolidated and Parent Company’s financial performance and cash flows of for the year 2023.

II. BASIS FOR OPINION

We have conducted the audit in accordance with the Chinese Certified Public Accountant (CPA) Auditing Standards. The “Auditor’s Responsibility” section further clarifies our responsibilities under these guidelines. In accordance with the Code of Professional Ethics of Chinese Certified Public Accountants, we are independent of the Company and have fulfilled other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



III. KEY AUDIT MATTERS (continued)

1. Expected credit losses on receivables

Key Audit Matters

As stated in Notes V.3 and V.5, the carrying balance of receivables of the Company as at December 31 2023 was RMB3,336,333,700, of which the carrying balance of accounts receivable was RMB2,419,155,700, and the carrying balance of other accounts receivable was RMB917,178,000, and the total amount of expected credit losses accrued was RMB458,031,600. Receivables account for 69.29% of the total assets.

The Management of the Company accrues expected credit losses based on the credit risk characteristics of each receivable, either on an individual receivable or on a portfolio of receivables. The determination of expected credit losses on receivables requires consideration of the customer's credit risk, historical payment and forward-looking factors, which involves Management's estimates and judgement. We have therefore identified expected credit losses on receivables as a key audit matter.

Audit Response

For the impairment of receivables, we performed the following audit procedures, among others:

- ① Understand the internal controls relating to expected credit losses on receivables, evaluate the design of these internal controls and determine whether they have been effectively implemented.
- ② Analyze the reasonableness of expected credit losses on receivables, including the basis for determining the portfolio of receivables and the judgement of the individual accrual of expected credit losses.
- ③ Evaluate the expected credit loss model used by the Company, analyze the reasonableness of the main parameters and indicators and review the calculation process.
- ④ Examine Management's consideration and objective evidence related to the impairment testing of receivables and focus on whether Management has adequately identified items that have been impaired.
- ⑤ Obtain the Company's expected credit loss calculation sheet, check whether the accrual method is implemented in accordance with the expected credit loss policy, review whether the aging of accounts receivable is correct, and recalculate whether the amount of provision for expected credit loss is accurate.
- ⑥ Implement confirmation procedures for receivables and select a sample to check post – period payment collection.
- ⑦ Check that expected credit losses on receivables have been properly presented and disclosed in the financial report.

III. KEY AUDIT MATTERS (continued)

2. Revenue Recognition

Key Audit Matters

As stated in Note V.37, the Company's operating income for FY2023 was RMB1,831,896,700. The Company's operating income includes property management income, nonowner value-added service income, community value-added service income and urban services.

As one of the Company's key performance indicators, there is an inherent risk that management may manipulate the timing of revenue recognition to meet specific objectives or expectations, and the accuracy of its recognition has a significant impact on the Company's operating results, so we identified revenue recognition as a key audit matter.

Audit Response

For operating income, we performed the following audit procedures, among others:

- ① Understand and evaluate the effectiveness of the design of the Company's internal controls related to revenue recognition, and perform control tests on the operating effectiveness of key internal controls.
- ② Obtain samples of sales contracts, identify the contractual terms related to the transfer of control of goods, and evaluate whether the point of revenue recognition is in compliance with the provisions of Accounting Standard for Business Enterprises.
- ③ Based on the business categories and business models, analyze the monthly and annual trends of operating income and the reasons for the changes, analyze the fluctuation of the gross profit margin of each type of business and the reasons for the fluctuation, and judge the reasonableness of operating income.
- ④ Take a sampling approach to check supporting documents related to revenue recognition, such as property service contracts, engineering and construction contracts, customer acknowledgement slips, invoices, etc., and check business system data to determine the authenticity of revenue recognition.
- ⑤ Select a sample of customers and perform correspondence procedures on accounts receivable and operating income for the period. For un-replied items, perform alternative audit procedures by checking original vouchers and post-period refunds.
- ⑥ Perform cut-off tests for revenue recognized around the balance sheet date to determine whether the revenue recognition period is appropriate.
- ⑦ Check that operating income has been properly presented and disclosed in the financial report.



AUDITOR'S REPORT

IV. OTHER INFORMATION

The management of the Company (hereinafter referred to as the "Management") is responsible for the other information. The other information comprises the information included in the Company 2023 annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information; we are required to report that fact.

V. THE RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE OF THE FINANCIAL STATEMENTS

The Management is responsible for the preparation of the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation; and for designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

VI. AUDITOR'S RESPONSIBILITIES OF THE FINANCIAL STATEMENTS (continued)

During the course of the audit in accordance with auditing standards, we exercise professional judgement and maintain professional scepticism. We also carry out the following works:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements in accordance with the auditing standards or, if such disclosures are inadequate, we shall modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance audit of the group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings etc., including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with those relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and related safeguards (if applicable).



AUDITOR'S REPORT

VI. AUDITOR'S RESPONSIBILITIES OF THE FINANCIAL STATEMENTS (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation prohibited public disclosure about the matter or when, in rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ShineWing Certified Public Accountants (LLP)

Chinese Certified Public Accountant:
(Engagement Partner)

Chinese Certified Public Accountant:

Beijing, China

March 28, 2024



CONSOLIDATED BALANCE SHEET

Prepared by: Roiserv Lifestyle Service Co., Ltd.

Unit: RMB

Item	Notes:	December 31st, 2023	December 31st, 2022
Current assets:			
Cash and cash equivalents	V. 1	678,633,118.81	851,483,750.31
Provision of settlement funds			
Lendings to banks and other financial institutions			
Financial assets held-for-trading			
Derivative financial assets			
Notes receivable	V. 2		2,197,656.75
Accounts receivable	V. 3	2,092,264,694.24	2,004,744,304.65
Receivables financing			
Prepayments	V. 4	149,138,378.60	84,018,088.00
Premium receivable			
Accounts receivable reinsurance			
Receivable reserves for reinsurance			
Other receivables	V. 5	786,037,402.47	696,383,000.98
Including: Interest receivable		9,339,290.39	
Dividends receivable			
Buying back the sale of financial assets			
Inventories	V. 6	54,760,705.59	46,314,232.27
Contract assets	V. 7	28,149,875.98	27,838,699.18
Held-for-sale assets			
Non-current assets due within one year	V. 8	1,872,205.80	1,872,205.80
Other current assets	V. 9	20,489,744.48	13,530,669.90
Total current assets		3,811,346,125.97	3,728,382,607.84



CONSOLIDATED BALANCE SHEET

Item	Notes:	December 31st, 2023	December 31st, 2022
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables	V. 10	6,025,040.65	7,043,303.54
Long-term equity investments	V. 11	104,126,398.72	101,642,922.94
Investment in other equity instruments			
Other non-current financial assets			
Investment properties	V. 12	55,309,069.00	60,841,725.00
Fixed assets	V. 13	36,411,987.89	39,780,882.21
Construction in progress	V. 14	436,246.68	
Productive biological assets			
Oil and gas assets			
Right-of-use assets	V. 15	2,509,842.11	9,642,256.07
Intangible assets	V. 16	10,571,332.75	6,279,308.44
Development expenditures			
Goodwill			
Long-term deferred expenses	V. 17	14,034,541.81	13,722,881.31
Deferred income tax assets	V. 18	109,855,422.71	81,794,997.90
Other non-current assets	V. 19	3,599,181.00	3,599,181.00
Total non-current assets		342,879,063.32	324,347,458.41
Total assets		4,154,225,189.29	4,052,730,066.25



CONSOLIDATED BALANCE SHEET

Item	Notes:	December 31st, 2023	December 31st, 2022
Current liabilities:			
Short-term borrowings	V. 21	2,000,000.00	
Borrowings from Central Bank			
Borrowings from other banks and other financial institutions			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	V. 22	859,998,232.83	820,764,783.52
Advance from customers	V. 23	3,854,809.60	2,958,279.78
Contract liabilities	V. 24	391,835,268.79	332,494,916.99
Buying back the sale of financial assets			
Deposits from customers and interbank			
Acting trading securities			
Acting underwriting securities			
Employee benefits payable	V. 25	93,814,976.86	82,856,590.18
Taxes and surcharges payable	V. 26	101,206,242.59	96,838,881.23
Other payables	V. 27	565,706,023.66	557,557,391.05
Including: Interest payable			
Dividends payable		74,105,400.00	
Handling charges and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	V. 28	4,641,065.72	24,414,775.60
Other current liabilities	V. 29	19,965,629.47	17,091,949.20
Total current liabilities		2,043,022,249.52	1,934,977,567.55



CONSOLIDATED BALANCE SHEET

Item	Notes:	December 31st, 2023	December 31st, 2022
Non-current liabilities:			
Insurance reserves			
Long-term borrowings	V. 30		1,114,454.89
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities	V. 31	11,079,518.38	9,319,661.12
Long-term payables	V. 32		29,352.50
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities		7,006,086.25	7,897,486.29
Other non-current liabilities			
Total non-current liabilities		18,085,604.63	18,360,954.80
Total liabilities		2,061,107,854.15	1,953,338,522.35
Shareholders' equity:			
Share capital	V. 33	376,000,000.00	376,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	V. 34	984,630,205.10	1,033,062,617.44
Less: Treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve	V. 35	96,749,261.49	87,664,656.42
General risk reserve			
Undistributed profit	V. 36	616,817,866.41	593,674,477.93
Total shareholders' equity attributable to the parent company		2,074,197,333.00	2,090,401,751.79
Non-controlling interests		18,920,002.14	8,989,792.11
Total shareholders' equity		2,093,117,335.14	2,099,391,543.90
Total liabilities and shareholders' equity		4,154,225,189.29	4,052,730,066.25

Legal representative:

Principal in charge of accounting:

Head of accounting department:



PARENT COMPANY'S BALANCE SHEET

Prepared by: Roiserv Lifestyle Service Co., Ltd.

Unit: RMB

Item	Notes:	December 31st, 2023	December 31st, 2022
Current assets:			
Cash and cash equivalents		523,903,611.03	776,406,963.26
Trading financial assets			
Derivative financial assets			
Notes receivable			628,583.84
Accounts receivable	XVI. 1	1,271,656,371.37	1,293,302,518.06
Receivables financing			
Prepayments		125,792,635.23	51,871,973.89
Other receivables	XVI. 2	1,496,901,665.21	1,314,022,695.74
Including: Interest receivable		9,339,290.39	
Dividends receivable		48,871,200.00	48,871,200.00
Inventories		16,632,773.00	16,860,877.80
Contract assets		13,614,803.24	15,166,043.05
Held-for-sale assets			
Non-current assets due within one year		1,872,205.80	1,872,205.80
Other current assets		14,962,199.55	10,245,219.53
Total current assets		3,465,336,264.43	3,480,377,080.97
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables		6,025,040.65	7,043,303.54
Long-term equity investments	XVI. 3	215,413,476.64	158,438,922.94
Investment in other equity instruments			
Other non-current financial assets			
Investment properties		55,309,069.00	60,841,725.00
Fixed assets		12,943,922.64	14,515,515.22
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		836,976.08	303,326.02
Intangible assets		8,885,078.71	3,520,832.81
Development expenditures			
Goodwill			
Long-term deferred expenses		4,006,916.06	4,152,623.80
Deferred income tax assets		69,853,764.29	52,961,817.56
Other non-current assets		3,599,181.00	3,599,181.00
Total non-current assets		376,873,425.07	305,377,247.89
Total Assets		3,842,209,689.50	3,785,754,328.86



PARENT COMPANY'S BALANCE SHEET

Item	Notes:	December 31st, 2023	December 31st, 2022
Current liabilities:			
Short-term borrowings			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		377,364,091.51	439,130,265.26
Advance from customers		1,411,426.89	2,123,579.58
Contract liabilities		312,705,610.66	276,726,498.76
Employee benefits payable		49,562,241.60	51,325,601.88
Taxes and surcharges payable		58,999,162.11	62,249,306.93
Other payables		1,103,539,042.84	991,195,712.47
Including: Interest payable			
Dividends payable		47,105,400.00	
Liabilities held for sale			
Non-current liabilities due within one year		2,148,501.93	1,872,205.80
Total current liabilities		16,292,346.36	14,811,897.47
Other current liabilities		1,922,022,423.90	1,839,435,068.15
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities		6,623,617.99	7,370,502.39
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities		4,034,581.60	2,401,291.67
Other non-current liabilities			
Total non-current liabilities		10,658,199.59	9,771,794.06
Total liabilities		1,932,680,623.49	1,849,206,862.21



PARENT COMPANY'S BALANCE SHEET

Item	Notes:	December 31st, 2023	December 31st, 2022
Shareholders' equity:			
Share capital		376,000,000.00	376,000,000.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve		970,440,796.25	1,013,105,247.58
Less: Treasury shares			
Other comprehensive income			
Special reserve			
Surplus reserve		96,749,261.49	87,664,656.42
Undistributed profit		466,339,008.27	459,777,562.65
Total shareholders' equity		1,909,529,066.01	1,936,547,466.65
Total liabilities and shareholders' equity		3,842,209,689.50	3,785,754,328.86

Legal representative:

Principal in charge of accounting:

Head of accounting department:



CONSOLIDATED INCOME STATEMENT

Prepared by: Roiserv Lifestyle Service Co., Ltd.

Unit: RMB

Item	Notes:	FY2023	FY2022
I. Total operating income		1,831,896,676.99	2,014,869,917.97
Including: Operating income	V. 37	1,831,896,676.99	2,014,869,917.97
Interest income			
Premiums earned			
Handling charges and commission income			
II. Total operating cost		1,514,545,544.98	1,541,621,102.27
Including: Operating cost		1,375,015,348.60	1,372,399,003.60
Interest expenses			
Handling charges and commission expenses			
Surrender value			
Net expenditure for compensation payments			
Net amount of provision for insurance contract			
Policy dividend payments			
Reinsurance costs			
Taxes and surcharges	V. 38	9,468,320.15	11,407,263.83
Selling expenses	V. 39	8,194,568.58	7,171,994.64
General and administrative expenses	V. 40	131,874,520.89	171,497,104.50
Research and development expenses			
Financial expenses	V. 41	-10,007,213.24	-20,854,264.30
Including: Interest expenses		457,752.71	925,922.00
Interest income		14,935,330.28	1,558,365.44
Add: Other income	V. 42	9,775,367.72	18,194,195.10
Investment income (loss marked with "-")	V. 43	-583,602.24	-22,063,577.06
Including: Investment income from associates and joint ventures		2,483,475.78	-3,339,226.79
Gain on derecognition of financial assets measured at amortized cost			
Exchange gains (loss marked with "-")			
Net exposure to hedging gains (Loss marked with "-")			
Income from changes in fair value (Loss marked with "-")	V. 44	-328,857.08	622,171.00
Credit impairment losses (Loss marked with "-")	V. 45	-157,502,124.94	-144,257,662.70
Impairment losses on assets (Loss marked with "-")	V. 46	77,631.49	2,257,394.48
Income from disposal of assets (Loss marked with "-")	V. 47	-58,860.33	
III. Operating profit (Loss marked with "-")		168,730,686.63	328,001,336.52
Add: Non-operating income	V. 48	2,296,945.54	769,852.66
Less: Non-operating expenses	V. 49	4,368,544.06	3,371,303.79
IV. Total profit (total loss marked with "-")		166,659,088.11	325,399,885.39
Less: Income tax expenses	V. 50	35,966,964.17	79,824,226.57



CONSOLIDATED INCOME STATEMENT

Item	Notes:	FY2023	FY2022
V. Net profits (Net loss marked with “-”)		130,692,123.94	245,575,658.82
(I) Classified by business continuity		130,692,123.94	245,575,658.82
1. Net profits from continuing operations (Net loss marked with “-”)		130,692,123.94	245,575,658.82
2. Net profits of discontinuing operations (Net loss marked with “-”)			
(II) Classified by ownership		130,692,123.94	245,575,658.82
1. Net profit attributable to owners of the parent company (Net loss marked with “-”)		126,327,993.55	242,127,270.52
2. Gain or loss attributable to minority shareholders (net loss marked with “-”)		4,364,130.39	3,448,388.30
VI. Net other comprehensive income after tax		0.00	0.00
The net after-tax value of other comprehensive income attributable to owners of the parent company		0.00	0.00
(I) Other comprehensive income that cannot be reclassified into profit or loss		0.00	0.00
1. Change in remeasurement of defined benefit plans			
2. Other comprehensive income not converted into profit or loss under equity method			
3. Changes in fair value of investments in other equity instruments			
4. Changes in the fair value of the company’s own credit risk			
5. Others			
(II) Other comprehensive income that will be subsequently reclassified to profit or loss		0.00	0.00
1. Other comprehensive income converted into profit or loss under the equity method			
2. Change in fair value of other debt investments			
3. Reclassification of financial assets to other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
6. Translation difference of foreign currency financial statements			
7. Others			
Net other comprehensive income attributable to minority shareholders after tax			
VII. Total comprehensive income		130,692,123.94	245,575,658.82
Total comprehensive income attributable to shareholders of the parent company		126,327,993.55	242,127,270.52
Total comprehensive income attributable to minority shareholders		4,364,130.39	3,448,388.30
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.34	0.64
(II) Diluted earnings per share (RMB/share)		0.34	0.64

For business combinations under common control that occur in the current year, the net profit realized by the consolidated party before consolidation was RMB6,188,121.41.

The net profit realized by the consolidated party in the prior year was RMB9,364,029.94.

Legal representative: _____ Principal in charge of accounting: _____ Head of accounting department: _____



PARENT COMPANY'S INCOME STATEMENT

Prepared by: Roiserv Lifestyle Service Co., Ltd.

Unit: RMB

Item	Notes:	FY2023	FY2022
I. Operating income	XVI.4	1,215,117,168.45	1,425,325,433.62
Less: Operating cost	XVI.4	892,444,834.54	948,160,304.28
Tax and surcharges		6,319,778.91	8,564,799.66
Selling expenses		5,349,192.10	5,666,801.82
General and administrative expenses		118,755,843.72	137,159,399.52
Research and development expenses			
Financial expenses		-12,012,812.87	-22,941,425.44
Including: Interest expenses		30,201.88	24,911.90
Interest income		14,376,404.57	1,069,638.31
Add: Other income		5,808,215.23	10,557,782.30
Investment income (loss marked with "-")	XVI.5	-571,256.00	-21,992,060.99
Including: Investment income from associates and joint ventures		2,483,475.78	-3,339,226.79
Gain on derecognition of financial assets measured at amortized cost			
Net exposure to hedging gains (Loss marked with "-")			
Income from changes in fair value (Loss marked with "-")		-328,857.08	622,171.00
Credit impairment losses (Loss marked with "-")		-88,099,081.62	-85,851,413.37
Impairment losses on assets (Loss marked with "-")		164,519.09	1,940,952.25
Income from disposal of assets (Loss marked with "-")		-2,506.90	
II. Operating profit (loss marked with "-")		121,231,364.77	253,992,984.97
Add: Non-operating income		1,783,189.59	458,170.99
Less: Non-operating expenses		2,293,911.94	2,700,655.49
III. Total profit (total loss marked with "-")		120,720,642.42	251,750,500.47
Less: Income tax expenses		29,874,591.73	59,685,798.90
IV. Net profit (net loss marked with "-")		90,846,050.69	192,064,701.57
(I) Net profits from continuing operations (Net loss marked with "-")		90,846,050.69	192,064,701.57
(II) Net profits of discontinuing operations (Net loss marked with "-")			



PARENT COMPANY'S INCOME STATEMENT

Item	Notes:	FY2023	FY2022
V. Net other comprehensive income after tax		0.00	0.00
(I) Other comprehensive income that cannot be reclassified into profit or loss		0.00	0.00
1. Change in remeasurement of defined benefit plans			
2. Other comprehensive income not converted into profit or loss under equity method			
3. Changes in fair value of investments in other equity instruments			
4. Changes in the fair value of the company's own credit risk			
5. Others			
(II) Other comprehensive income that will be subsequently reclassified to profit or loss		0.00	0.00
1. Other comprehensive income converted into profit or loss under the equity method			
2. Change in fair value of other debt investments			
3. Reclassification of financial assets to other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)			
6. Translation difference of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		90,846,050.69	192,064,701.57
VII. Earnings per share			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal representative:

Principal in charge of accounting:

Head of accounting department:



CONSOLIDATED CASH FLOW STATEMENT

Prepared by: Roiserv Lifestyle Service Co., Ltd.

Unit: RMB

Item	Notes:	FY2023	FY2022
I. Cash flow from operating activities:			
Cash received from sales of goods or rendering services		2,527,244,830.86	1,935,689,480.27
Net increase in customer deposits and interbank deposits			
Net increase in borrowing from the central bank			
Net increase in borrowing from other financial institutions			
Cash received for original insurance contract premiums			
Net cash received from reinsurance business			
Net increase in funds and investments for policyholders			
Cash for interest, fees and commissions			
Net increase in borrowing funds			
Net increase in funds from repurchase business			
Net cash received from agency trading of securities			
Received tax refunds		841,419.55	347,580.75
Cash received related to other operating activities	V.51.(1)	307,401,528.73	284,119,193.85
Subtotal of cash inflow from operating activities		2,835,487,779.14	2,220,156,254.87
Cash paid for the purchase of goods and services		1,632,919,220.40	1,036,684,179.45
Net increase in customer loans and advances			
Net increase in the central bank and interbank deposits			
Cash payment for claims under original insurance contracts			
Net increase in funds disbursed			
Cash payment for interest, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		590,496,246.03	698,442,685.09
Taxes paid		154,980,369.90	208,367,668.28
Cash paid related to other operating activities	V.51.(1)	470,602,920.62	850,545,654.33
Subtotal of cash outflows from operating activities		2,848,998,756.95	2,794,040,187.15
Net cash flow from operating activities		-13,510,977.81	-573,883,932.28
II. Cash flow from investing activities:			
Cash received from the recovery of investment			600,000,000.00
Cash received from the absorption of investment			20,827,687.69
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		1,454,330.93	4,467,290.11
Net cash received from disposal of subsidiaries and other business units		158,586.05	
Cash received related to other investing activities	V.51.(2)		1,826,500.00
Subtotal of cash inflow from investing activities		1,612,916.98	627,121,477.80



CONSOLIDATED CASH FLOW STATEMENT

Item	Notes:	FY2023	FY2022
Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets		14,316,258.47	21,892,735.95
Cash paid for investment			
Net increase in pledged loans			
Net cash paid for the acquisition of subsidiaries and other business units		100,965,931.54	46,853,000.00
Cash paid related to other investing activities	V.51.(2)		9,043,000.00
Subtotal of cash outflows from investing activities		115,282,190.01	77,788,735.95
Net cash flow from investing activities		-113,669,273.03	549,332,741.85
III. Cash flow from financing activities:			
Cash received from the absorption of investment		8,460,000.00	60,000.00
Including: Cash received by subsidiaries from minority shareholders' investment		1,050,000.00	60,000.00
Cash received from loans granted			3,790,000.00
Cash received relating to other financing activities	V.51.(3)		2,148,500.00
Subtotal cash inflow from financing activities		8,460,000.00	5,998,500.00
Payment of debt in cash		3,576,181.45	2,090,180.82
Cash used to pay dividends, profits, or interest		26,544,986.66	94,361,574.73
Including: Dividends and profits paid to minority shareholders by subsidiaries			
Cash paid related to other financing activities	V.51.(3)	16,584,880.70	4,041,330.89
Subtotal cash outflow from financing activities		46,706,048.81	100,493,086.44
Net cash flow from financing activities		-38,246,048.81	-94,494,586.44
IV. Impact of exchange rate fluctuations on cash and cash equivalents		406,847.15	24,468,656.08
V. Net increase in cash and cash equivalents		-165,019,452.50	-94,577,120.79
Add: Balance of cash and cash equivalents at the beginning of the period		824,329,666.82	918,906,787.61
VI. Balance of cash and cash equivalents at the end of the period		659,310,214.32	824,329,666.82

Legal representative:

Principal in charge of accounting:

Head of accounting department:



PARENT COMPANY'S CASH FLOW STATEMENT

Prepared by: Roiserv Lifestyle Service Co., Ltd.

Unit: RMB

Item	Notes:	FY2023	FY2022
I. Cash flow from operating activities:			
Cash received from sales of goods or rendering services		1,399,920,812.96	1,274,727,182.35
Received tax refunds		230,426.31	201,096.73
Cash received related to other operating activities		423,889,955.77	561,090,798.95
Subtotal of cash inflow from operating activities		1,824,041,195.04	1,836,019,078.03
Cash paid for the purchase of goods and services		831,590,567.50	642,691,119.52
Cash paid to and for employees		384,870,447.72	488,193,006.70
Taxes paid		108,214,010.01	160,870,646.24
Cash paid related to other operating activities		608,857,155.10	1,101,940,014.43
Subtotal of cash outflows from operating activities		1,933,532,180.33	2,393,694,786.89
Net cash flow from operating activities		-109,490,985.29	-557,675,708.86
II. Cash flow from investing activities:			
Cash received from the recovery of investment			600,000,000.00
Cash received from the absorption of investment			20,827,687.69
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		303,617.94	4,470,262.35
Net cash received from disposal of subsidiaries and other business units		139,758.73	417.80
Cash received related to other investing activities			
Subtotal of cash inflow from investing activities		443,376.67	625,298,367.84
Cash paid for the acquisition of fixed assets, intangible assets and other long-term assets		6,840,666.17	9,871,278.15
Cash paid for investment			
Net cash paid for the acquisition of subsidiaries and other business units		97,314,390.00	47,140,000.00
Cash paid related to other investing activities			
Subtotal of cash outflows from investing activities		104,155,056.17	57,011,278.15
Net cash flow from investing activities		-103,711,679.50	568,287,089.69



PARENT COMPANY'S CASH FLOW STATEMENT

Item	Notes:	FY2023	FY2022
III. Cash flow from financing activities:			
Cash received from the absorption of investment			
Cash received from loans granted			
Cash received relating to other financing activities			
Subtotal cash inflow from financing activities		0.00	0.00
Payment of debt in cash			
Cash used to pay dividends, profits, or interest		26,257,730.82	94,000,000.00
Cash paid related to other financing activities			281,476.00
Subtotal cash outflow from financing activities		26,257,730.82	94,281,476.00
Net cash flow from financing activities		-26,257,730.82	-94,281,476.00
IV. Impact of exchange rate fluctuations on cash and cash equivalents			
		406,846.76	24,468,656.08
V. Net increase in cash and cash equivalents			
Add: Balance of cash and cash equivalents at the beginning of the period		-239,053,548.85	-59,201,439.09
		752,359,615.49	811,561,054.58
VI. Balance of cash and cash equivalents at the end of the period			
		513,306,066.64	752,359,615.49

Legal representative:

Principal in charge of accounting:

Head of accounting department:



CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Prepared by: Roiserv Lifestyle Service Co., Ltd.

Unit: RMB

Item	FY2023														Non-controlling interests	Total shareholders' equity
	Equity attributable to shareholders of the parent company												Subtotal			
	Paid-in capital	Other equity instruments			Capital reserve	Less: Treasury shares		Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		Others		
1. Closing balance of last year	376,000,000.00	-	-	-	1,033,062,617.44	-	-	-	87,664,656.42	-	593,674,477.93	-	2,090,401,751.79	8,989,792.11	2,099,391,543.90	
Add: Impact from changes in accounting policies																
Impact from corrections of errors in prior period																
Business combinations under common control																
Others																
2. Opening balance of current year	376,000,000.00	-	-	-	1,033,062,617.44	-	-	-	87,664,656.42	-	593,674,477.93	-	2,090,401,751.79	8,989,792.11	2,099,391,543.90	
3. Movement for current year ("-" for decrease)	-	-	-	-	-48,432,412.34	-	-	-	9,084,605.07	-	23,143,388.48	-	-16,204,418.79	9,930,210.03	-6,274,208.76	
(1) Total comprehensive income													126,327,993.55	126,327,993.55	130,692,123.94	
(2) Shareholder's contributions and withdrawals of capital					-48,432,412.34									13,694,454.11	-34,737,958.23	
1) Common stock contributed by shareholders														1,050,000.00	1,050,000.00	
2) Capital contributed by other equity instruments holders																
3) Share-based payment recorded in shareholder's equity					1,706,989.18									1,706,989.18	1,706,989.18	
4) Others					-50,139,401.52									-50,139,401.52	-37,494,947.41	
(3) Profits distribution									9,084,605.07		-103,184,605.07		-94,100,000.00	-8,128,374.47	-102,228,374.47	
1) Appropriation of surplus reserve									9,084,605.07		-9,084,605.07					
2) Extraction of general risk reserves																
3) Distribution to shareholders											-75,200,000.00		-75,200,000.00	-28,374.47	-75,228,374.47	
4) Others											-18,900,000.00		-18,900,000.00	-8,100,000.00	-27,000,000.00	
(4) Internal transfer within shareholder's equity																
1) Conversion of capital reserve into share capital																
2) Conversion of surplus reserve into share capital																
3) Recover of loss by surplus reserve																
4) Benefit plans are carried forward to retained earnings																
5) Other comprehensive income are carried forward to retained earnings																
6) Others																
(5) Special reserve																
1) Withdrawal of special reserve																
2) Use of special reserve																
3) Others																
(6) Others																
4. Closing balance of current year	376,000,000.00	-	-	-	984,630,205.10	-	-	-	96,749,261.49	-	616,817,866.41	-	2,074,197,333.00	18,920,002.14	2,093,117,335.14	



CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Item	FY2022														Total shareholders' equity
	Equity attributable to shareholders of the parent company													Non-controlling interests	
	Paid-in capital	Other equity instruments			Capital reserve	Other		Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
Preferred share		Perpetual bond	Others	Treasury shares		Less: comprehensive income									
1. Closing balance of last year	376,000,000.00	-	-	-	1,071,044,130.78	-	-	-	68,458,186.26	-	451,210,297.43	1,966,712,614.47	-322,901.97	1,966,389,712.50	
Add: Impact from changes in accounting policies															
Impact from corrections of errors in prior period															
Business combinations under common control											13,543,380.14	13,543,380.14	5,804,306.78	19,947,685.92	
Others															
2. Opening balance of current year	376,000,000.00	-	-	-	1,071,044,130.78	-	-	-	68,458,186.26	-	464,753,677.57	1,980,255,994.61	5,481,403.81	1,985,737,398.42	
3. Movement for current year ("+" for increase)	-	-	-	-	-37,981,513.34	-	-	-	19,206,470.16	-	128,920,800.36	-110,145,757.18	3,508,388.30	113,654,145.48	
(1) Total comprehensive income											242,127,270.52	242,127,270.52	3,448,388.30	245,575,658.82	
(2) Shareholder's contributions and withdrawals of capital					-37,981,513.34								60,000.00	-37,921,513.34	
1) Common stock contributed by shareholders													60,000.00	60,000.00	
2) Capital contributed by other equity instruments holders															
3) Share-based payment recorded in shareholder's equity					7,371,486.66							7,371,486.66		7,371,486.66	
4) Others					-45,353,000.00							-45,353,000.00		-45,353,000.00	
(3) Profits distribution									19,206,470.16		-113,206,470.16	-94,000,000.00		-94,000,000.00	
1) Appropriation of surplus reserve									19,206,470.16		-19,206,470.16				
2) Extraction of general risk reserves															
3) Distribution to shareholders											-94,000,000.00	-94,000,000.00		-94,000,000.00	
4) Others															
(4) Internal transfer within shareholder's equity															
1) Conversion of capital reserve into share capital															
2) Conversion of surplus reserve into share capital															
3) Recover of loss by surplus reserve															
4) Benefit plans are carried forward to retained earnings															
5) Other comprehensive income are carried forward to retained earnings															
6) Others															
(5) Special reserve															
1. Withdrawal of special reserve															
2. Use of special reserve															
6) Others															
4. Closing balance of current year	376,000,000.00	-	-	-	1,033,062,617.44	-	-	-	87,664,656.42	-	593,674,477.93	2,090,401,751.79	8,989,792.11	2,099,991,543.90	

Legal representative:

Principal in charge of accounting:

Head of accounting department:



PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Prepared by: Roiserv Lifestyle Service Co., Ltd.

Unit: RMB

Item	FY2023										Total shareholders' equity
	Paid-in capital	Other equity instruments			Capital reserve	Less:		Special reserve	Surplus reserve	Undistributed profit	
	Preferred share	Perpetual bond	Others	Treasury shares		Other comprehensive income					
1. Closing balance of last year	376,000,000.00	-	-	- 1,013,105,247.58	-	-	-	87,664,656.42	459,777,562.65		1,936,547,466.65
Add: Impact from changes in accounting policies											-
Impact from corrections of errors in prior period											-
Others											-
2. Opening balance of current year	376,000,000.00	-	-	- 1,013,105,247.58	-	-	-	87,664,656.42	459,777,562.65		- 1,936,547,466.65
3. Movement for current year ("-"for decrease)	-	-	-	- 42,664,451.33	-	-	-	9,084,605.07	6,561,445.62		- 27,018,400.64
(1) Total comprehensive income									90,846,050.69		90,846,050.69
(2) Shareholder's contributions and withdrawals of capital	-	-	-	- 42,664,451.33	-	-	-	-	-		- 42,664,451.33
1) Common stock contributed by shareholders	-			-							-
2) Capital contributed by other equity instruments holders											-
3) Share-based payment recorded in shareholder's equity				1,671,893.72							1,671,893.72
4) Others				-44,336,345.05							-44,336,345.05
(3) Profits distribution	-	-	-	-	-	-	-	9,084,605.07	-84,284,605.07		- 75,200,000.00
1) Appropriation of surplus reserve								9,084,605.07	-9,084,605.07		-
2) Distribution to shareholders									-75,200,000.00		-75,200,000.00
3) Others											-
(4) Internal transfer within shareholder's equity	-	-	-	-	-	-	-	-	-	-	-
1) Conversion of capital reserve into share capital											-
2) Conversion of surplus reserve into share capital											-
3) Recover of loss by surplus reserve											-
4) Benefit plans are carried forward to retained earnings											-
5) Other comprehensive income are carried forward to retained earnings											-
6) Others											-
(5) Special reserve	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of special reserve											-
2. Use of special reserve											-
(6) Others											-
4. Closing balance of current year	376,000,000.00	-	-	- 970,440,796.25	-	-	-	96,749,261.49	466,339,008.27		- 1,909,529,066.01



PARENT COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Item	FY2022											Total shareholders' equity
	Paid-in capital	Preferred share	Other equity instruments Perpetual bond	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	
1. Closing balance of last year	376,000,000.00	-	-	-	1,051,238,317.69	-	-	-	68,458,186.26	380,919,331.24	-	1,876,615,835.19
Add: Impact from changes in accounting policies												-
Impact from corrections of errors in prior period												-
Others												-
2. Opening balance of current year	376,000,000.00	-	-	-	1,051,238,317.69	-	-	-	68,458,186.26	380,919,331.24	-	1,876,615,835.19
3. Movement for current year ("-"for decrease)	-	-	-	-	-38,133,070.11	-	-	-	19,206,470.16	78,858,231.41	-	59,931,631.46
(1) Total comprehensive income										192,064,701.57		192,064,701.57
(2) Shareholder's contributions and withdrawals of capital					-38,133,070.11							-38,133,070.11
1) Common stock contributed by shareholders												
2) Capital contributed by other equity instruments holders												
3) Share-based payment recorded in shareholder's equity					7,219,929.89							7,219,929.89
4) Others					-45,353,000.00							-45,353,000.00
(3) Profits distribution									19,206,470.16	-113,206,470.16		-94,000,000.00
1) Appropriation of surplus reserve									19,206,470.16	-19,206,470.16		-
2) Distribution to shareholders										-94,000,000.00		-94,000,000.00
3) Others												-
(4) Internal transfer within shareholder's equity												-
1) Conversion of capital reserve into share capital												-
2) Conversion of surplus reserve into share capital												-
3) Recover of loss by surplus reserve												-
4) Benefit plans are carried forward to retained earnings												-
5) Other comprehensive income are carried forward to retained earnings												-
6) Others												-
(5) Special reserve												-
1. Withdrawal of special reserve												-
2. Use of special reserve												-
(6) Others												-
4. Closing balance of current year	376,000,000.00	-	-	-	1,013,105,247.58	-	-	-	87,664,656.42	459,777,562.65	-	1,936,547,466.65

Legal representative:

Principal in charge of accounting:

Head of accounting department:



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

I GENERAL INFORMATION ABOUT THE COMPANY

Roiserv Lifestyle Services Co., Ltd. (the “Company”, collectively the “Group” when including subsidiaries), formerly known as Langfang RiseSun Property Service Co., Ltd., was incorporated on November 2, 2000, and was converted from a limited liability company to a stock company limited on April 23, 2020. The registered address of the Company is Office Building No. 9, Pingan Street, South Xia’an Highway, Xianghe County Development Zone, Langfang, Hebei Province, PRC.

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

The parent company of the Company is RiseSun Real Estate Development Co. Ltd. (“RiseSun Development”, a company incorporated in the PRC and whose shares are listed on Shenzhen Stock Exchange). RiseSun Development and its affiliates (excluding the Group) are referred to as “RiseSun Group”. The ultimate holding company is RiseSun Holding Co., Ltd. (the Ultimate Controlling Company, a limited liability investment holding company incorporated in the PRC). On January 15, 2021, The Company’s shares were listed on the main board of the Stock Exchange of Hong Kong Limited.

II BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

1. Preparation basis

The financial statements of the Group have been prepared on the basis of actual transactions and events that occurred in accordance with the “Accounting Standards for Business Enterprises” and its application guidelines, interpretations and other relevant regulations issued by the Ministry of Finance (the “ASBE”), as well as disclosure-related requirements of the Companies Ordinance of Hong Kong and the Rules Governing Listing on the Stock Exchange of Hong Kong.

2. Going concern

The Group has a recent profitable operating history and is supported by financial resources. It is considered reasonable that the financial statements are prepared on a going concern basis. Therefore, such financial statements have been prepared based on the assumption of a going concern.

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

The financial statements comply with the requirements of the ABSEs and give a true, accurate and complete account of the financial position of the Company and the Group as at December 31, 2023 and of the results of their operations and their cash flows for the year 2023, and other related information.

2. Accounting period

The Group’s accounting period is from January 1 to December 31 of the calendar year.

3. Operating cycle

The Group adopts a normal operating cycle of 12 months a year and uses the operating cycle as the criteria for the liquidity segmentation of assets and liabilities.

4. Functional currency

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



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

5. Materiality Criteria Determination Methodology and Selection Basis

The Group follows the principle of materiality in the preparation and disclosure of the financial statements. The disclosures in the notes to the financial statements that involve materiality criteria judgment and the methods of determining and selecting the materiality criteria are set forth below:

Disclosures involving materiality judgments	Materiality Criteria Determination Methodology and Selection Basis
Significant receivables of which provision for bad debts made on an individual basis	A single provision that accounts for 10% or more of the total bad debt provision for various receivables and whose amount is greater than RMB10 million.
Receivables with significant amount of bad debt provision recovered or reversed during the period	A single recovery or reversal that accounts for more than 10% of the total amount of various receivables and whose amount is greater than RMB5 million.
Significant receivables write-offs during the period	A single write-off that accounts for 10% or more of the total bad debt provision for various receivables and whose amount is greater than RMB5 million.
Significant accounts payable and other payables	A single accounts payable/other payables with an age of more than one year that accounts for more than 10% of the total accounts payable/other payables and whose amount is more than RMB10 million.
Significant investment activities	A single investing activity that accounts for more than 10% of the total cash used in or generated from investing activities and whose amount is greater than RMB10 million.
Significant associates or joint ventures	A single investee in which the carrying value of long-term equity investment accounts for 5% or more of the Group's net assets and amounts to more than RMB10 million, or from which the gain or loss on the long-term equity investment accounts for 10% or more of the Group's consolidated net profit under the equity method
Significant subsidiaries	A subsidiary of which the net assets account for 5% or more of the Group's net assets, or the net profit accounts for 10% or more of the Group's consolidated net profit
Significant activities that do not involve current cash receipts and payments	Significant activities that do not involve current cash receipts and payments



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

(1) Business combinations under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

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

(2) Business combination not under common control

Business combinations not under common control refers to combinations where parties involved in the combination are not ultimately controlled by the same party or parties before and after the combination.

The identifiable assets, liabilities and contingent liabilities of the acquiree acquired by the Group as a buyer in a business combination not under common control are measured at fair value at the acquisition date. The excess of the cost of the combination over the fair value of the share of identifiable net assets of the acquiree acquired in the combination is recognised as goodwill; if the cost of the combination is less than the fair value of the share of identifiable net assets of the acquiree acquired in the combination, the fair value of each identifiable asset, liability and contingent liability acquired in the combination, as well as combination costs, are first reviewed. If, after the review, the cost of combination is still less than the fair value of the share of identifiable net assets of the acquiree acquired in the combination, the difference is recognised as non-operating income in the period of combination.

7. Criteria for determining control and preparation of consolidated financial statements

The Group's scope of consolidation in the consolidated financial statements is determined on a control basis and includes the Company and all of its controlled subsidiaries. The Group determines the criteria for control as follows: control is the power the Group has over the acquiree(s) and is entitled to variable returns from its involvement in the operating activities of the acquiree and able to affect the amount of the returns by leveraging such power.

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



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

7. Criteria for determining control and preparation of consolidated financial statements

(continued)

The effects on the consolidated financial statements of internal transactions occurring between the Company and its subsidiaries and among subsidiaries are eliminated on consolidation. The shares of ownership interests of subsidiaries that do not belong to the parent company and the shares of net profit or loss, other comprehensive income and total comprehensive income for the period that belong to non-controlling interests are presented in the consolidated financial statements under “non-controlling interests, gain or loss attributable to minority shareholders, other comprehensive income attributable to minority shareholders and total comprehensive income attributable to minority shareholders”, separately.

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

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

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

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

If the Group disposes of its equity investment in a subsidiary through multiple transactions, which is a package deal, until it loses control, each transaction is accounted for as a disposal of the subsidiary and loss of control; however, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment in each disposal prior to the loss of control is recognised in the consolidated financial statements as other comprehensive income and is transferred to investment income or loss in the period in which control is lost. If the disposal of equity investments in subsidiaries through multiple transactions is not a package deal, each transaction is accounted for separately according to whether or not there is a loss of control.



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

8. Cash and cash equivalents

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

9. Foreign currency operations and translation of foreign currency statements

(1) Foreign currency operations

Upon initial recognition of foreign currency transactions, the Group translates the foreign currency amounts into the functional currency amounts using the spot exchange rate at the date of the transaction. At the balance sheet date, monetary items denominated in foreign currencies are translated into the functional currency using the spot exchange rate at the balance sheet date. The resulting translation differences are recognised directly in profit or loss, except for exchange differences arising from special borrowings in foreign currencies for the purpose of acquiring or producing assets eligible for capitalization, which are treated on the basis of capitalization; A non-monetary item denominated in foreign currency measured at historical cost shall be translated using the spot exchange rate prevailing on the date when a transaction occurs and the amount of its functional currency shall remain unchanged. A non-monetary item denominated in foreign currency at fair value shall be translated using the spot rate on the date when its fair value is determined, and the resulting exchange difference between the amount in the functional currency after translation and the original amount in the functional currency shall be recognised as changes in fair value (including change of exchange rate) in profit or loss for the period; Capital contributions received from investors in foreign currencies are translated using the spot exchange rate at the date of the transaction, and no foreign-currency capital translation differences arise between the foreign-currency capital contributions and the carrying amounts of the corresponding monetary items in the functional currency.

(2) Translation of foreign currency financial statements

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



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments

(1) Recognition and derecognition of financial instruments

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

A financial asset is derecognised, i.e. removed from its accounts and balance sheet, when the following conditions are met: 1) the rights to receive cash flows from the financial asset expire; 2) the right to receive cash flows from a financial asset or an obligation under a “pass-through agreement” to pay the full amount of cash flows received to a third party in a timely manner is substantially transferred; and all the risks and rewards of ownership of a financial asset are substantively transferred, or the control over a financial asset is given up without transferring or retaining substantially all the risks and rewards of ownership of the financial asset.

A financial liability is derecognised if the obligation under the financial liability is discharged, cancelled or expires. If an existing financial liability is replaced by another from the same creditor on substantially different terms, or if the terms of an existing liability are substantially modified in its entirety, such an exchange or modification is treated as a derecognition of the existing liability and the recognition of a new liability, and the difference is recognised in profit or loss for the period.

Financial assets bought and sold in regular way are recognised and derecognised on their transaction dates.

(2) Classification and measurement of financial assets

Upon initial recognition, the Group classifies financial assets into financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, in accordance with a business model for managing financial assets and contract cash flow characteristics of financial assets. All affected underlying financial assets are reclassified when, and only when, the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, except for accounts receivable or notes receivable arising from the sale of goods or provision of services, which do not contain significant financing components or do not take into account financing components that have been in existence for not more than one year, which are initially recognised at the transaction price.

For financial assets measured at fair value and whose changes are included in profit and loss of the current period, the related trading expenses are recognised directly in profit and loss for the period; for other categories of financial assets, the trading expenses are recognised in the initial recognition amount.

Subsequent measurement of financial assets depends on their classifications.



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(2) Classification and measurement of financial assets (continued)

1) *Financial assets measured at amortised cost*

A financial asset is classified as financial assets carried at amortised cost if both of the following conditions are met: ① the business model for managing the financial asset is to collect the contractual cash flows. ② the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding. The Group's financial assets in this category mainly consist of accounts receivable, notes receivable, and other receivables.

2) *Debt instrument investment at fair value through other comprehensive income*

A financial asset is classified as a financial asset at fair value through other comprehensive income if both of the following conditions are met: ① the business model for managing the financial asset is to both collect the contractual cash flows and sell the financial asset. ② the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding. Interest income is recognised on this category of financial assets using the effective interest method. Changes in fair value are included in other comprehensive income, except for interest income, impairment losses and exchange differences, which are recognised in profit or loss for the period. On derecognition of the financial assets, the accumulated gains or losses previously recognised in other comprehensive income shall be transferred out and recognised in profit or loss for the current period. The Group's financial assets in this category mainly include receivables financing.

3) *Investments in equity instruments at fair value through other comprehensive income*

The Group has irrevocably elected to designate certain investments in non-trading equity instruments as financial assets at fair value through other comprehensive income, which designation, once made, cannot be revoked. The Group recognises only the related dividend income (except for dividend income that is clearly recovered as part of the cost of the investment) in profit or loss for the period, and subsequent changes in fair value are recognised in other comprehensive income without provision for impairment. On derecognition of a financial asset, the accumulated gains or losses previously recognised in other comprehensive income shall be transferred out and recognised in retained earnings. The Group's financial assets in this category are investments in other equity instruments.

4) *Financial assets at fair value through profit or loss*

Except for the above-mentioned financial assets measured at amortised cost and financial assets at fair value through other comprehensive income, the Group classifies or designates other financial assets as financial assets at fair value through profit or loss. Financial assets in this category are subsequently measured at fair value, with all changes in fair value recognised in profit or loss for the period except those relating to hedge accounting. The Group's financial assets in this category mainly consist of: financial assets held for trading.

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



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(3) Classification, recognition and measurement of financial liabilities

Except for financial guarantee contracts issued, loan commitments for loans at below-market interest rates and financial liabilities arising from transfers of financial assets that do not meet the conditions for derecognition or from continuing involvement in the transferred financial assets, the Group's financial liabilities are classified on initial recognition as follows: financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost. For the financial liabilities measured at fair value through profit or loss, relevant transaction expenses are directly charged to the profit or loss, and for financial liabilities measured at amortised cost, relevant transaction expenses are included in the initial recognised amount.

Subsequent measurement of financial liabilities depends on their classifications.

1) *Financial liabilities measured at amortised cost*

Financial liabilities measured at amortised cost are subsequently measured at amortised cost using the effective interest method.

2) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss (including derivatives that are financial liabilities) include financial liabilities held for trading and financial liabilities designated on initial recognition as at fair value through profit or loss. Financial liabilities held-for-trading (including derivatives that are financial liabilities) are subsequently measured at fair value. Except for those relating to hedge accounting, all changes in fair value are recognised in profit or loss for the period. For financial liabilities designated as at fair value through profit or loss, they are subsequently measured at fair value, with changes in fair value recognised in profit or loss, except for changes in fair value arising from changes in the Group's own credit risk, which are recognised in other comprehensive income; The Group recognises all fair value changes, including amounts arising from changes in its own credit risk, in the profit or loss for the period if the inclusion of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(4) Impairment of financial instruments

The Group impairs financial assets measured at amortised cost, investments in debentures at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and financial guarantee contracts based on expected credit losses and recognises an allowance for losses.

Expected credit losses are the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows receivable under the contracts and all cash flows expected to be received by the Group, discounted at the original effective interest rate, which is the present value of the total cash shortfall. The Group considers the expected credit loss measurement methodology to reflect the following elements: 1) an unbiased probability-weighted average amount determined by evaluating a range of possible outcomes; 2) time value of money; 3) reasonable and supportable information about past events, current conditions and projections of future economic conditions that is not subject to unnecessary additional cost and available at the balance sheet date.

The Group assesses the expected credit losses of financial instruments on an individual and group basis and, when assessed on a group basis, the Group categorises financial instruments into groups based on common credit risk characteristics. The common credit risk characteristics adopted by the Group include: type of financial instrument, credit risk rating, geographical location of the debtor, industry in which the debtor operates, past defaults, and aging of receivables.

The Group's assessment of impairment of financial instruments and contract assets using the expected credit loss model requires significant judgment and estimates, taking into account all reasonable and supportable information, including forward-looking information. In making these judgments and estimation, the Group has extrapolated the expected changes in debtors' credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment, and the amount of provision made may not equal the actual amount of impairment loss in the future.



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(4) Impairment of financial instruments (continued)

1) *Impairment testing methods for receivables and contract assets*

For accounts receivable, notes receivable, accounts receivable financing, contract assets and other receivables that do not contain significant financing components and are generated from ordinary operating activities, such as sales of goods and provision of services, the Group uses a simplified measurement method to measure the allowance for losses at an amount equal to the life-time expected credit loss.

For lease receivables, receivables with significant financing components and contract assets, the Group has elected to apply a simplified measurement method by measuring the loss allowance at an amount equal to the life-time expected credit loss.

The Group recognises receivables greater than RMB10 million or exposed to special risks as individually significant receivables. The Group performs separate impairment tests for receivables that are individually significant.

For accounts receivable, except for the determination of credit losses for individual amounts that are significant and for which credit impairment has been incurred, expected credit losses are generally calculated on the basis of a combination of common credit risk characteristics, taking into account the elements that should be reflected in the expected credit loss measurement method, and preparing a table of days past due/ages of accounts receivable versus the loss rate at default by reference to the historical credit loss experience. If the credit risk characteristics of a customer are significantly different from those of other customers in the group, or if there is a significant change in the credit risk characteristics of the customer, for example, the customer is in severe financial difficulty and the expected credit loss rate on receivables from the customer is significantly higher than the expected credit loss rate in the aging and overdue ranges, the Group will make a provision for losses on receivables from the customer on an individual basis.

① *Grouping categories of accounts receivable (and contract assets) and basis of determination*

The Group groups accounts receivable (and contract assets) according to the similarity and correlation of credit risk characteristics based on information such as aging, nature of payment, credit risk exposure, and history of repayment. For accounts receivable (and contract assets), the Group determines that ageing is the main factor affecting its credit risk; therefore, the Group evaluates its expected credit losses on the basis of its ageing group. The Group determines the ageing based on the invoice date.



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(4) Impairment of financial instruments (continued)

1) **Impairment testing methods for receivables and contract assets** (continued)

② *Grouping categories of notes receivable and basis of determination*

The Group groups notes receivable based on their acceptor credit risk as a common risk characteristic and determines the policy for accounting estimation of expected credit losses: a. for banker's acceptance bills whose acceptors are listed commercial banks, the Group assesses such items to have low credit risk and does not recognise expected credit losses; b. for bank acceptance bills and commercial acceptance bills where the acceptor is a non-listed commercial bank, the Group recognises the loss allowance based on the expected loss rates determined in accordance with the Group's policy on accounts receivable, using the same grouping criteria as the accounts receivable.

2) **Impairment test methods for investments in debentures, other creditor investments, loan commitments and financial guarantee contracts**

For financial assets (such as investments in debentures, other debt investments), loan commitments and financial guarantee contracts other than those mentioned above that use the simplified measurement approach, the Group uses the general method (three-stage method) to provide for expected credit losses. At each balance sheet date, the Group assesses whether its credit risk has increased significantly since the initial recognition. If the credit risk has not increased significantly since the initial recognition and it is in the first stage, the Group measures the provision for losses at an amount equal to the expected credit losses in the next 12 months and calculates the interest income on the basis of the book balance and at the effective interest rate; If the credit risk has increased significantly since the initial recognition but no credit impairment has occurred and it is in the second stage, the Group measures the provision for loss at an amount equal to the expected credit loss over the entire duration and calculates interest income based on the carrying amount and at the effective interest rate; If a credit impairment occurs after initial recognition and it is in third stage, the Group measures the allowance for loss at an amount equal to the expected credit loss over the entire duration and calculates interest income based on amortised cost and at the effective interest rate. For financial instruments with only a low credit risk at the balance sheet date, the Group assumes that its credit risk has not increased significantly since initial recognition.

Expected credit losses over the entire duration refers to expected credit losses due to all possible events of default that could occur over the entire expected duration of the financial instrument. Expected credit losses within the next 12 months are the expected credit losses arising from events of default on financial instruments that may occur within 12 months after the balance sheet date (or the expected duration if the expected duration of the financial instrument is less than 12 months) and form part of the expected credit losses over the entire duration.

Refer to Note IX.1.(2) for the disclosure of the Group's criteria for determining significant increase in credit risk and the definition of credit-impaired assets that have been incurred.



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(5) Recognition and measurement of the transfer of financial assets

For transactions involving the transfer of financial assets, the Group derecognises the financial assets if substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee; If substantially all the risks and rewards of ownership of the financial asset have been retained, the financial assets shall not be derecognised; Where control over a financial asset is relinquished without transferring or retaining substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognised and the resulting assets and liabilities are recognised, and where control over the financial asset has not been relinquished, the financial asset is recognised to the extent of the continued involvement in the transferred financial asset, and the related liability is recognised accordingly.

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

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

If the continued involvement is achieved by providing a financial guarantee over the transferred financial asset, the asset resulting from the continued involvement is recognised at the lower of the carrying amount of the financial asset and the amount of the financial guarantee. The amount of the financial guarantee is the maximum amount of the consideration received that will be required to be repaid.



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(6) Distinction between financial liabilities and equity instruments and their accounting treatment

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

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

(7) Derivative financial instrument

The Group uses derivative financial instruments, such as foreign exchange forward contracts, commodity forward contracts and interest rate swaps, to hedge exchange rate risk, commodity price risk and interest rate risk, respectively. Derivative financial instruments are initially measured at fair value on the date the derivative transaction contract is entered into and are subsequently measured at their fair value. Derivative financial instruments with a positive fair value are recognised as an asset and those with a negative fair value are recognised as a liability.

Gains or losses arising from changes in the fair value of derivatives are recognised directly in profit or loss for the period, except those relating to hedge accounting.



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Financial Instruments (continued)

(8) Offsetting of financial assets and financial liabilities

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

11. Inventories

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

Inventories are initially measured at cost. The cost of inventories includes purchase costs, processing costs and other costs. Inventories are maintained on a perpetual basis. The actual cost of inventories is determined using the first-in, first-out (FIFO) method when inventories are claimed or issued. Low-value consumables and packaging materials are amortised by the 50/50 amortization method.

On balance sheet dates, inventories are measured at the lower of cost and net realisable value. If the cost of inventories exceeds their net realizable value, a provision for decline in value of inventories is made and recognised in profit or loss for the period. Net realisable value is the estimated selling price of the goods less the estimated costs to be incurred on completion, estimated selling expenses and relevant taxes.

12. Contract assets and contract liabilities

(1) Contract assets

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

The methods of determining and accounting for expected credit losses on contract assets are described above in Note III.10(4) in relation to impairment of financial assets.



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Contract assets and contract liabilities (continued)

(2) Contract liabilities

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

13. Assets related to contract costs

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

The Group's assets related to contract costs include contract performance costs and contract acquisition costs. Based on their liquidity, contract performance costs are presented in inventories and other non-current assets, and contract acquisition costs are presented in other current assets and other non-current assets, respectively.

Contract performance costs, which are costs incurred by the Group to perform a contract that do not fall within the scope of the relevant accounting standards such as inventories, fixed assets or intangible assets, are recognised as a contract performance cost as an asset: the cost is directly attributable to a current or expected contract, including direct labor, direct materials, manufacturing costs (or similar costs), costs explicitly borne by the customer and other costs incurred solely in connection with that contract; the cost increases the Group's future resources available to meet its performance obligations; and the cost is expected to be recovered.

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

(2) Amortization of assets related to contract costs

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

(3) Impairment of assets related to contract costs

If the carrying amount of the Group's assets related to contract costs exceeds the difference between: (i) the residual consideration that the business expects to obtain for the transfer of the goods to which the asset relates; and (ii) the estimated cost to be incurred for the transfer of the related goods, the Group makes a provision for the excess and recognises an impairment loss on the asset.



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments

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

(1) Judgment of Significant Influence and Common Control

An equity investment in which the Group has significant influence over the investee, i.e. an investment in an associated company. Significant influence is the right of the Group to participate in the financial and operating decisions of the investee, but not to control, or have joint control with other parties over, the formulation of those policies. If the Company holds, directly or indirectly through subsidiaries, more than 20% but less than 50% of the voting power of the investee, it is normally presumed that the Group has a significant influence on the investee, unless there is clear evidence that the Group cannot participate in the production and operation decisions of the investee or develop control over the investee.

An equity investment in an investee in which the Group, together with other joint venturers, exercises joint control over the investee and has rights over the investee's net assets is an investment in a joint venture. Joint control is control that is shared over an arrangement in accordance with the relevant agreement and the activities related to the arrangement can only be decided upon with the unanimous consent of the participants sharing control. The Group's judgement basis over joint control is that all parties or groups of parties jointly control the arrangement, and its decisions over relevant activities require the unanimous consent of the parties sharing control.

(2) Accounting Treatment

The Group initially measures long-term equity investments acquired at initial investment cost.

Long-term equity investments acquired through business combinations under common control are measured at the initial investment cost at the date of combination based on the acquisition of the combined party's share of the carrying value of the net assets of the ultimate controlling party in the consolidated statements; If the carrying value of the net assets of the combined party at the date of combination is negative, the cost of initial investments is determined at zero.

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

except for long-term equity investments resulting from business combinations, long-term equity investments acquired with cash payments are initially recognised at the purchase price actually paid and the fees, taxes and other necessary expenses directly related to the acquisition of the long-term equity investment; For long-term equity investments acquired through the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued.



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments (continued)

(2) Accounting Treatment (continued)

The Company's investments in subsidiaries are accounted for using the cost method in the individual financial statements. Under the cost method, long-term equity investments are stated at initial investment cost. If additional investment is made, the carrying amount of the investment cost shall be increased by the fair value of the cost paid in additional investment and the related transaction expenses. For the cash dividends or profits distributed by the investee, the investment income shall be recognised in accordance with the amount to be entitled.

The Group's investments in joint ventures and associates are accounted for using the equity method. If the initial investment cost of a long-term equity investment accounted for under the equity method is greater than the share of the fair value of the investee's identifiable net assets, which is attributable to the Company, at the time of investment, no adjustment is made to the carrying amount of the long-term equity investment; If the initial investment cost of a long-term equity investment is less than the fair value of the investee's identifiable net assets at the time of investment, the difference is adjusted to the carrying amount of the long-term equity investment and recognised in profit or loss for the period in which the investment is acquired.

The carrying amount of a long-term equity investment that is subsequently accounted for under the equity method shall be increased or decreased according to the changes in the owner's equity of the investee during the period in which the investment is held. In recognizing the share of net profit or loss of an investee, the net profit of the investee is recognised after adjustments to the net profit of the investee on the basis of the fair value of the investee's identifiable assets at the time of acquisition, in accordance with the Group's accounting policies and accounting periods, and after eliminating the proportionate share of unrealised gains or losses on internal transactions arising from non-business transactions with associates and joint ventures that is attributable to the Group (where the loss on internal transactions is an impairment loss of an asset fully recognised). The Group recognises a net loss on an investee to the extent that the book value of the long-term equity investment and other long-term interests that in substance constitute a net investment in the investee are written down to zero, unless the Group has an additional obligation to pay a loss.

Upon the disposal of a long-term equity investment, the difference between the carrying amount and the price actually received is included in investment income.

For long-term equity investments accounted for under the equity method, when the equity method is terminated, the relevant other comprehensive income recognised by the original equity method is accounted for on the same basis as the direct disposal of the relevant assets or liabilities by the investee, and the owner's equity arising from the changes in other owner's equity of the investee other than net profits or losses, other comprehensive income and profit distribution are fully transferred into investment income on a pro-rata basis.



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

14. Long-term equity investments (continued)

(2) Accounting Treatment (continued)

If the remaining equity interest after partial disposal is still accounted for under the equity method, the related other comprehensive income accounted for under the equity method is treated on the same basis as the direct disposal of the related assets or liabilities by the investee and is carried forward on a pro rata basis. Owners' equity recognised as a result of the changes in the investee's ownership interest other than the net profit or loss, other comprehensive income and profit appropriation is proportionally carried forward to the investment income of the current period.

If joint control or significant influence over the investee is lost after the partial disposal of the equity interest, the residual equity interest after the disposal is accounted for under the application of the "ASBE No. 22 – Recognition and Measurement of Financial Instruments (Caikuai [2017] No. 7)", the difference between the fair value of the residual equity interest at the date of the loss of joint control or significant influence and the carrying amount is recognised in the profit or loss for the period.

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

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



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

15. Investment properties

The Group's investment properties are those held to earn rentals or for capital appreciation, or both, and include house buildings and car parks that have been acquired for rental purposes, and are measured using the fair value model.

There is an active real estate trading market for the Group's investment properties, and the Group is able to obtain market prices and related information for similar properties from the market and is able to make reasonable estimates of the fair value of investment properties on an ongoing basis; therefore, the Group has elected to measure investment properties at fair value on a prospective basis.

16. Fixed assets

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

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

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

No.	Category	Depreciation life (years)	Estimated residual value (%)	Annual depreciation rate (%)
1	General equipment	3-10	5	9.5%-31.67%
2	Transportation equipment	5	5	19%
3	Special equipment	5	5	19%
4	Other equipment	5	5	19%

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



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

17. Construction in progress

The cost of construction in progress is determined on the basis of actual construction expenditures, including all necessary construction expenditures incurred during the construction period, borrowing costs that should be capitalised before the construction work reaches its intended useable condition, and other related costs.

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

18. Borrowing costs

The Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, and includes them in the cost of the relevant assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Assets identified by the Group as eligible for capitalization include borrowing costs incurred that are directly attributable to a fixed asset, investment properties and inventories that require more than one year of acquisition or production activity to reach their intended use or saleable condition. Capitalization begins when expenditure on the asset has been incurred, borrowing costs have been incurred, and the acquisition or production activities necessary to bring the asset to its intended use or saleable condition have commenced; capitalization ceases when the acquisition or production of the asset eligible for capitalization reaches its intended use or saleable condition, subsequent borrowing costs incurred are recognised in profit or loss. If there is an unusual interruption in the acquisition or production of the asset eligible for capitalization and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended until the acquisition or production of the asset resumes.

In each accounting period during which capitalization occurs, the Group recognises the amount of borrowing costs capitalised in accordance with the following methodology: for specific borrowings, the Group takes the actual interest expenses incurred on that borrowing during the period, less any interest income earned from temporarily investing the borrowed funds or any investment income on the temporary investment of those funds; for general borrowings, the Group multiplies the weighted average of the expenditures on the asset by the capitalization rate. The capitalization rate is the weighted average of the interest rates applicable to the Group's general borrowings.

19. Intangible assets

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



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Impairment of long-term assets

The Group examines items such as long-term equity investments, investment properties measured using the cost model, property, plant and equipment, construction in progress, assets under the right of use, and intangible assets with finite useful lives at each balance sheet date, and tests for impairment when there is an indication of impairment. Goodwill, intangible assets with indefinite useful lives, and development expenditures that have not yet reached their estimated useful lives are tested for impairment at the end of each year, regardless of whether there is any indication of impairment.

Impairment of non-current assets other than financial assets (other than goodwill)

The Group determines the recoverable amount of an asset based on the higher of the asset's net fair value less costs of disposal and the present value of the asset's estimated future cash flows when performing impairment testing. If, after an impairment test, the carrying amount of the asset exceeds its recoverable amount, the difference is recognised as an impairment loss.

The Group estimates the recoverable amount of an asset on an individual basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of that asset group is determined by reference to the asset group to which that asset group belongs. An asset group is identified based on whether the major cash inflows generated from the asset group are independent of those from other assets or groups of assets.

Fair value, net of disposal costs, is determined by reference to the agreed sale price of a similar asset in an arm's length transaction or an observable market price, less incremental costs directly attributable to the disposal of the asset. Estimating the present value of future cash flows requires the management to estimate the projected future cash flows of the asset or group of assets and to select an appropriate discount rate to determine the present value of the future cash flows.

An impairment loss once recognised shall not be reversed in a subsequent accounting period.

21. Long-term deferred expenses

The Group's long-term deferred expenses include renovation and start-up costs that have been paid by the Group but shall be amortised over a period of more than one year in the current and future periods. These costs are amortised evenly over the benefit period, and if an item of long-term deferred expenses does not benefit subsequent accounting periods, the entire unamortised amortization value of the item is transferred to the current profit or loss.



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

22. Employee benefits

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

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

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

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

23. Share-based payments

Equity-settled share payments made in exchange for services rendered by the employees are measured at the fair value of equity instruments granted to the employees at the grant date. If the grant is immediately exercisable, the related cost or expense is recognised at the grant date based on the fair value of the equity instrument, with a corresponding increase in capital surplus. Exercised options can only be made when the service within the vesting period is completed or the prescribed performance conditions are met. At every balance sheet date within the vesting period, based on the best estimation of the number of the exercisable equity instruments, and according to the fair value of equity instruments on the grant date, the services obtained in the current period are included in relevant costs or expenses and the capital reserve.

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



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Revenue recognition principles and measurement methods

The Group recognises revenue when it has fulfilled its performance obligations under the contract, i.e., when the customer obtains control of the relevant goods. Gaining control of the relevant good or service means being able to dominate the use of the good or the provision of the service and derive substantially all of the economic benefits therefrom.

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

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

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

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



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Revenue recognition principles and measurement methods (continued)

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

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

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

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

Specific methods of revenue recognition

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



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Revenue recognition principles and measurement methods (continued)

Specific methods of revenue recognition (continued)

(1) *Property management services*

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

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

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

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

(3) *Community value-added services*

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

The revenue from the sale of goods is recognised when the Group delivers the relevant goods to the buyer and the recoverability of the related consideration is reasonably assured.

The Group recognises revenue over the contract period by reference to the progress to the full achievement of the performance obligation. Progress to full performance obligation is the amount reflected in the expected entitlement to consideration, and it is measured, depending on the nature of the contract, primarily by reference to (a) the proportion of contract costs incurred for work performed to date to the total estimated cost of each contract; or (b) the completion of an actual proportion of the contract work.

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

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



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

24. Revenue recognition principles and measurement methods (continued)

Specific methods of revenue recognition (continued)

(4) *Urban Services*

The urban service segment mainly provide integrated environmental sanitation operation services to urban and villages, which mainly include: urban and rural environmental sanitation services, such as cleaning and janitorial services, garbage removal and river cleaning. The Group receives and recognises as revenue a fixed amount on an annual, quarterly or monthly basis for the services rendered to the extent that the Group has the right to issue invoices that directly correspond to the value of contracts performed.

25. Government grants

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

Asset-related government grants refer to government grants obtained by the Group for the acquisition and construction or other formation of long-term assets; revenue-related government grants refer to government grants other than asset-related government grants. If the objects of subsidies are not specified in government documents, the Group makes a judgment in accordance with the above distinction principles, and if it is difficult to distinguish them, they are classified as revenue-related government subsidies as a whole.

Government grants related to assets are recognised as deferred income and are credited or charged to profit or loss for the period on a straight-line basis over the useful lives of the related assets. If the related assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the unallocated balance of the related deferred gain is transferred to profit or loss in the period in which the assets are disposed of.

Government grants related to revenue, which are used to compensate for related costs and expenses or losses in subsequent periods, are recognised as deferred income and recognised in profit or loss in the period in which the related costs and expenses or losses are recognised. Government grants related to normal business course are included in other income in accordance with the nature of the economic operations. Government subsidies not related to ordinary activities are recognised as non-operating income and expenses.



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Deferred tax assets and deferred tax liabilities

The Group's deferred income tax assets and deferred income tax liabilities are recognised on the basis of differences between the tax bases of assets and liabilities and their carrying amounts, as well as on the basis of temporary differences between the tax bases of items that are not recognised as assets and liabilities but whose tax bases can be determined in accordance with tax law and their carrying amounts.

The Group recognises deferred income tax liabilities for all taxable temporary differences except: (1) temporary differences arising from the initial recognition of goodwill or from the initial recognition of assets or liabilities associated with transactions in non-business combinations that affect neither the accounting profit nor taxable income (or deductible losses); and (2) taxable temporary differences associated with investments in subsidiaries, associates and joint ventures where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The Group recognises deferred income tax assets for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, and deductible losses and tax credits can be utilised, except in the following situations: (1) temporary differences arising from the initial recognition of assets or liabilities associated with transactions in non-business combinations that affect neither the accounting profit nor taxable income (or deductible losses); and (2) deductible temporary differences associated with investments in subsidiaries, associates and joint ventures that do not satisfy both of the following conditions: it is probable that the temporary differences will reverse in the foreseeable future and it is probable that taxable income will be available against which the deductible temporary differences can be utilised in the future.

The Group recognises deferred income tax assets for all unused deductible losses to the extent that it is probable that sufficient taxable income will be available against which the deductible losses can be utilised. Management uses considerable judgment to estimate the timing and amount of taxable income to be earned in the future and, in conjunction with tax planning strategies, determines the amount of deferred income tax assets that should be recognised, and as a result, uncertainty exists.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the period when the asset is recovered or the liability is settled.



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

27. Lease

(1) Identification of leases

At the inception date of the contract, the Group assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party to the contract cedes the right to control the use of one or more identified assets for a specified period of time in exchange for consideration.

If a contract contains several separate leases, the Group splits the contract and accounts for each separate lease separately. If a contract contains both lease and non-lease components, the Group splits the lease and non-lease components for accounting purposes. Each lease component is accounted for separately in accordance with the accounting standards for lease, and the non-lease component is accounted for in accordance with other applicable corporate accounting standards. If the contract contains both lease and non-lease components, the Group, as lessor, will split the lease and non-lease components and account for them separately. Each lease component is accounted for separately in accordance with the accounting standards for lease, and the non-lease component is accounted for in accordance with other applicable corporate accounting standards. The Group, when as lessee, elects not to split the lease and non-lease components, and to consolidate lease component and the non-lease component associated with it respectively into a lease, which is accounted for in accordance with the accounting standards for lease; However, if the contract includes embedded derivatives that should be spun off, the Group does not consolidate them with the lease component for accounting purposes.

(2) The Group as lessee

1) Recognition of leases

Except for short-term leases and low-value asset leases, the Group recognises right-of-use assets and lease liabilities for leases at the inception date of the lease term.

Right-of-use assets, which represent the Group's right as lessee to use the leased assets during the lease term, are initially measured at cost. This costs include: 1) the initial measurement amount of the lease liability; 2) the amount of lease payments (net of amounts relating to lease incentives taken) made on or before the inception date of the lease term; 3) the initial direct cost incurred; 4) costs expected to be incurred to dismantle and remove the leased asset, to restore the site on which the leased asset is located or to restore the leased asset to its agreed condition under the terms of the lease, other than those incurred for the production of inventory. Where the Group remeasures a lease liability in accordance with the relevant provisions of the accounting standards for lease, the carrying amount of the right-of-use asset is adjusted accordingly.



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

27. Lease (continued)

(2) The Group as lessee (continued)

1) *Recognition of leases* (continued)

The Group depreciates right-of-use assets on a straight-line basis, based on the manner in which the economic benefits associated with the right-of-use assets are expected to be consumed. Depreciation is provided over the remaining useful life of the leased asset if the acquisition of ownership of the leased asset is reasonably certain at the end of the lease term; where it is not reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is charged over the shorter of the lease term and the remaining useful life of the leased asset. The amount of depreciation provided is charged to the cost of the relevant asset or to the current profit or loss, depending on the use to which the right-of-use asset is put.

The Group initially measures the lease liability at the present value of the lease payments outstanding at the commencement date of the lease term. Lease payments consist of 1) fixed payments and substantive fixed payments, net of lease incentive-related amounts; 2) variable lease payments that depend on an index or ratio; 3) the Group reasonably determines the exercise price of the purchase option when it will be exercised; 4) the lease term reflects the amount required to be paid to exercise the option to terminate the lease when the Group will exercise the option to terminate the lease; 5) the amount expected to be payable based on the residual value of the guarantee provided by the Group.

In calculating the present value of the lease payments, the Group uses the embedded interest rate of the lease as the discount rate. The Group uses an incremental borrowing rate as a discount rate if the interest rate implicit in the lease cannot be determined. The Group calculates the interest expense on lease liabilities at a fixed periodic rate for each period of the lease term and recognises it in profit or loss for the current period, except when it should be capitalised.

Subsequent to the inception date of the lease term, the carrying amount of the lease liability increases when the Group recognises interest on the lease liability; when paying the lease payment, the carrying amount of the lease liability decreases; The Company remeasures the lease liability to reflect changes to the lease payments, if there is a change in the following items: fixed payments; amounts expected to be payable under residual value guarantees; an index or a rate used to determine lease payments; assessment result or exercise of purchase option, extension option or termination option.



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

27. Lease (continued)

(2) The Group as lessee (continued)

2) Lease modification

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

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

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

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

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



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

27. Lease (continued)

(3) The Group as the lessor

The Group, as lessor, classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset, otherwise it is classified as an operating lease.

1) *Finance Lease*

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

The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate embedded in the lease. The Group calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments acquired by the Group not included in the measurement of the net investment in lease are recognised in profit or loss for the period as incurred.

2) *Operating Lease*

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

The initial direct costs incurred by the Group in connection with operating leases are capitalised to the cost of the assets subject to the leases and amortised to current profit or loss over the lease terms on the same recognition basis as rental income. Variable lease payments acquired by the Group in connection with operating leases that are not included in the lease receipts are recognised in profit or loss when they are actually incurred.

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



III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Fair value measurement

The Group measures investments in investment properties, derivative financial instruments and equity instruments at fair value at each balance sheet date. Fair value is the price that will be received when selling an asset or the price to be paid to transfer a liability in an orderly transaction between market participants on the date of measurement.

Assets and liabilities that are measured or disclosed at fair value in the financial statements are identified at their respective fair value hierarchy based on the lowest level of input that is significant to the fair value measurement as a whole: Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access on the measurement date; Level 2 inputs are inputs other than those included within Level 1 that are observable for the assets or liabilities, either directly or indirectly Level 3 inputs are the non-observable inputs of relevant assets or liabilities,

For financial instruments traded in an active market, the Group determines their fair value using their quoted active market prices; For financial instruments that are not traded in an active market, the Group uses valuation techniques to determine their fair value and the valuation models used are mainly discounted cash flow models. The inputs to the valuation techniques consist mainly of: risk-free rate, credit premium and liquidity premium in terms of debt; and valuation multiplier and liquidity discount in terms of equity.

Level 3 fair values are determined based on the Group's valuation models, such as discounted cash flow models. The Group also considers the initial transaction price, recent transactions in identical or similar financial instruments, or third-party transactions in comparable financial instruments. At the balance sheet date, Level 3 financial assets measured at fair value are valued using significant unobservable inputs such as discount rates, but their fair values are not materially sensitive to reasonable changes in these significant unobservable inputs.

The Group uses the market approach to determine the fair value of its investments in unlisted equity securities. This requires the Group to identify, among others, comparable listed companies, select market multipliers, estimate liquidity discounts, which is therefore subject to uncertainty.

At each balance sheet date, the Group reassesses the assets and liabilities recognised in the financial statements that are measured at fair value on an ongoing basis to determine whether there has been a transition between the fair value measurement levels.



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III SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

On 13 December 2022, the Ministry of Finance issued the Business Accounting Standards Interpretation 16 (the “Interpretation 16”). According to the Interpretation 16:

For a transaction that is not business combination and do not affect either the accounting profit or taxable income (or deductible losses) at the time of the transaction, and where the initial recognition of assets and liabilities results in the creation of equivalent taxable temporary differences and deductible temporary differences (including lease transactions in which the lessee initially recognises a liability for the lease on the commencement date of the lease term and includes it in the right-of-use asset, and those in which the lessee recognises an accrued liability for the existence of a retirement obligation on a fixed asset, etc., and includes it in the cost of the related asset; hereinafter referred to as “a transaction to which the Interpretation applies”), the provisions of Articles 11(2) and 13 of Accounting Standards for Business Enterprises 18 – Income Taxes on exemption from the initial recognition of deferred tax liabilities and deferred tax assets shall not be applied. For taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in respect of the transaction, the enterprise shall recognise the corresponding deferred income tax liabilities and deferred income tax assets, respectively, at the time of the transaction in accordance with the Accounting Standards for Business Enterprises 18 – Income Taxes and other relevant regulations.

Implementation of the Interpretation 16 had no material impact on the Group’s opening figures.

(2) Changes in significant accounting estimates

None.

IV TAXES

1. Major tax types and tax rates

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



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IV TAXES (continued)

1. Major tax types and tax rates (continued)

Different corporate income tax rates are described by taxable entity:

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
1	Handan Rongmiao Property Management Co., Ltd.	20%	Yes
2	Zhangjiakou Rongguanyue Property Management Co., Ltd.	20%	Yes
3	Roiserv (Huizhou) Lifestyle Service Co., Ltd.	20%	Yes
4	Liuzhi Special District Roiserv Life Service Co., Ltd.	20%	Yes
5	Jiaxing Rongjia Lifestyle Service Co., Ltd.	20%	Yes
6	Cangzhou Rongguang Construction Engineering Co., Ltd.	20%	Yes
7	Shijiazhuang Rongci Real Estate Brokerage Co., Ltd.	20%	Yes
8	Hohhot RiseSun Property Service Co., Ltd.	20%	Yes
9	Roiserv (Beijing) Property Services Co., Ltd.	20%	Yes
10	Yongqing Jingtai Property Service Co., Ltd.	20%	Yes
11	Shijiazhuang Shengjing Fitness Service Co., Ltd.	20%	Yes
12	Zhangjiakou Rongmeng Property Management Co., Ltd.	20%	Yes
13	Jinan Rongtong Real Estate Brokerage Co., Ltd.	20%	Yes
14	Tangshan Fengnan District Pujie Property Service Co., Ltd.	20%	Yes
15	Beijing Manbeilun Cosmetics Co., Ltd.	20%	Yes
16	Baoding Rongrun Property Service Co., Ltd.	20%	Yes
17	Langfang Rongrui Property Management Co., Ltd.	20%	Yes
18	Cangzhou Rongzhi Property Service Co., Ltd.	20%	Yes
19	Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	20%	Yes
20	Roiserv (Anhui) Lifestyle Service Co., Ltd.	20%	Yes
21	Bengbu Rongjia Trading Co., Ltd.	20%	Yes
22	Bengbu Rongshang Technology Service Co., Ltd.	20%	Yes
23	Henan Roiserv Lifestyle Service Co., Ltd.	20%	Yes
24	Nanjing Rongzhi Home Technology Co., Ltd.	20%	Yes



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IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
25	Nantong Rongtu Property Management Co., Ltd.	20%	Yes
26	Nanjing Handu Technology Industry Co., Ltd.	20%	Yes
27	Nanjing Shengtou Automobile Service Co., Ltd.	20%	Yes
28	Yixing Roiserv Property Management Co., Ltd.	20%	Yes
29	Changzhou Roiserv Lifestyle Service Co., Ltd.	20%	Yes
30	Roiserv (Tangshan) Lifestyle Service Co., Ltd.	20%	Yes
31	Tangshan Rongjing Lifestyle Service Co., Ltd.	20%	Yes
32	Tangshan Jufeng Decoration Engineering Co., Ltd.	20%	Yes
33	Rongyikang (Beijing) Life Technology Co., Ltd.	20%	Yes
34	Roiserv (Cangzhou) Lifestyle Service Co., Ltd.	20%	Yes
35	Rongyu Property Services (Botou) Co., Ltd.	20%	Yes
36	Hangzhou Rongjia Lifestyle Service Co., Ltd.	20%	Yes
37	Suzhou Rongjia Lifestyle Service Co., Ltd.	20%	Yes
38	Cixi Rongjia Lifestyle Service Co., Ltd.	20%	Yes
39	Shaoxing Rongjia Lifestyle Service Co., Ltd.	20%	Yes
40	Jiaxing Rongjia Lifestyle Service Co., Ltd.	20%	Yes
41	Hangzhou Lin'an Rongjia Lifestyle Service Co., Ltd.	20%	Yes
42	Zhangjiakou RiseSun Jingxuan Property Services Co., Ltd.	20%	Yes
43	Langfang Rongshang Technology Co., Ltd.	20%	Yes
44	Handan Rongna Technology Engineering Co., Ltd.	20%	Yes
45	Shenyang Rongshang Technology Co., Ltd.	20%	Yes
46	Tangshan Rongshang Engineering Management Co., Ltd.	20%	Yes
47	Guangdong Rongshang Technology Co., Ltd.	20%	Yes
48	Zhangjiakou Rongshang Technology Service Co., Ltd.	20%	Yes
49	Chengdu Rongzhishang Technology Co., Ltd.	20%	Yes
50	Jiaxing Rongshang Engineering Technology Co., Ltd.	20%	Yes
51	Bengbu Rongshang Technology Co., Ltd.	20%	Yes
52	Nanjing Rongzhishang Technology Co., Ltd.	20%	Yes



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IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
53	Henan Rongshang Engineering Technology Co., Ltd.	20%	Yes
54	Xuzhou Rongzhishang Technology Co., Ltd.	20%	Yes
55	Huizhou Rongshang Technology Co., Ltd.	20%	Yes
56	Langfang Rongxin Real Estate Brokerage Co., Ltd.	20%	Yes
57	Roiserv (Shijiazhuang) Property Service Co., Ltd.	20%	Yes
58	Baoding Roiserv Lifestyle Service Co., Ltd.	20%	Yes
59	Xingtai Roiserv Property Management Co., Ltd.	20%	Yes
60	Bengbu Rongchang Trading Co., Ltd.	20%	Yes
61	Yixing Rongmiao Department Store Trading Co., Ltd.	20%	Yes
62	Shijiazhuang Rongmi Trading Co., Ltd.	20%	Yes
63	Nanjing Rongling Trading Co., Ltd.	20%	Yes
64	Yueyang Rongyue Department Store Trading Co., Ltd.	20%	Yes
65	Zhanjiang Shengxu Trading Co., Ltd.	20%	Yes
66	Nanjing Rongshe Trading Co., Ltd.	20%	Yes
67	Shenyang Rongguan Trading Co., Ltd.	20%	Yes
68	Shenyang Rongkun Trading Co., Ltd.	20%	Yes
69	Linyi Ronghui Trading Co., Ltd.	20%	Yes
70	Shijiazhuang Rongdi Trading Co., Ltd.	20%	Yes
71	Xuzhou Rongrun Trading Co., Ltd.	20%	Yes
72	Zhanjiang Shengjing Trading Co., Ltd.	20%	Yes
73	Chongqing Rongzhiguan Trading Co., Ltd.	20%	Yes
74	Zhanjiang Shengyi Trading Co., Ltd.	20%	Yes
75	Langfang Rongrong Trading Co., Ltd.	20%	Yes
76	Zhanjiang Rongsheng Trading Co., Ltd.	20%	Yes
77	Shijiazhuang Rongyu Trading Co., Ltd.	20%	Yes
78	Nanjing Ronghui Trading Co., Ltd.	20%	Yes
79	Shijiazhuang Rongtan Trading Co., Ltd.	20%	Yes
80	Shenyang Rongxin Trading Co., Ltd.	20%	Yes



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January 1, 2023 – December 31, 2023

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

IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
81	Langfang Rongba Trading Co., Ltd.	20%	Yes
82	Zhangjiakou Rongyiheng Trading Co., Ltd.	20%	Yes
83	Changsha Rongdou Catering Service Co., Ltd.	20%	Yes
84	Shijiazhuang Rongxu Trading Co., Ltd.	20%	Yes
85	Shenyang Rongyue Trading Co., Ltd.	20%	Yes
86	Shenyang Rongyu Trading Co., Ltd.	20%	Yes
87	Huizhou Rongzhen Trading Co., Ltd.	20%	Yes
88	Changsha Sanfen Liangtian Real Estate Brokerage Co., Ltd.	20%	Yes
89	Shijiazhuang Rongci Trading Co., Ltd.	20%	Yes
90	Zhanjiang Ronghan Trading Co., Ltd.	20%	Yes
91	Chengdu Rongchao Trading Co., Ltd.	20%	Yes
92	Xianghe Rongkun Trading Co., Ltd.	20%	Yes
93	Langfang Duona Trading Co., Ltd.	20%	Yes
94	Roiserv (Xuzhou) Lifestyle Service Co., Ltd.	20%	Yes
95	Xuzhou Rongzhiyi Technology Co., Ltd.	20%	Yes
96	Linyi Rongjia Lifestyle Service Co., Ltd.	20%	Yes
97	Xuzhou Quanrong Lifestyle Services Co., Ltd.	20%	Yes
98	Tianjin Roiserv Lifestyle Service Co., Ltd.	20%	Yes
99	Hengshui Rongyue Lifestyle Service Co., Ltd.	20%	Yes
100	Binzhou Roiserv Lifestyle Service Co., Ltd.	20%	Yes
101	Cangzhou Rongqian Property Service Co., Ltd.	20%	Yes
102	Yangjiang Shengshang Technology Co., Ltd.	20%	Yes
103	Zhanjiang Ronghui Automotive Beauty Co., Ltd.	20%	Yes
104	Yangxi County Property Rongyuwan Owners' Home Catering Service Co., Ltd.	20%	Yes
105	Yangxi County Shanhu Sea Owner's Home Catering Service Co., Ltd.	20%	Yes
106	Guangdong Shengli Elevator Co., Ltd.	20%	Yes
107	Zhanjiang Owner's Home Catering Service Co., Ltd.	20%	Yes



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

IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
108	Zhanjiang Jiatianwa Real Estate Brokerage Service Co., Ltd.	20%	Yes
109	Yangjiang Shengshang Decoration Engineering Co., Ltd.	20%	Yes
110	Zhanjiang Shenghui Decoration Engineering Co., Ltd.	20%	Yes
111	Roiserv (Hunan) Lifestyle Service Co., Ltd.	20%	Yes
112	Roiserv (Langfang) Lifestyle Service Co., Ltd.	20%	Yes
113	Wen'an Rongjue Lifestyle Service Co., Ltd.	20%	Yes
114	Xianghe Rongliang Property Management Co., Ltd.	20%	Yes
115	Bazhou Ronghao Property Management Co., Ltd.	20%	Yes
116	Langfang Guangyang Rongjia Life Service Co., Ltd.	20%	Yes
117	Gu'an Rongyue Property Management Co., Ltd.	20%	Yes
118	Langfang Anci District Rongzhi Life Service Co., Ltd.	20%	Yes
119	Sanhe Rongyi Lifestyle Service Co., Ltd.	20%	Yes
120	Yongqing Rongtu Lifestyle Service Co., Ltd.	20%	Yes
121	Roiserv (Shandong) Property Development Co., Ltd.	20%	Yes
122	Jinan Ronghe Lifestyle Service Co., Ltd.	20%	Yes
123	Liaocheng Rongkun Construction Engineering Co., Ltd.	20%	Yes
124	Linqing Pujie Property Services Co., Ltd.	20%	Yes
125	Liaocheng Roiserv Lifestyle Service Co., Ltd.	20%	Yes
126	Roiserv (Shenyang) Lifestyle Service Co., Ltd.	20%	Yes
127	Panjin Roiserv Lifestyle Service Co., Ltd.	20%	Yes
128	Sichuan Roiserv Shengxin Property Service Co., Ltd.	20%	Yes
129	Chongqing Roiserv Lifestyle Service Co., Ltd.	20%	Yes
130	Xi'an Rongjia Shengxin Property Management Co., Ltd.	20%	Yes
131	Dujun Rongwanjia Lifestyle Service Co., Ltd.	20%	Yes
132	Hebei Jinxiang Property Group Co., Ltd.	20%	Yes
133	Qinhuangdao Business Co., Ltd.	20%	Yes
134	Beijing Rongyang Wanjia Management Consulting Co., Ltd.	20%	Yes
135	Langfang Feibi Tuoyu Service Co., Ltd.	20%	Yes
136	Wanjia Smart Environment (Beijing) Co., Ltd.	20%	Yes
137	Bei'an Dushang Environmental Development Co., Ltd.	20%	Yes



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
138	Xianghe Wanjia Wisdom Sanitation Management Co., Ltd.	20%	Yes
139	Huanren RiseSun Anxu Environmental Development Co., Ltd.	20%	Yes
140	Hebei Wanhuitong Energy Technology Co., Ltd.	20%	Yes
141	Jiangsu Pujie Property Co., Ltd.	20%	Yes
142	Nanjing Puhe Property Services Co., Ltd.	20%	Yes
143	Tangshan Rongjun Trading Co., Ltd.	20%	Yes
144	Tangshan Youanmi Catering Service Co., Ltd.	20%	Yes
145	Tangshan Xuantu Automobile Service Co., Ltd.	20%	Yes
146	Hunan Rongkun Trading Co., Ltd.	20%	Yes
147	Shennongjia Forest District Linrong Trading Co., Ltd.	20%	Yes
148	Handan Rongchao Trading Co., Ltd.	20%	Yes
149	Handan Rongyiheng Trading Co., Ltd.	20%	Yes
150	Cangzhou Rongkun Trading Co., Ltd.	20%	Yes
151	Cangzhou Rongsu Trading Co., Ltd.	20%	Yes
152	Cangzhou Rongqi Trading Co., Ltd.	20%	Yes
153	Cangzhou Rongxiu Trading Co., Ltd.	20%	Yes
154	Cangzhou Rongqiao Trading Co., Ltd.	20%	Yes
155	Cangzhou Rongpai Trading Co., Ltd.	20%	Yes
156	Cangzhou Rongxin Automobile Service Co., Ltd.	20%	Yes
157	Cangzhou Rongliang Automobile Service Co., Ltd.	20%	Yes
158	Cangzhou Rongna Trading Co., Ltd.	20%	Yes
159	Cangzhou Rongmai Trading Co., Ltd.	20%	Yes
160	Cangzhou Rongzhe Trading Co., Ltd.	20%	Yes
161	Hohhot Rongmian Trading Co., Ltd.	20%	Yes
162	Inner Mongolia Ronglan Trading Co., Ltd.	20%	Yes
163	Hohhot Rongmiao Trading Co., Ltd.	20%	Yes
164	Hohhot Rongzhen Trading Co., Ltd.	20%	Yes
165	Rongfa Trading Co., Ltd. in Dongchangfu District, Liaocheng City	20%	Yes



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

IV TAXES (continued)

1. Major tax types and tax rates (continued)

No.	Name of taxable entity	Tax rate	Eligibility to enjoy small and micro concessions
166	Dezhou Rongqi Trading Co., Ltd.	20%	Yes
167	Liaocheng Rongjia Design & Decoration Co., Ltd.	20%	Yes
168	Jinan Ronghuai Trading Co., Ltd.	20%	Yes
169	Liaocheng Lishe Automotive Beauty Maintenance Service Co., Ltd.	20%	Yes
170	Liaocheng Rongxu Trade and Sales Co., Ltd.	20%	Yes
171	Liaocheng Rongyi Automobile Beauty Service Co., Ltd.	20%	Yes
172	Jinan Shengzhuang Decoration Service Co., Ltd.	20%	Yes
173	Jinan Rongfa Convenient Life Supermarket Co., Ltd.	20%	Yes
174	Liaocheng Guandi Automobile Beauty Maintenance Service Co., Ltd.	20%	Yes
175	Liaocheng Rongchen Design & Decoration Co., Ltd.	20%	Yes
176	Shenyang Ronghua Trading Co., Ltd.	20%	Yes
177	Shenyang Roiserv Craftsmanship Car Wash and Beauty Co., Ltd.	20%	Yes
178	Shenyang Sujie Car Wash and Beauty Co., Ltd.	20%	Yes
179	Shenyang Ronghe Trading Co., Ltd.	20%	Yes
180	Shenyang Rongxi Catering Management Co., Ltd.	20%	Yes
181	Handan Rongyuyuan Trading Co., Ltd.	20%	Yes
182	Zhanjiang Rongjin Trading Co., Ltd.	20%	Yes
183	Zhanjiang Rongli Trading Co., Ltd.	20%	Yes
184	Zhanjiang Rongyu Trading Co., Ltd.	20%	Yes
185	Jiaxing Rongjun Trading Co., Ltd.	20%	Yes
186	Jiaxing Rongjun Lifestyle Service Co., Ltd.	20%	Yes
187	Ronggao Trading (Jiaxing) Co., Ltd.	20%	Yes
188	Jiaxing Rongsheng Lifestyle Service Co., Ltd.	20%	Yes
189	Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	20%	Yes
190	Other companies	25%	No



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January 1, 2023 – December 31, 2023

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

IV TAXES (continued)

2. Tax benefits

According to the Announcement of the General Administration of Taxation and the Ministry of Finance on Preferential Income Tax Policies for Small and Micro Enterprises and Sole Trader (Cai Shui [2023] No. 6), it is stipulated that from January 1, 2023 to December 31, 2024, the portion of the annual taxable income of small and micro enterprises below RMB1 million shall be reduced by 25% before being taxed at the enterprise income tax rate of 20%.

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

Small and micro enterprises in that announcement refer to those that are engaged in non-restricted and non-prohibited industries and meet the following three conditions at the same time: the annual taxable income of not more than RMB3 million, the number of employees not exceeding 300, and the total assets of not more than RMB50 million. The Announcement shall come into effect on January 1, 2023 to December 31, 2024.

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

In the financial statements disclosed below, unless otherwise stated, “Opening” refers to January 1, 2023, “Closing” refers to December 31, 2023, “Current year” refers to January 1 to December 31, 2023 and “Prior year” refers to January 1 to December 31, 2022, and the currency unit is RMB.

1. Cash and cash equivalents

Item	Closing balance	Opening balance
Cash on hand	90.81	2,961.40
Bank deposits	677,747,032.68	851,218,053.91
Other cash and cash equivalents	885,995.32	262,735.00
Total	678,633,118.81	851,483,750.31
Including: total amount deposited abroad	22,246.90	157,387.09



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

1. Cash and cash equivalents (continued)

Restricted use of cash and cash equivalents

Item	Closing balance	Opening balance
Judicial freeze	19,322,904.49	26,454,083.49
Property deposit	0.00	700,000.00
Total	19,322,904.49	27,154,083.49

2. Notes receivable

(1) Presentation of notes receivable by category

Item	Closing balance	Opening balance
Commercial acceptances	0.00	2,197,656.75

(2) Presentation by bad debt accrual method

Category	Book balance		Closing balance		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	0.00	0.00	0.00	0.00	0.00
Including: Aging portfolio	0.00	0.00	0.00	0.00	0.00

Category	Book balance		Opening balance		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	2,881,192.62	100.00	683,535.87	23.72	2,197,656.75
Including: Aging portfolio	2,881,192.62	100.00	683,535.87	23.72	2,197,656.75



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2. Notes receivable (continued)

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

Category	Opening balance	Accrual	Amount of change in current year		Others	Closing balance
			Recovery or reversal	Charge off or write-off		
Notes receivable	683,535.87	-683,535.87	0.00	0.00	0.00	0.00

3. Accounts receivable

(1) Accounts receivable presented by aging

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	1,407,347,923.00	1,316,493,099.84
1-2 years	501,564,863.15	819,223,576.35
2-3 years	460,542,410.22	69,662,152.35
More than 3 years	49,700,503.30	11,140,503.52
Including: 3-4 years	42,606,477.78	9,250,405.78
4-5 years	4,842,784.92	777,018.59
More than 5 years	2,251,240.60	1,113,079.15
Total	2,419,155,699.67	2,216,519,332.06



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Accounts receivable (continued)

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

Category	Book balance		Closing balance		Book value
	Amount	Ratio (%)	Bad debt provision Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	2,419,155,699.67	100.00	326,891,005.43	13.51	2,092,264,694.24
Including: Aging portfolio	2,419,155,699.67	100.00	326,891,005.43	13.51	2,092,264,694.24

Category	Book balance		Opening balance		Book value
	Amount	Ratio (%)	Bad debt provision Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	2,216,519,332.06	100.00	211,775,027.41	9.55	2,004,744,304.65
Including: Aging portfolio	2,216,519,332.06	100.00	211,775,027.41	9.55	2,004,744,304.65

1) Provision for bad debts of accounts receivable by portfolio

Aging	Closing balance		Accrual ratio (%)
	Book balance	Bad debt provision	
Within 1 year (including 1 year)	1,407,347,923.00	78,711,742.04	5.59
1-2 years	501,564,863.15	62,161,708.54	12.39
2-3 years	460,542,410.22	158,288,312.71	34.37
More than 3 years	49,700,503.30	27,729,242.14	55.79
Including: 3-4 years	42,606,477.78	22,782,309.38	53.47
4-5 years	4,842,784.92	2,695,692.16	55.66
More than 5 years	2,251,240.60	2,251,240.60	100.00
Total	2,419,155,699.67	326,891,005.43	-



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

3. Accounts receivable (continued)

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

Category	Opening balance	Accrual	Amount of change in current year		Others	Closing balance
			Recovery or reversal	Charge off or write-off		
Provision for bad debts by portfolio	211,775,027.41	123,751,154.38	0.00	9,674,070.24	1,038,893.88	326,891,005.43

(4) Accounts receivable actually written off during the year

Item	Amount of write-off
Accounts receivable actually written-off	9,674,070.24

Of which significant written-off accounts receivable:

Name of entity	Nature of accounts receivable	Write-off amount	Reason for write-off	Write-off procedures performed	Whether the amount arises from a related transaction
Hebei Keboduicheng Electrical Engineering Co., Ltd.	Construction	5,303,039.64	Unrecoverable	Approval by Divisional Heads, Headquarters	No
Qingdao Longyun Tiangang Decoration Engineering Co., Ltd.	Construction	1,446,628.79	Unrecoverable	Approval by Divisional Heads, Headquarters	No
Guizhou Xijiu Sales Co., Ltd.	Payments for goods purchased	1,061,349.00	Unrecoverable	Approval by Divisional Heads, Headquarters	No
Changzhou Huaji Construction Engineering Co., Ltd.	Construction	664,696.00	Unrecoverable	Approval by Divisional Heads, Headquarters	No
Total	-	8,475,713.43	-	-	-

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

The aggregate amount of the top five accounts receivable and contract assets with closing balance grouped by debtors for the year was RMB265,343,715.93, accounting for 10.84% of the total closing balance of accounts receivable and contract assets, and the aggregate amount of the corresponding provision for bad debts with closing balance was RMB40,833,267.78.



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

4. Contract assets

(1) Detail of contract assets

Item	Closing balance		Book value
	Book balance	Provision for impairment	
Engineering construction	29,989,513.37	1,839,637.39	28,149,875.98

Item	Opening balance		Book value
	Book balance	Provision for impairment	
Engineering construction	29,755,968.06	1,917,268.88	27,838,699.18

(2) Contract assets by aging

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	29,989,513.37	29,755,968.06
Provision for impairment	1,839,637.39	1,917,268.88
Book value	28,149,875.98	27,838,699.18

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

Item	Opening balance	Accrual in current year	Reversal in current year	Charge-off and	Closing balance
				Write-off for the year	
Engineering construction	1,917,268.88	-77,631.49	0.00	0.00	1,839,637.39

5. Other receivables

Item	Closing balance	Opening balance
Interest receivable	9,339,290.39	0.00
Other receivables	776,698,112.08	696,383,000.98
Total	786,037,402.47	696,383,000.98

5.1 Interest receivable

Item	Closing balance	Opening balance
Interest on Certificate of Deposit	9,339,290.39	0.00



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January 1, 2023 – December 31, 2023

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

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Other receivables (continued)

5.2. Other receivables

(1) Classification of other receivables by nature of payment

Nature of payment	Closing book balance	Opening book balance
Deposit and guarantee	534,688,747.45	578,755,594.30
Advances for utilities, etc.	117,283,773.79	103,791,725.22
Current payments	73,051,514.59	6,251,956.47
Provisional payments for receipts in lieu	68,898,708.20	56,303,886.51
Collection on behalf of third-party platforms	94,398,119.55	29,096,524.69
Reserves	7,499,318.48	1,613,420.39
Maintenance fund	2,995,336.72	2,155,064.52
Social security and provident fund payment	2,879,141.73	2,775,858.37
Others	6,144,059.91	11,268,182.27
Total	907,838,720.42	792,012,212.74

(2) Other receivables presented by aging

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	290,418,798.21	636,609,557.82
1-2 years	518,277,371.02	76,373,154.66
2-3 years	36,678,924.17	17,051,470.33
More than 3 years	62,463,627.02	61,978,029.93
Including: 3-4 years	13,246,109.03	20,615,487.87
4-5 years	20,225,949.09	20,946,643.69
More than 5 years	28,991,568.90	20,415,898.37
Total	907,838,720.42	792,012,212.74



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Other receivables (continued)

5.2. Other receivables (continued)

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

Category	Book balance		Closing balance		Book value
	Amount	Ratio (%)	Bad debt provision		
			Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	907,838,720.42	100.00	131,140,608.34	14.45	776,698,112.08
Including: Aging portfolio	907,838,720.42	100.00	131,140,608.34	14.45	776,698,112.08

Category	Book balance		Opening balance		Book value
	Amount	Ratio (%)	Bad debt provision		
			Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	792,012,212.74	100.00	95,629,211.76	12.07	696,383,000.98
Including: Aging portfolio	792,012,212.74	100.00	95,629,211.76	12.07	696,383,000.98

1) Bad debt provision for other receivables by portfolio

Aging	Closing balance		Accrual ratio (%)
	Book balance	Bad debt provision	
Within 1 year (including 1 year)	290,418,798.21	18,115,944.26	6.24
1-2 years	518,277,371.02	52,734,528.98	10.17
2-3 years	36,678,924.17	12,598,761.65	34.35
More than 3 years	62,463,627.02	47,691,373.45	76.35
Including: 3-4 years	13,246,109.03	7,319,781.00	55.26
4-5 years	20,225,949.09	11,380,023.55	56.26
More than 5 years	28,991,568.90	28,991,568.90	100.00
Total	907,838,720.42	131,140,608.34	-



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

5. Other receivables (continued)

5.2. Other receivables (continued)

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

Category	Opening balance	Accrual	Amount of change in current year		Others	Closing balance
			Recovery or reversal	Charge off or write-off		
Provision for bad debts by portfolio	95,629,211.76	34,434,506.43	0.00	-179,627.73	897,262.42	131,140,608.34

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

Name of entity	Nature of payment	Closing balance	Aging	Percentage of total closing balance of other receivables (%)	Closing balance of bad debt provision
Langfang Junyi Building Materials Co., Ltd.	Deposit and guarantee	470,880,057.39	within 1 year – RMB40,000.00 1-2 years – RMB470,840,057.39	51.87	47,086,005.74
RiseSun Real Estate Development Co., Ltd.	Collection on behalf of third-party platforms and provisional payments for receipts in lieu	60,937,674.82	within 1 year – RMB60,937,674.82	6.71	3,912,198.72
Langfang International Exhibition Group Co., Ltd.	Current payments	52,000,000.00	within 1 year – RMB52,000,000.00	5.73	2,600,000.00
Sizhong Internet (Beijing) Network Technology Co., Ltd.	Collection on behalf of third-party platforms	33,997,824.07	within 1 year – RMB33,994,701.94 2-3 years – RMB3,122.13	3.74	2,183,578.83
Liaocheng RiseSun Real Estate Development Co., Ltd.	Deposit and guarantee	24,367,551.35	within 1 year – RMB290,128.25 1-2 years – RMB80,888.00 2-3 years – RMB5,952,975.10 3-4 years – RMB110,000.00 4-5 years – RMB17,933,560.00	2.68	12,371,451.09
Total	-	642,183,107.63	-	70.73	68,153,234.38



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

6. Prepayments

(1) Aging of prepayments

Item	Closing balance		Opening balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	120,941,021.28	81.09	34,631,137.87	41.22
1-2 years	8,093,121.79	5.43	30,608,681.16	36.43
2-3 years	2,772,913.75	1.86	18,707,781.71	22.27
More than 3 years	17,331,321.78	11.62	70,487.26	0.08
Total	149,138,378.60	100.00	84,018,088.00	100.00

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

The aggregate amount of the top five prepayments with closing balances grouped by prepaid objects for the year was RMB102,428,070.90, accounting for 68.68% of the total prepayments with closing balances.



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

7. Inventories

Item	Book balance	Closing balance	Book value
		Provision for impairment of inventories/ impairment of contractual performance costs	
Raw materials	6,922,660.84	0.00	6,922,660.84
Stock items	34,999,580.35	0.00	34,999,580.35
Revolving material	12,838,464.40	0.00	12,838,464.40
Total	54,760,705.59	0.00	54,760,705.59

Item	Book balance	Opening balance	Book value
		Provision for impairment of inventories/ impairment of contractual performance costs	
Raw materials	7,240,748.09	0.00	7,240,748.09
Stock items	27,659,754.83	0.00	27,659,754.83
Revolving material	11,413,729.35	0.00	11,413,729.35
Total	46,314,232.27	0.00	46,314,232.27

8. Non-current assets due within one year

Item	Closing balance	Opening balance
Long-term receivables due within one year	1,872,205.80	1,872,205.80



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

9. Other current assets

Item	Closing balance	Opening balance
Prepaid corporate income tax	15,403,416.87	10,532,141.95
Input VAT credit	4,948,971.20	2,118,089.63
Prepaid personal income tax	26,219.61	9,917.19
Prepaid urban construction tax	18,130.13	12,590.12
Prepaid education surcharge	7,694.74	5,316.08
Prepaid local education surcharge	5,129.80	3,543.96
Prepaid stamp duty	544.68	0.00
Others	79,637.45	849,070.97
Total	20,489,744.48	13,530,669.90

10. Long-term receivables

Item	Closing balance			Opening balance			Discount rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Receivables from the assignment of operating rights of commercial parking spaces	6,025,040.65	0.00	6,025,040.65	7,043,303.54	0.00	7,043,303.54	-



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments

Investee	Opening balance (Book value)	Provision for impairment - Opening balance	Changes in current year							Closing balance of provision for impairment			
			Additional investments	Reduced investment	Gains or losses recognized on investments under the equity method	Adjustment to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment		Others	Closing balance (Book value)	
I. Joint ventures													
Bengbu Dongfang Wenjia Lifestyle Service Co., Ltd.	1,500,000.00	0.00	0.00	0.00	110,496.73	0.00	0.00	0.00	0.00	0.00	0.00	1,610,496.73	0.00
II. Associates													
Beijing Yinsiang Information Technology Co., Ltd.	100,142,922.94	0.00	0.00	0.00	2,372,979.05	0.00	0.00	0.00	0.00	0.00	0.00	102,515,901.99	0.00
Total	101,642,922.94	0.00	0.00	0.00	2,483,475.78	0.00	0.00	0.00	0.00	0.00	0.00	104,126,398.72	0.00



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

12. Investment properties

Item	House and building	Car parking	Total
I. Opening balance	13,202,200.00	47,639,525.00	60,841,725.00
II. Change for the year	-4,210,446.16	-1,322,209.84	-5,532,656.00
Add: Outsourcing	0.00	721,710.00	721,710.00
Less: Disposal	3,648,281.18	2,277,227.74	5,925,508.92
Add: Fair value changes	-562,164.98	233,307.90	-328,857.08
III. Closing balance	8,991,753.84	46,317,315.16	55,309,069.00

Note: There were houses and buildings valued at RMB1,930,386.00 without title certificates as at the end of the period.

13. Fixed assets

Item	Closing balance	Opening balance
Fixed assets	36,411,987.89	39,780,882.21
Disposal of fixed assets	0.00	0.00
Total	36,411,987.89	39,780,882.21



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

13. Fixed assets (continued)

Details of fixed assets

Item	General equipment	Transportation equipment	Special equipment	Other equipment	Total
I. Original book value	-	-	-	-	-
1. Opening balance	30,040,502.84	12,986,964.86	24,667,669.00	2,090,894.43	69,786,031.13
2. Increase in current year	6,288,911.35	610,930.61	3,496,304.63	225,541.37	10,621,687.96
(1) Acquisition	3,760,625.12	610,930.61	1,019,409.41	183,906.37	5,574,871.51
(2) Increase through business combinations	2,528,286.23	0.00	2,476,895.22	41,635.00	5,046,816.45
3. Decrease in current year	1,145,352.34	1,915,175.77	671,034.89	33,815.44	3,765,378.44
(1) Disposal or scrap	1,145,352.34	1,915,175.77	671,034.89	33,815.44	3,765,378.44
4. Closing balance	35,184,061.85	11,682,719.70	27,492,938.74	2,282,620.36	76,642,340.65
II. Accumulated depreciation	-	-	-	-	-
1. Opening balance	14,299,834.40	6,302,927.00	7,719,512.19	1,682,875.33	30,005,148.92
2. Increase in current year	7,175,993.71	1,426,743.61	3,772,494.57	202,628.77	12,577,860.66
(1) Accrual	5,409,410.33	1,426,743.61	3,628,917.19	199,494.85	10,664,565.98
(2) Increase through business combinations	1,766,583.38	0.00	143,577.38	3,133.92	1,913,294.68
3. Decrease in current year	791,981.96	1,139,599.44	390,043.21	31,032.21	2,352,656.82
(1) Disposal or scrap	791,981.96	1,139,599.44	390,043.21	31,032.21	2,352,656.82
4. Closing balance	20,683,846.15	6,590,071.17	11,101,963.55	1,854,471.89	40,230,352.76
III. Provision for impairment	-	-	-	-	-
1. Opening balance	0.00	0.00	0.00	0.00	0.00
2. Increase in current year	0.00	0.00	0.00	0.00	0.00
(1) Accrual	0.00	0.00	0.00	0.00	0.00
(2) Increase through business combinations	0.00	0.00	0.00	0.00	0.00
3. Decrease in current year	0.00	0.00	0.00	0.00	0.00
(1) Disposal or scrap	0.00	0.00	0.00	0.00	0.00
4. Closing balance	0.00	0.00	0.00	0.00	0.00
IV. Book value	-	-	-	-	-
1. Closing book value	14,500,215.70	5,092,648.53	16,390,975.19	428,148.47	36,411,987.89
2. Opening book value	15,740,668.44	6,684,037.86	16,948,156.81	408,019.10	39,780,882.21



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

14. Construction in progress

Item	Closing balance	Opening balance
Construction in progress	436,246.68	0.00

Construction in progress

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Charging Pile Project	436,246.68	0.00	436,246.68	0.00	0.00	0.00

15. Right-of-use assets

Item	House and building	Sanitary equipment	Transportation vehicle	Total
I. Original book value	-	-	-	-
1. Opening balance	3,837,506.82	22,820,625.22	1,808,014.57	28,466,146.61
2. Increase in current year	703,248.50	0.00	0.00	703,248.50
(1) New leases	703,248.50	0.00	0.00	703,248.50
3. Decrease in current year	666,015.23	0.00	0.00	666,015.23
(1) Lease termination	666,015.23	0.00	0.00	666,015.23
4. Closing balance	3,874,740.09	22,820,625.22	1,808,014.57	28,503,379.88
II. Accumulated depreciation	-	-	-	-
1. Opening balance	2,000,754.07	16,153,266.81	669,869.66	18,823,890.54
2. Increase in current year	966,887.26	6,312,517.18	556,258.02	7,835,662.46
(1) Accrual	966,887.26	6,312,517.18	556,258.02	7,835,662.46
3. Decrease in current year	666,015.23	0.00	0.00	666,015.23
(1) Lease termination	666,015.23	0.00	0.00	666,015.23
4. Closing balance	2,301,626.10	22,465,783.99	1,226,127.68	25,993,537.77
III. Provision for impairment	-	-	-	-
1. Opening balance	0.00	0.00	0.00	0.00
2. Increase in current year	0.00	0.00	0.00	0.00
(1) Accrual	0.00	0.00	0.00	0.00
3. Decrease in current year	0.00	0.00	0.00	0.00
(1) Lease termination	0.00	0.00	0.00	0.00
4. Closing balance	0.00	0.00	0.00	0.00
IV. Book value	-	-	-	-
1. Closing book value	1,573,113.99	354,841.23	581,886.89	2,509,842.11
2. Opening book value	1,836,752.75	6,667,358.41	1,138,144.91	9,642,256.07



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

16. Intangible assets

Item	Software usage rights
I. Original book value	–
1. Opening balance	10,829,073.50
2. Increase in current year	6,389,144.46
(1) Acquisition	6,389,144.46
3. Decrease in current year	11,549.00
(1) Disposal	11,549.00
4. Closing balance	17,206,668.96
II. Accumulated amortization	–
1. Opening balance	4,549,765.06
2. Increase in current year	2,097,120.15
(1) Accrual	2,097,120.15
3. Decrease in current year	11,549.00
(1) Disposal	11,549.00
4. Closing balance	6,635,336.21
III. Provision for impairment	–
1. Opening balance	0.00
2. Increase in current year	0.00
(1) Accrual	0.00
3. Decrease in current year	0.00
(1) Disposal	0.00
4. Closing balance	0.00
IV. Book value	–
1. Closing book value	10,571,332.75
2. Opening book value	6,279,308.44



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

17. Long-term deferred expenses

Item	Opening balance	Increase during the year	Amortisation during the year	Other decreases during the year	Closing balance
Decoration costs	10,814,715.45	3,221,158.65	3,370,343.24	0.00	10,665,530.86
Others	2,908,165.86	2,512,989.41	2,052,144.32	0.00	3,369,010.95
Total	13,722,881.31	5,734,148.06	5,422,487.56	0.00	14,034,541.81

18. Deferred tax assets and deferred tax liabilities

(1) Deferred income tax assets without offsetting

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Bad debt provision	458,031,613.77	99,137,928.93	308,087,775.04	61,878,384.36
Provision for asset impairment	1,839,637.39	360,676.77	1,917,268.88	453,836.02
Deductible losses	58,597,557.37	8,035,448.28	74,498,887.76	14,756,731.19
Lease liabilities arising from leases	8,534,882.76	2,125,979.60	9,689,572.88	2,416,820.42
Contract liabilities (shopping vouchers)	790,456.50	118,735.87	909,979.82	134,107.83
Advertising and promotion expenses	306,613.05	76,653.26	8,620,472.34	2,155,118.08
Total	528,100,760.84	109,855,422.71	403,723,956.72	81,794,997.90

(2) Deferred income tax liabilities without offsetting

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of investment properties	9,417,309.60	2,326,127.41	9,746,166.68	2,408,341.67
Right-of-use assets arising from leases	8,534,882.76	2,125,979.60	12,682,438.93	3,170,605.14
Accelerated depreciation of fixed assets	10,215,916.96	2,553,979.24	9,300,224.52	2,318,539.48
Total	28,168,109.32	7,006,086.25	31,728,830.13	7,897,486.29



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(continued)

19. Other non-current assets

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayment for works	3,599,181.00	0.00	3,599,181.00	3,599,181.00	0.00	3,599,181.00

20. Assets with restricted ownership or right to use

Item	Closing		Type of restriction	Restriction
	Book balance	Book value		
Cash and cash equivalents	19,322,904.49	19,322,904.49	Freeze	Judicial freeze

Item	Opening		Type of restriction	Restriction
	Book balance	Book value		
Cash and cash equivalents	27,154,083.49	27,154,083.49	Freeze	Judicial freeze, security deposit

21. Short-term borrowings

Type of borrowings	Closing balance	Opening balance
Guaranteed loan	2,000,000.00	0.00



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

22. Accounts payable

(1) Presentation of accounts payable

Item	Closing balance	Opening balance
Construction	542,992,345.59	580,589,788.64
Service fees	163,754,805.12	159,388,344.11
Payments for goods purchased	153,251,082.12	80,786,650.77
Total	859,998,232.83	820,764,783.52

(2) Presentation of trade payables by aging

Aging	Closing balance	Opening balance
Within 1 year	570,789,501.28	553,747,061.20
1-2 years	141,000,761.29	227,452,305.14
2-3 years	119,425,435.78	24,922,141.39
3-4 years	16,901,568.24	11,271,844.56
4-5 years	9,346,253.46	2,832,118.49
More than 5 years	2,534,712.78	539,312.74
Total	859,998,232.83	820,764,783.52



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(continued)

23. Advance from customers

Category	Closing balance	Opening balance
Leasing	3,854,809.60	2,958,279.78

24. Contract liabilities

(1) Contract liabilities

Item	Closing balance	Opening balance
Property charges	274,265,008.80	218,482,091.72
Engineering construction	61,467,997.29	32,740,808.89
Garbage disposal fees and self-heating	24,195,157.18	9,420,340.30
Others	11,329,721.36	8,972,613.38
Other community value-added services	5,491,107.27	48,001,945.63
Pre-intervention services	4,113,824.01	6,442,832.39
Sales payment	3,866,744.58	4,856,318.57
Elevator usage fees	1,843,197.06	3,392,683.50
Start-up fee	5,262,511.24	185,282.61
Total	391,835,268.79	332,494,916.99

(2) Recognized revenue included in the opening contract liability carry-forward

Item	Current year amount	Prior year amount
Basic property services	240,267,728.90	266,421,233.05
Community value-added services	52,858,264.20	46,173,020.13
Value-added services to non-property owners	39,368,923.89	107,909,598.64
Total	332,494,916.99	420,503,851.82

Note: The total transaction price of RMB391,835,268.79 allocated to unfulfilled (or partially unfulfilled) performance obligations as at December 31, 2023 is expected to be recognized as revenue in 2024. Quantitative or qualitative information about the timing of the recognition of the amount as revenue: For both community value-added services and Value-added services to non-property owners, the services are delivered over a short period of time (usually less than) one year; There is no fixed term for basic property services and the contract service period is always shorter than one year.



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

25. Employee benefits payable

(1) Classification of employee benefits payable

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term compensation	76,592,257.37	544,445,527.36	534,334,591.38	86,703,193.35
Post-employment benefits				
– Defined contribution plan	6,211,732.81	54,708,248.74	53,810,695.04	7,109,286.51
Termination benefits	52,600.00	1,321,871.65	1,371,974.65	2,497.00
Total	82,856,590.18	600,475,647.75	589,517,261.07	93,814,976.86

(2) Short-term compensation

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	60,096,278.99	471,459,289.36	462,657,504.07	68,898,064.28
Employee benefit costs	646,801.91	8,243,002.24	8,415,280.50	474,523.65
Social security fee	3,960,523.41	32,922,652.78	33,209,281.07	3,673,895.12
Including: Medical insurance premiums	3,082,886.95	29,813,336.10	29,950,408.28	2,945,814.77
Industrial injury insurance premium	320,517.02	2,660,244.41	2,733,454.11	247,307.32
Birth insurance premium	557,119.44	449,072.27	525,418.68	480,773.03
Housing provident fund	2,089,132.13	26,264,414.42	26,447,548.56	1,905,997.99
Labor union expenditure and personnel education fund	9,799,520.93	5,556,168.56	3,604,977.18	11,750,712.31
Total	76,592,257.37	544,445,527.36	534,334,591.38	86,703,193.35

(3) Defined contribution plan

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic endowment insurance	5,952,327.23	53,068,838.14	52,132,312.71	6,888,852.66
Unemployment insurance expense	259,405.58	1,639,410.60	1,678,382.33	220,433.85
Total	6,211,732.81	54,708,248.74	53,810,695.04	7,109,286.51



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(continued)

26. Taxes and surcharges payable

Item	Closing balance	Opening balance
Value added tax	22,680,414.20	26,295,097.25
Corporate income tax	75,946,028.53	64,645,840.40
Personal income tax	468,635.75	666,191.02
Urban construction tax	575,923.33	653,417.01
Property tax	67,078.13	173,837.79
Stamp duty	69,481.78	40,101.72
Land use tax	24,327.90	42,454.08
Education fee surcharge	241,332.63	266,017.53
Local education fee surcharge	160,202.28	177,162.45
Water conservancy fund	5,872.04	1,345.34
Others	966,946.02	3,877,416.64
Total	101,206,242.59	96,838,881.23

27. Other payables

Item	Closing balance	Opening balance
Interest payable	0.00	0.00
Dividends payable	74,105,400.00	0.00
Other payables	491,600,623.66	557,557,391.05
Total	565,706,023.66	557,557,391.05



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

27. Other payables (continued)

27.1 Dividends payable

Item	Closing balance	Opening balance
Dividends payable	74,105,400.00	0.00

27.2 Other payables

Other payables by nature of payment

Nature of payment	Closing book balance	Opening book balance
Receipts in lieu	250,986,136.30	228,652,633.13
Deposit and guarantee	80,651,174.08	58,317,805.27
Current accounts	74,502,666.43	74,639,918.79
Maintenance fund	67,956,847.39	153,076,296.69
Operating debits	5,014,087.87	3,156,524.50
Accrued expenses	1,925,853.40	2,288,730.01
Start-up costs	1,692,929.42	2,911,839.99
Indemnity, fines	1,620,300.31	1,575,850.61
Maintenance fee	943,535.23	1,958,240.01
Payment in lieu of individual social security and housing provident fund	609,072.63	935,966.65
Others	5,698,020.60	30,043,585.40
Total	491,600,623.66	557,557,391.05

28. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Lease liabilities due within one year	3,497,140.44	20,686,996.86
Long-term loans due within one year	1,114,572.78	3,605,578.78
Long-term payables due within one year	29,352.50	122,199.96
Total	4,641,065.72	24,414,775.60



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

29. Total current liabilities

Item	Closing balance	Opening balance
Sales tax to be carried or amortised	19,965,629.47	17,091,949.20

30. Long-term borrowings

Type of borrowings	Closing balance	Opening balance
Loan on credit	0.00	1,114,454.89

31. Lease liabilities

Item	Closing balance	Opening balance
Lease liabilities	11,079,518.38	9,319,661.12

32. Long-term payables

Item	Closing balance	Opening balance
Long-term payables	0.00	29,352.50

33. Share capital

Item	Opening balance	Issuance of new shares	Share grant	Change for the year (+, -)			Subtotal	Closing balance
				Surplus reserve converted to shares	Others			
Total number of shares	376,000,000.00	0.00	0.00	0.00	0.00	0.00	376,000,000.00	



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34. Capital reserve

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Equity premium	956,185,004.84	0.00	50,139,401.52	906,045,603.32
Other capital reserve	76,877,612.60	1,706,989.18	0.00	78,584,601.78
Total	1,033,062,617.44	1,706,989.18	50,139,401.52	984,630,205.10

Note 1: The Capital reserve – Equity premium decreased by RMB50,139,401.52 during the year, which represents a business combination under common control, and the acquisition of 70% of the equity of Wanjia Smart Environment (Beijing) Co., Ltd. this year.

Note 2: Capital reserve – Other capital reserve increased by RMB1,706,989.18 during the year due to share-based payments.

35. Surplus reserve

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	87,664,656.42	9,084,605.07	0.00	96,749,261.49

36. Undistributed profit

Item	Current year	Prior year
Undistributed profits at the end of the prior year before adjustment	593,674,477.93	451,210,297.43
Adjustments to total opening undistributed profits (increase +, decrease -)	0.00	13,543,380.14
Including: Change in scope of combinations under common control	0.00	13,543,380.14
Undistributed profits at the beginning of the current year after adjustment	593,674,477.93	464,753,677.57
Add: Net profit attributable to owners of the parent company for the year	126,327,993.55	242,127,270.52
Less: Withdrawal of statutory surplus reserves	9,084,605.07	19,206,470.16
Dividends payable on ordinary shares	75,200,000.00	94,000,000.00
Other (dividend payable by Wanjia Smart)	18,900,000.00	0.00
Closing balance of current year	616,817,866.41	593,674,477.93



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

37. Operating Revenue & Operating Cost

(1) Operating revenue & operating cost

Item	Current year amount		Prior year amount	
	Income	Cost	Income	Cost
Main operations	1,817,003,668.81	1,372,134,964.52	2,003,362,183.58	1,370,753,535.34
Other operations	14,893,008.18	2,880,384.08	11,507,734.39	1,645,468.26
Total	1,831,896,676.99	1,375,015,348.60	2,014,869,917.97	1,372,399,003.60

(2) Breakdown of operating revenues and operating costs

Classification of contracts	2023		2022	
	Operating revenue	Operating costs	Operating revenue	Operating costs
Business Type	-	-	-	-
Including: Property management services	1,335,012,779.17	1,071,226,387.68	1,281,876,444.42	925,816,625.11
Non-owner value-added services	163,985,967.14	86,185,867.97	388,901,701.03	200,740,798.47
Community value-added services	195,299,418.17	105,630,380.66	240,415,738.75	164,056,722.64
Urban Services	137,598,512.51	111,972,712.29	103,676,033.77	81,784,857.38
Total	1,831,896,676.99	1,375,015,348.60	2,014,869,917.97	1,372,399,003.60
By region of operation	-	-	-	-
Including: Mainland China	1,831,896,676.99	1,375,015,348.60	2,014,869,917.97	1,372,399,003.60
Classification by time of transfer of goods	-	-	-	-
Including: Transfer at a point in time	149,402,988.67	99,292,835.77	173,243,994.82	121,140,406.21
Transfer within a certain period of time	1,682,493,688.32	1,275,722,512.83	1,841,625,923.15	1,251,258,597.39
Total	1,831,896,676.99	1,375,015,348.60	2,014,869,917.97	1,372,399,003.60



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

38. Tax and surcharges

Item	Current year amount	Prior year amount
Urban construction tax	3,951,151.21	4,816,208.81
Education fee surcharge	1,805,370.90	2,189,831.72
Local education fee surcharge	1,122,720.38	1,381,553.01
Property tax	1,580,602.50	1,840,912.39
Stamp duty	408,834.12	603,760.60
Land use tax	233,304.11	252,004.90
Resource tax	147,691.96	118,337.20
Water conservancy fund	142,399.30	139,419.62
Vehicle and boat use tax	62,805.36	53,617.32
Property tax (rent-based)	8,705.71	0.00
Cultural construction costs	1,200.00	11,618.26
Others	3,534.60	0.00
Total	9,468,320.15	11,407,263.83

39. Selling expenses

Item	Current year amount	Prior year amount
Employee benefits	2,969,131.11	4,365,057.38
Entertainment expenses	2,210,400.85	586,862.81
Agency consultancy fees	1,267,197.73	937,770.23
Travel expenses	572,757.02	798,357.22
Promotion fees	330,288.68	97,509.93
Depreciation and amortisation	49,554.50	165,915.91
Others	795,238.69	220,521.16
Total	8,194,568.58	7,171,994.64



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

40. General and administrative expenses

Item	Current year amount	Prior year amount
Employee benefits	84,501,514.07	124,939,485.75
Agency service fee	12,828,840.59	10,844,183.02
Entertainment expenses	9,502,221.00	6,951,067.60
Office expenses	5,803,882.80	4,301,225.49
Disability employment guarantee fund	5,593,748.29	4,038,426.04
Depreciation and amortisation	4,600,653.39	3,620,936.24
Auditor's fees	2,000,000.00	3,886,505.90
Travel expenses	1,822,705.95	2,131,163.99
Share-based payments	1,706,989.18	7,371,486.66
Transport costs	1,152,151.94	1,534,206.05
Others	2,361,813.68	1,878,417.76
Total	131,874,520.89	171,497,104.50

41. Finance costs

Item	Current year amount	Prior year amount
Interest charges	457,752.71	925,922.00
Less: Interest income	14,935,330.28	1,558,365.44
Add: Loss on exchange	-406,847.15	-24,468,656.08
Other expenditures	4,877,211.48	4,246,835.22
Total	-10,007,213.24	-20,854,264.30



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

42. Other income

Sources of other income	Current year amount	Prior year amount
VAT and additional tax credits	5,596,295.79	10,925,179.31
Incentive payment	2,473,387.64	1,000,000.00
Government grants	1,424,395.39	5,812,719.57
VAT and additional tax refunds	174,015.77	304,350.85
Personal tax handling fee refunds	105,119.29	134,777.76
Refund of trade union funds	2,153.84	17,167.61
Total	9,775,367.72	18,194,195.10

43. Investment income

Item	Current year amount	Prior year amount
Investment income from long-term equity investments accounted for under the equity method	2,483,475.78	-3,339,226.79
Investment income from disposal of long-term equity investments	10,217.36	0.00
Investment income from disposal of financial assets held for trading	0.00	-17,925,231.34
Gain from debt restructuring	-3,077,295.38	-799,118.93
Total	-583,602.24	-22,063,577.06

44. Income from changes in fair value

Source of income or loss from change in fair value	Current year amount	Prior year amount
Investment properties measured at fair value	-328,857.08	622,171.00



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

45. Credit impairment losses

Item	Current year amount	Prior year amount
Bad debt losses on notes receivable	683,535.87	7,626,444.46
Bad debt losses on accounts receivable	-123,751,154.38	-113,402,125.57
Bad debt losses on other receivables	-34,434,506.43	-38,481,981.59
Total	-157,502,124.94	-144,257,662.70

46. Impairment losses on assets

Item	Current year amount	Prior year amount
Impairment loss on contractual assets	77,631.49	2,257,394.48

47. Income from disposal of assets

Item	Current year amount	Prior year amount
Gains on disposal of fixed assets	-58,860.33	0.00



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

48. Non-operating income

Item	Current year amount	Prior year amount	Amount recorded in non-recurring gains and losses during the year
Business combination not under common control	1,613,032.97	0.00	1,613,032.97
Gain on retirement of non-current assets	130,052.38	8,503.78	130,052.38
Default payments	91,053.85	128,341.85	91,053.85
Forfeiture income	19,840.28	188,273.43	19,840.28
Long-term income	8,115.55	6,328.78	8,115.55
Others	434,850.51	438,404.82	434,850.51
Total	2,296,945.54	769,852.66	2,296,945.54

49. Non-operating expenses

Item	Current year amount	Prior year amount	Amount recorded in non-recurring gains and losses during the year
Compensation payments	1,803,664.95	2,041,105.82	1,803,664.95
Tax penalty and late payment fees	1,254,015.43	648,622.19	1,254,015.43
Forfeiture expenses	324,208.40	158,400.00	324,208.40
Losses on retirement of non-current assets	124,653.82	26,446.89	124,653.82
Donations	20,500.00	13,013.38	20,500.00
Others	841,501.46	483,715.51	841,501.46
Total	4,368,544.06	3,371,303.79	4,368,544.06



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

50. Income tax expenses

(1) Income tax expenses

Item	Current year amount	Prior year amount
Current income tax calculated in accordance with the tax laws and relevant regulations	64,770,002.43	113,506,338.33
Corporate income taxes in Mainland of China	64,770,002.43	113,506,338.33
Deferred income tax expenses	-28,803,038.26	-33,682,111.76
Total	35,966,964.17	79,824,226.57

(2) Adjustment to accounting profits and income tax expenses

Item	Current year amount
Total consolidated profit for the year	166,659,088.11
Income tax expense calculated at legal/applicable tax rate	37,369,752.89
Effect of different tax rates applied to subsidiaries	21,267.71
Effect of adjustment to income tax of prior period	-2,742,084.45
Effect of non-taxable income	151,551.31
Effect of non-deductible costs, expenses and losses	1,166,476.71
Income tax expenses	35,966,964.17



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

51. Items in cash flow statement

(1) Cash related to operating activities

1) Other cash received related to operating activities

Item	Current year amount	Prior year amount
Receipts from agency sales of parking spaces offset against performance deposits	82,642,574.51	61,177,368.10
Current payments	169,036,566.30	205,629,969.72
Government grants	1,424,395.39	5,796,219.57
Listing incentive payment	2,473,387.64	1,000,000.00
Cash income from interest income	5,596,039.89	1,557,477.67
Cash income from non-operating income	553,860.19	134,777.76
Release of frozen funds from banks	45,567,431.68	17,167.61
Personal tax handling fee refunds	105,119.29	777,779.58
Refund of trade union funds	2,153.84	8,028,433.84
Total	307,401,528.73	284,119,193.85

2) Other cash paid related to operating activities

Item	Current year amount	Prior year amount
Car parking performance deposit	0.00	614,700,000.00
Current payments	377,719,277.97	165,985,676.76
Selling expenses, cash out expenses in administrative expenses	46,094,288.25	37,791,400.24
Bank charges	4,877,211.48	4,245,908.95
Cash paid in non-operating expenses	4,243,890.24	3,178,992.34
Funds frozen in banks	37,668,252.68	24,643,676.04
Total	470,602,920.62	850,545,654.33



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

51. Items in cash flow statement (continued)

(2) Cash received related to investing activities

1) Other cash received related to investing activities

Item	Current year amount	Prior year amount
Investment received from related parties	0.00	1,826,500.00

2) Cash paid relating to other investing activities

Item	Current year amount	Prior year amount
Payment of investments to related parties	0.00	9,043,000.00

(3) Cash relating to financing activities

1) Other cash received related to financing activities

Item	Current year amount	Prior year amount
Loans received from related parties	0.00	2,148,500.00

2) Other cash paid related to financing activities

Item	Current year amount	Prior year amount
Loans paid to related parties	0.00	3,759,854.89
Payment of principal and interest on lease liabilities	16,584,880.70	281,476.00
Total	16,584,880.70	4,041,330.89

3) Changes in various liabilities arising from financing activities

Item	Opening balance	Increase during the year		Decrease during the year		Closing balance
		Change in cash	Change in non-cash	Change in cash	Change in non-cash	
Short-term borrowings	0.00	0.00	2,000,000.00	0.00	0.00	2,000,000.00
Long-term borrowings	1,114,454.89	0.00	0.00	0.00	1,114,454.89	0.00
Interest payable	0.00	0.00	287,255.84	287,255.84	0.00	0.00
Dividends payable	0.00	0.00	102,200,000.00	26,257,730.82	1,836,869.18	74,105,400.00
Lease liabilities	9,319,661.12	0.00	2,147,209.53	0.00	387,352.27	11,079,518.38
Non-current liabilities due within one year	24,414,775.60	0.00	387,352.27	20,161,062.15	0.00	4,641,065.72
Total	34,848,891.61	0.00	107,021,817.64	46,706,048.81	3,338,676.34	91,825,984.10



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

52. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Item	Current year amount	Prior year amount
1. Reconciliation of net profits to cash flows from operating activities:	-	-
Net profits	130,692,123.94	245,575,658.82
Add: Provision for asset impairment	-77,631.49	-2,257,394.48
Credit impairment losses	157,502,124.94	144,257,662.70
Depreciation of fixed assets, oil and gas assets, and productive biological assets	10,664,565.98	8,859,078.94
Depreciation of right-of-use assets	7,835,662.46	9,800,409.82
Amortisation of intangible assets	2,097,120.15	1,597,012.73
Amortization of long-term deferred expenses	5,422,487.56	3,021,538.33
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains indicated with “-”)	58,860.33	0.00
Loss on scrapping of fixed assets (gains indicated with “-”)	-5,398.56	17,943.11
Loss on fair value changes (gains indicated with “-”)	328,857.08	-622,171.00
Financial costs (gains indicated with “-”)	50,905.56	-23,542,734.08
Investment losses (gains indicated with “-”)	-2,493,693.14	21,264,458.13
Decrease in deferred tax assets (increase indicated with “-”)	-27,911,638.22	-36,963,620.40
Increase in deferred tax liabilities (decrease indicated with “-”)	-891,400.04	3,180,373.95
Decrease in inventories (increase indicated with “-”)	-7,323,891.59	-5,342,742.31
Decrease in receivables from operating activities (increase indicated with “-”)	-331,615,198.20	-1,025,204,985.80
Increase in payables from operating activities (decrease indicated with “-”)	34,162,030.22	91,719,334.80
Other (share-based payments, changes in restricted funds and gain on M&A not under common control)	7,993,135.21	-9,243,755.54
Net cash flow from operating activities	-13,510,977.81	-573,883,932.28
2. Significant non-cash investing and financing activities:	0.00	0.00
Conversion of debt into capital	0.00	0.00
Convertible corporate bonds due within one year	0.00	0.00
Fixed assets leased-in under Finance Lease	0.00	0.00
3. Net changes in cash and cash equivalents:	-	-
Closing balance of cash	659,310,214.32	824,329,666.82
Less: opening balance of cash	824,329,666.82	918,906,787.61
Add: closing balance of cash equivalents	0.00	0.00
Less: opening balance of cash equivalents	0.00	0.00
Net increase in cash and cash equivalents	-165,019,452.50	-94,577,120.79



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

52. Supplementary information to the cash flow statement (continued)

(2) Net cash paid during the year for acquisition of subsidiaries

Item	Amount
Cash or cash equivalents paid during the period for business combinations occurred during the year	102,761,991.04
Including: Wanjia Smart Environment (Beijing) Co., Ltd.	57,562,601.04
Hebei Jinxiang Property Group Co., Ltd.	40,000,000.00
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	5,199,390.00
Less: Cash and cash equivalents held by subsidiaries on the date of purchase	1,796,059.50
Including: Wanjia Smart Environment (Beijing) Co., Ltd.	221,015.99
Hebei Jinxiang Property Group Co., Ltd.	1,282,029.16
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	293,014.35
Add: Cash or cash equivalents paid during the period for business combination in the prior period	0.00
Net cash paid for acquisition of subsidiaries	100,965,931.54

(3) Net cash received during the year from disposal of subsidiaries

Item	Amount
Cash or cash equivalents received during the year from disposal of subsidiaries occurred in the year	158,586.05
Including: Cangzhou Roiserv New Town Property Service Co., Ltd.	139,749.97
Roiserv Lifestyle Services Co., Ltd. Wuhan Branch	8.76
Cangzhou Rongyue Landscape Engineering Co., Ltd.	18,827.32
Less: Cash and cash equivalents held by subsidiaries at the date of loss of control	0.00
Including: Cangzhou Roiserv New Town Property Service Co., Ltd.	0.00
Roiserv Lifestyle Services Co., Ltd. Wuhan Branch	0.00
Cangzhou Rongyue Landscape Engineering Co., Ltd.	0.00
Add: Cash or cash equivalents received in the year from disposal of subsidiaries occurred in the prior year	0.00
Net cash received on disposal of subsidiaries	158,586.05



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(continued)

52. Supplementary information to the cash flow statement (continued)

(4) Components of cash and cash equivalents

Item	Closing balance	Opening balance
Cash	659,310,214.32	824,329,666.82
Including: cash on hand	90.81	2,961.40
Bank deposits available for payment at any time	658,424,128.19	824,063,970.42
Other monetary funds available for payment at any time	885,995.32	262,735.00
Closing balance of cash and cash equivalents	659,310,214.32	824,329,666.82

(5) Monetary funds other than cash and cash equivalents

Item	Current year amount	Prior year amount	Reasons for not being cash and cash equivalents
Cash and cash equivalents	19,322,904.49	27,154,083.49	Capital Freeze, Security Deposit

53. Monetary Items in Foreign Currency

Item	Closing balance in foreign currencies	Exchange rate	Converted Closing Balance in RMB
Cash and cash equivalents	33,787,513.66	0.90622	30,618,920.62
Including: Hong Kong dollars	33,787,513.66	0.90622	30,618,920.62



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V NOTES TO THE PRINCIPAL ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

54. Lease

(1) The Group as lessee

Item	Current year amount	Prior year amount
Interest expense on lease liabilities	225,348.09	524,552.23
Short-term lease charges recognised in profit or loss using the simplified approach	2,752,773.01	4,350,237.89
Lease charges for low-value assets (other than short-term leases) recognised in profit or loss using the simplified treatment	457,982.00	1,214,661.59
Total cash outflows related to leases	19,795,635.71	5,846,375.48

(2) The Group as lessor

Item	Rental income	Including: income related to variable lease payments not included in lease receipts
Housing rental	5,581,596.43	0.00
Parking space rental	12,601,783.40	0.00
Total	18,183,379.83	0.00



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VI CHANGES IN SCOPE OF CONSOLIDATION

1. Business combinations under common control

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

Name of acquiree	Time of acquisition of equity	Cost of acquisition of equity	Percentage of equity acquired (%)	Means of acquisition	Date of Acquisition	Basis for determining the date of acquisition	Financial information of the acquiree from the date of acquisition to year-end		
							Income	Net profit	Cash flow
Hebei Jinxiang Property Group Co., Ltd.	2023-06-30	40,000,000.00	80.00	Cash	2023-06-30	Guidance No. 2 on the application of ASBE No. 20 – Business Combinations: Basis for determining the date of acquisition	25,773,431.15	3,925,943.10	6,772,236.05
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	2023-12-31	5,199,390.00	70.00	Cash	2023-12-31	Guidance No. 2 on the application of ASBE No. 20 – Business Combinations: Basis for determining the date of acquisition	0.00	0.00	293,014.35

(2) Consolidation costs and goodwill

Item	Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	
	Hebei Jinxiang Property Group Co., Ltd.	Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.
Cash	40,000,000.00	5,199,390.00
Total combination costs	40,000,000.00	5,199,390.00
Less: share of fair value of identifiable net assets acquired	41,023,750.96	5,788,672.01
Amount by which goodwill/consolidation cost is less than the fair value of the share of identifiable net assets acquired	-1,023,750.96	-589,282.01



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VI CHANGES IN SCOPE OF CONSOLIDATION (continued)

1. Combination under common control (continued)

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

Item	Hebei Jinxiang Property Group Co., Ltd.		Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	
	Fair value	Book value	Fair value	Book value
	at the date of acquisition	at the date of acquisition	at the date of acquisition	at the date of acquisition
Assets:	–	–	–	–
Cash and cash equivalents	1,282,029.16	1,282,029.16	293,014.35	293,014.35
Receivables	1,067,965.49	1,067,965.49	4,880,983.62	4,880,983.62
Prepayments	47,004.00	47,004.00	2,547,559.94	2,547,559.94
Other receivables	54,172,238.13	54,172,238.13	9,458,334.31	9,458,334.31
Fixed assets	761,702.85	761,702.85	1,632,957.97	1,632,957.97
Liabilities:	–	–	–	–
Borrowings	2,000,000.00	2,000,000.00	0.00	0.00
Accounts payable	431,622.00	431,622.00	2,054,123.00	2,054,123.00
Other payables	2,269,416.86	2,269,416.86	7,917,118.21	7,917,118.21
Net assets	51,279,688.70	51,279,688.70	8,269,531.44	8,269,531.44
Less: Non-controlling interests	0.00	0.00	0.00	0.00
Net assets acquired	51,279,688.70	51,279,688.70	8,269,531.44	8,269,531.44



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VI CHANGES IN SCOPE OF CONSOLIDATION (continued)

2. Business combinations under common control

(1) Business combinations under common control that occurred during the year

Name of the combined party	Percentage of equity acquired in business combinations	Basis for constituting a business combination under common control	Date of combination	Basis for determining the date of combination	Revenue of the combined party from the beginning of the year of consolidation to the date of combination	Net profit of the combined party from the beginning of the year of consolidation to the date of combination	Revenue of the Combined Party for the Comparative Period	Net profit of the Combined Party for the Comparative Period
Wanjia Smart Environment (Beijing) Co., Ltd.	70%	Both Wanjia Smart and the Company were under the ultimate control of RiseSun Holdings Co., Ltd. before and after the date of combination, and such control was not transitory	The Company was included in the consolidated statements as of August 31, 2023 with the opening balance of the period adjusted retroactively	Guidance No. 2 on the application of ASBE No. 20 – Business Combinations: Basis for determining the date of acquisition	74,432,050.66	6,188,121.41	103,676,033.77	9,364,029.94

Note: Effect of Business Combination under Common Control on Opening Balance and that for the Corresponding Period of Last Year

On July 28, 2023, the Company entered into an equity transfer agreement with RiseSun Holdings Co., Ltd.* (榮盛控股股份有限公司) to acquire 70% equity interest in Wanjia Smart Environment (Beijing) Co., Ltd.* (萬家智慧環境(北京)有限公司) ("Wanjia Smart") in cash for a acquisition price of RMB50,155,000.00. The Company and Wanjia Smart Environment (Beijing) Co., Ltd. are both under the control of RiseSun Holdings Co., Ltd. and such control is not temporary. Therefore, this merger and acquisition constitutes a combination of businesses under common control.

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

The Company included Wanjia Smart in the scope of combination at August 31, 2023 and adjusted the opening balance on the consolidated balance sheet, together with the relevant items on the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in shareholders' equity.

(2) Combination costs

Item	Wanjia Smart Environment (Beijing) Co., Ltd.
Cash	50,155,000.00
Total combination costs	50,155,000.00



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VI CHANGES IN SCOPE OF CONSOLIDATION (continued)

2. Business combinations under common control (continued)

(3) Book value of the combined party's assets and liabilities at the date of combination

Item	Wanjia Smart Environment (Beijing) Co., Ltd.	
	Date of combination	Prior year-end
Assets:	–	–
Cash and cash equivalents	3,100,252.09	2,636,822.62
Receivables	43,537,503.05	55,345,146.33
Prepayments	781,486.23	1,244,739.87
Other receivables	2,612,609.81	7,311,318.57
Inventories	5,212,895.91	1,332,995.21
Other current assets	0.00	973,806.51
Fixed assets	16,177,697.21	17,837,245.20
Right-of-use assets	0.00	9,300,224.52
Long-term deferred expenses	507,570.79	0.00
Deferred tax assets	0.00	3,159,802.60
Liabilities:	–	–
Accounts payable	20,383,112.20	13,350,215.52
Contract liabilities	6,570.00	8,556.60
Employee benefits payable	24,445,854.66	16,468,180.44
Taxes and surcharges payable	551,349.91	4,008,796.10
Other payables	15,251,414.21	5,509,976.50
Non-current liabilities due within one year	0.00	22,542,569.80
Total current liabilities	0.00	513.40
Long-term borrowings	2,305,698.30	1,114,454.89
Lease liabilities	0.00	1,908,625.20
Other payables	0.00	29,352.50
Deferred tax liabilities	673,651.60	5,489,144.62
Net assets	8,312,364.21	28,711,715.86
Less: Non-controlling interests	0.00	0.00
Net assets acquired	8,312,364.21	28,711,715.86



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VI CHANGES IN SCOPE OF CONSOLIDATION (continued)

3. Disposal of subsidiaries

Transactions or events involving loss of control over subsidiaries during the year

Name of subsidiary	Disposal price at the point of loss of control	Disposal percentage at the point of loss of control	Means of Disposal at the point of loss of control	Point of loss of control	Basis for determining the point of loss of control	The difference between the disposal price and the share of the net assets of the subsidiary at the consolidated financial statement level	Percentage of remaining equity interest at the date of loss of control	Carrying value of the remaining equity interest at the date of loss of control	Fair value of remaining equity interest at the date of loss of control	Gain or loss arising from the remeasurement of the residual equity interests at fair value	Method of determining the fair value of the remaining equity interest at the consolidated financial statement level at the date of loss of control and major assumptions	Amount of other comprehensive income related to equity investment in previous subsidiary transferred to investment income or retained earnings
Cangzhou Roiserv New Town Property Service Co., Ltd.	139,749.97	51.00%	Transfer	2023-10-24	Change of Business Registration	10,217.36	0.00%	0.00	0.00	0.00	-	0.00



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VI CHANGES IN SCOPE OF CONSOLIDATION (continued)

4. Changes in scope of consolidation for other reasons

(1) Newly established

No.	Name of subsidiary	Reason for change	Date of establishment	Place of registration	Shareholding (%)	
					Direct	Indirect
1	Bengbu Rongjia Trading Co., Ltd.	Newly established	2023-04-12	Anhui	0.00	100.00
2	Bengbu Rongshang Technology Service Co., Ltd.	Newly established	2023-09-01	Anhui	0.00	100.00
3	Luohe Roiserv Lifestyle Service Co., Ltd.	Newly established	2023-04-23	Henan	0.00	100.00
4	Puyang Roiserv Lifestyle Service Co., Ltd.	Newly established	2023-04-21	Henan	0.00	100.00
5	Zhengzhou Roiserv Lifestyle Service Co., Ltd.	Newly established	2023-05-04	Henan	0.00	100.00
6	Nanjing Rongzhi Home Technology Co., Ltd.	Newly established	2023-02-24	Jiangsu	0.00	100.00
7	Tangshan Ronghui Lifestyle Service Co., Ltd.	Newly established	2023-07-12	Hebei	0.00	100.00
8	Tangshan Rongjing Lifestyle Service Co., Ltd.	Newly established	2023-05-17	Hebei	0.00	100.00
9	Tangshan Jufeng Decoration Engineering Co., Ltd.	Newly established	2023-04-03	Hebei	0.00	100.00
10	Rongyu Property Services (Botou) Co., Ltd.	Newly established	2023-05-06	Hebei	0.00	100.00
11	Cixi Rongjia Lifestyle Service Co., Ltd.	Newly established	2023-02-21	Zhejiang	0.00	100.00
12	Langfang Gangwan Landscape Engineering Co., Ltd.	Newly established	2023-08-10	Hebei	0.00	100.00
13	Linyi Rongshang Technology Engineering Co., Ltd.	Newly established	2023-01-09	Shandong	0.00	100.00



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VI CHANGES IN SCOPE OF CONSOLIDATION (continued)

4. Changes in scope of consolidation for other reasons (continued)

(1) Newly established (continued)

No.	Name of subsidiary	Reason for change	Date of establishment	Place of registration	Shareholding (%)	
					Direct	Indirect
14	Shenyang Rongxu Real Estate Agents Co., Ltd.	Newly established	2023-02-27	Liaoning	0.00	100.00
15	Huizhou Rongli Trading Co., Ltd.	Newly established	2023-12-01	Guangdong	0.00	100.00
16	Xuzhou Rongzhiyi Technology Co., Ltd.	Newly established	2023-04-17	Jiangsu	0.00	100.00
17	Lianyungang Roiserv Lifestyle Service Co., Ltd.	Newly established	2023-01-31	Jiangsu	0.00	100.00
18	Pizhou Roiserv Lifestyle Service Co., Ltd.	Newly established	2023-01-09	Jiangsu	0.00	100.00
19	Xuzhou Quanrong Lifestyle Services Co., Ltd.	Newly established	2023-04-28	Jiangsu	0.00	60.00
20	Guangdong Shengli Elevator Co., Ltd.	Newly established	2023-02-23	Guangdong	0.00	100.00
21	Yangjiang Shengshang Decoration Engineering Co., Ltd.	Newly established	2023-11-01	Guangdong	0.00	100.00
22	Zhanjiang Shenghui Decoration Engineering Co., Ltd.	Newly established	2023-03-03	Guangdong	0.00	100.00
23	Qinhuangdao Ronghai Hotel Management Co., Ltd.	Newly established	2023-06-09	Hebei	0.00	77.00
24	Qinhuangdao Shengxing Haorui Property Management Co., Ltd.	Newly established	2023-11-10	Hebei	0.00	77.00
25	Qinhuangdao Shenglan Hotel Management Co., Ltd.	Newly established	2023-06-02	Hebei	0.00	77.00
26	Xianghe Wanjia Wisdom Sanitation Management Co., Ltd.	Newly established	2023-10-31	Hebei	0.00	70.00



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VI CHANGES IN SCOPE OF CONSOLIDATION (continued)

4. Changes in scope of consolidation for other reasons (continued)

(1) Newly established (continued)

No.	Name of subsidiary	Reason for change	Date of establishment	Place of registration	Shareholding (%)	
					Direct	Indirect
27	Hebei Wanhuitong Energy Technology Co., Ltd.	Newly established	2023-07-26	Hebei	65.00	0.00
28	Hebei Wanhuitong Photovoltaics Co., Ltd.	Newly established	2023-10-26	Hebei	0.00	65.00
29	Shennongjia Forest District Linrong Trading Co., Ltd.	Newly established	2023-07-18	Hubei Province	0.00	100.00
30	Dezhou Rongqi Trading Co., Ltd.	Newly established	2023-03-17	Shandong	0.00	100.00
31	Liaocheng Rongjia Design & Decoration Co., Ltd.	Newly established	2023-07-13	Shandong	0.00	100.00
32	Liaocheng Rongyun Clothing & Accessories Co., Ltd.	Newly established	2023-07-14	Shandong	0.00	100.00
33	Liaocheng Rongxu Trade and Sales Co., Ltd.	Newly established	2023-01-05	Shandong	0.00	100.00
34	Liaocheng Rongchen Design & Decoration Co., Ltd.	Newly established	2023-01-03	Shandong	0.00	100.00
35	Zhanjiang Rongli Trading Co., Ltd.	Newly established	2023-08-08	Guangdong	0.00	100.00
36	Zhanjiang Rongyu Trading Co., Ltd.	Newly established	2023-09-07	Guangdong	0.00	100.00



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VI CHANGES IN SCOPE OF CONSOLIDATION (continued)

4. Changes in scope of consolidation for other reasons (continued)

(2) Mergers and acquisitions

No.	Name of subsidiary	Reason for change		Place of registration	Shareholding (%)	
			Nature of business		Direct	Indirect
1	Hebei Jinxiang Property Group Co., Ltd.	M&A	Property management services	Hebei	80.00	0.00
2	Langfang Zhenzhi Human Resources Co., Ltd.	M&A	Social and economic consulting services	Hebei	0.00	80.00
3	Langfang Wuyun Dongfang Landscape Engineering Co., Ltd.	M&A	Engineering services	Hebei	0.00	80.00
4	Hebei Bihai Laundry Services Co., Ltd.	M&A	Resident daily life services	Hebei	0.00	80.00
5	Hebei Jincheng Cleaning Services Co., Ltd.	M&A	Resident daily life services	Hebei	0.00	80.00
6	Wanjia Smart Environment (Beijing) Co., Ltd.	M&A	Sanitation Management	Beijing	70.00	0.00
7	Bei'an Dushang Environmental Development Co., Ltd.	M&A	Sanitation Management	Heilongjiang Province	0.00	70.00
8	RiseSun Anxu Environmental Development (Longhua) Co., Ltd.	M&A	Sanitation Management	Hebei	0.00	70.00
9	RiseSun Anxu Environmental Development (Xinglong) Co., Ltd.	M&A	Sanitation Management	Hebei	0.00	70.00
10	Huanren RiseSun Anxu Environmental Development Co., Ltd.	M&A	Sanitation Management	Liaoning	0.00	70.00
11	Qingan RiseSun Anxu Environmental Development Co., Ltd.	M&A	Sanitation Management	Heilongjiang Province	0.00	70.00
12	Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	M&A	Sanitation Management	Beijing	70.00	0.00
13	Nangong Dushan Sanitation Management Co., Ltd.	M&A	Sanitation Management	Hebei	0.00	70.00

(3) Cancellation

No.	Name of subsidiary	Reason for change		Place of registration	Shareholding (%)	
			Date of Cancellation		Direct	Indirect
1	Cangzhou Rongyue Landscape Engineering Co., Ltd.	Cancellation	2023-06-01	Hebei	0.00	100.00
2	Vogue Living Service Laishui Co., Ltd.	Cancellation	2023-04-27	Hebei	0.00	77.00
3	Shengxing Living Service (Hebei) Co., Ltd.	Cancellation	2023-04-17	Hebei	0.00	77.00



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VII INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Handan Rongmiao Property Management Co., Ltd.	500.00	Hebei	Hebei	Property management services	100.00	0.00	Investment
Zhangjiakou Rongguanyue Property Management Co., Ltd.	50.00	Hebei	Hebei	Property management services	100.00	0.00	Investment
Shanxi Roiserv Lifestyle Service Co., Ltd.	500.00	Shanxi	Shanxi	Property management services	100.00	0.00	Investment
Roiserv (Huizhou) Lifestyle Service Co., Ltd.	500.00	Guangdong	Guangdong	Property management services	100.00	0.00	Investment
Liuzhi Special District Roiserv Life Service Co., Ltd.	50.00	Guizhou	Guizhou	Property management services	100.00	0.00	Investment
Jiaxing Rongjia Lifestyle Service Co., Ltd.	30.00	Zhejiang	Zhejiang	Resident daily life services	100.00	0.00	Investment
Roiserv (Beijing) Technology Services Co., Ltd.	1,000.00	Beijing	Beijing	Technical Service	100.00	0.00	Investment
Cangzhou Rongguang Construction Engineering Co., Ltd.	100.00	Hebei	Hebei	Engineering services	100.00	0.00	Investment
Changzhou Rongyijia Real Estate Agency Service Co., Ltd.	300.00	Jiangsu	Jiangsu	Real estate agency services	100.00	0.00	Investment
Shijiazhuang Rongci Real Estate Brokerage Co., Ltd.	100.00	Hebei	Hebei	Real estate agency services	100.00	0.00	Investment
Hohhot RiseSun Property Service Co., Ltd.	500.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Property management services	100.00	0.00	Investment
Roiserv (Beijing) Property Services Co., Ltd.	100.00	Beijing	Beijing	Property management services	100.00	0.00	Investment
Yongqing Jingtai Property Service Co., Ltd.	100.00	Hebei	Hebei	Property management services	100.00	0.00	M&A
Shijiazhuang Shengjiing Fitness Service Co., Ltd.	10.00	Hebei	Hebei	Fitness services	100.00	0.00	M&A
Zhangjiakou Rongmeng Property Management Co., Ltd.	50.00	Hebei	Hebei	Property management services	100.00	0.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Jinan Rongtong Real Estate Brokerage Co., Ltd.	100.00	Shandong	Shandong	Real estate agency services	100.00	0.00	Investment
Tangshan Fengnan District Pujie Property Service Co., Ltd.	50.00	Hebei	Hebei	Property management services	100.00	0.00	M&A
Beijing Manbeilun Cosmetics Co., Ltd.	100.00	Beijing	Beijing	Commodity sales	100.00	0.00	Investment
Baoding Rongrun Property Service Co., Ltd.	300.00	Hebei	Hebei	Property management services	51.00	0.00	Investment
Langfang Rongrui Property Management Co., Ltd.	500.00	Hebei	Hebei	Property management services	51.00	0.00	Investment
Cangzhou Rongzhi Property Service Co., Ltd.	300.00	Hebei	Hebei	Property management services	51.00	0.00	Investment
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	300.00	Hebei	Hebei	Property management services	51.00	0.00	Investment
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	1,000.00	Hebei	Hebei	Other electrical engineering construction	40.00	0.00	Investment
Roiserv (Anhui) Lifestyle Service Co., Ltd.	500.00	Anhui	Anhui	Property management services	100.00	0.00	Investment
Bengbu Rongjia Trading Co., Ltd.	30.00	Anhui	Anhui	Property management services	0.00	100.00	Investment
Bengbu Rongshang Technology Service Co., Ltd.	30.00	Anhui	Anhui	Technical Service	0.00	100.00	Investment
Wuhu Roiserv Property Service Co., Ltd.	500.00	Anhui	Anhui	Property management services	0.00	100.00	Investment
Hefei Roiserv Lifestyle Service Co., Ltd.	500.00	Anhui	Anhui	Property management services	0.00	100.00	Investment
Henan Roiserv Lifestyle Service Co., Ltd.	200.00	Henan	Henan	Property management services	100.00	0.00	Investment
Luohe Roiserv Lifestyle Service Co., Ltd.	500.00	Henan	Henan	Resident daily life services	0.00	100.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Puyang Roiserv Lifestyle Service Co., Ltd.	500.00	Henan	Henan	Resident daily life services	0.00	100.00	Investment
Zhengzhou Roiserv Lifestyle Service Co., Ltd.	500.00	Henan	Henan	Resident daily life services	0.00	100.00	Investment
Nanjing Liuhe RiseSun Property Service Co., Ltd.	300.00	Jiangsu	Jiangsu	Property management services	100.00	0.00	Investment
Nanjing Rongzhi Home Technology Co., Ltd.	50.00	Jiangsu	Jiangsu	Technical Service	0.00	100.00	Investment
Nantong Rongtu Property Management Co., Ltd.	300.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	Investment
Nanjing Handu Technology Industry Co., Ltd.	500.00	Jiangsu	Jiangsu	Elevator maintenance services	0.00	100.00	M&A
Nanjing Shengtou Automobile Service Co., Ltd.	50.00	Jiangsu	Jiangsu	Car maintenance services	0.00	100.00	Investment
Yixing Roiserv Property Management Co., Ltd.	300.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	Investment
Changzhou Roiserv Lifestyle Service Co., Ltd.	300.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	Investment
Roiserv (Tangshan) Lifestyle Service Co., Ltd.	100.00	Hebei	Hebei	Resident daily life services	100.00	0.00	Investment
Tangshan Ronghui Lifestyle Service Co., Ltd.	50.00	Hebei	Hebei	Resident daily life services	0.00	100.00	Investment
Tangshan Rongjing Lifestyle Service Co., Ltd.	50.00	Hebei	Hebei	Resident daily life services	0.00	100.00	Investment
Tangshan Jufeng Decoration Engineering Co., Ltd.	50.00	Hebei	Hebei	Engineering services	0.00	100.00	Investment
Rongyikang (Beijing) Life Technology Co., Ltd.	2,000.00	Beijing	Beijing	Technical Service	100.00	0.00	Investment
Huazao (Beijing) Management Consulting Co., Ltd.	1,000.00	Beijing	Beijing	Rental and business services	0.00	95.00	Investment
Roiserv (Cangzhou) Lifestyle Service Co., Ltd.	300.00	Hebei	Hebei	Resident daily life services	100.00	0.00	Investment
Rongyu Property Services (Botou) Co., Ltd.	50.00	Hebei	Hebei	Property management services	0.00	100.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Hangzhou Rongjia Lifestyle Service Co., Ltd.	30.00	Zhejiang	Zhejiang	Resident daily life services	100.00	0.00	Investment
Suzhou Rongjia Lifestyle Service Co., Ltd.	500.00	Jiangsu	Jiangsu	Resident daily life services	0.00	100.00	Investment
Cixi Rongjia Lifestyle Service Co., Ltd.	500.00	Zhejiang	Zhejiang	Resident daily life services	0.00	100.00	Investment
Shaoxing Rongjia Lifestyle Service Co., Ltd.	500.00	Zhejiang	Zhejiang	Resident daily life services	0.00	100.00	Investment
Jiaxing Rongjia Lifestyle Service Co., Ltd.	2,000.00	Zhejiang	Zhejiang	Resident daily life services	0.00	100.00	Investment
Hangzhou Lin'an Rongjia Lifestyle Service Co., Ltd.	500.00	Zhejiang	Zhejiang	Resident daily life services	0.00	100.00	Investment
Zhangjiakou RiseSun Jingxuan Property Services Co., Ltd.	100.00	Hebei	Hebei	Property management services	100.00	0.00	M&A
Rongwanqian Property Management (Zhangjiakou) Co., Ltd.	300.00	Hebei	Hebei	Property management services	0.00	51.00	Investment
Tianjin Rongshang Technology Co., Ltd.	3,000.00	Tianjin	Tianjin	Technical Service	100.00	0.00	Investment
Langfang Rongshang Technology Co., Ltd.	500.00	Hebei	Hebei	Technical Service	0.00	100.00	Investment
Handan Rongna Technology Engineering Co., Ltd.	300.00	Hebei	Hebei	Technical Service	0.00	100.00	Investment
Shenyang Rongshang Technology Co., Ltd.	500.00	Liaoning	Shenyang	Technical Service	0.00	100.00	Investment
Tangshan Rongshang Engineering Management Co., Ltd.	500.00	Hebei	Hebei	Engineering services	0.00	100.00	Investment
Hunan Rongmiao Technology Co., Ltd.	500.00	Hunan	Hunan	Engineering services	0.00	100.00	Investment
Langfang Gangwan Landscape Engineering Co., Ltd.	2,500.00	Hebei	Hebei	Sanitation Management	0.00	100.00	Investment
Guangdong Rongshang Technology Co., Ltd.	500.00	Guangdong	Guangdong	Technical Service	0.00	100.00	Investment
Zhangjiakou Rongshang Technology Service Co., Ltd.	500.00	Hebei	Hebei	Engineering services	0.00	100.00	Investment
Linyi Rongshang Technology Engineering Co., Ltd.	500.00	Shandong	Shandong	Technical Service	0.00	100.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Chengdu Rongzhishang Technology Co., Ltd.	300.00	Sichuan	Sichuan	Technical Service	0.00	100.00	Investment
Shijiazhuang Rongmiao Technology Co., Ltd.	300.00	Hebei	Hebei	Technical Service	0.00	100.00	Investment
Jiaxing Rongshang Engineering Technology Co., Ltd.	500.00	Zhejiang	Zhejiang	Technical Service	0.00	100.00	Investment
Bengbu Rongshang Technology Co., Ltd.	500.00	Anhui	Bengbu	Technical Service	0.00	100.00	Investment
Nanjing Rongzhishang Technology Co., Ltd.	50.00	Jiangsu	Nanjing	Technical Service	0.00	100.00	Investment
Henan Rongshang Engineering Technology Co., Ltd.	500.00	Henan	Henan	Technical Service	0.00	100.00	Investment
Xuzhou Rongzhishang Technology Co., Ltd.	500.00	Jiangsu	Jiangsu	Technical Service	0.00	100.00	Investment
Huizhou Rongshang Technology Co., Ltd.	500.00	Guangdong	Guangdong	Technical Service	0.00	100.00	Investment
Langfang Rongxin Real Estate Brokerage Co., Ltd.	5,000.00	Hebei	Hebei	Real estate agency services	100.00	0.00	Investment
Shenyang Rongxu Real Estate Agents Co., Ltd.	50.00	Liaoning	Liaoning	Property management services	0.00	100.00	Investment
Roiserv (Shijiazhuang) Property Service Co., Ltd.	500.00	Hebei	Hebei	Property management services	100.00	0.00	Investment
Baoding Roiserv Lifestyle Service Co., Ltd.	300.00	Hebei	Hebei	Property management services	0.00	100.00	Investment
Xingtai Roiserv Property Management Co., Ltd.	300.00	Hebei	Hebei	Property management services	0.00	100.00	Investment
Langfang Rongzhen Trading Co., Ltd.	1,300.00	Hebei	Hebei	Commodity sales	100.00	0.00	Investment
Bengbu Rongchang Trading Co., Ltd.	50.00	Anhui	Anhui	Commodity sales	0.00	100.00	Investment
Yixing Rongmiao Department Store Trading Co., Ltd.	50.00	Jiangsu	Jiangsu	Commodity sales	0.00	100.00	Investment
Zhengzhou Shenshuo Trading Co., Ltd.	100.00	Henan	Henan	Commodity sales	0.00	100.00	Investment
Shijiazhuang Rongmi Trading Co., Ltd.	100.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Nanjing Rongling Trading Co., Ltd.	50.00	Jiangsu	Jiangsu	Commodity sales	0.00	100.00	Investment
Yueyang Rongyue Department Store Trading Co., Ltd.	50.00	Hunan	Hunan	Commodity sales	0.00	100.00	Investment
Zhanjiang Shengxu Trading Co., Ltd.	50.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Nanjing Rongshe Trading Co., Ltd.	100.00	Jiangsu	Nanjing	Commodity sales	0.00	100.00	Investment
Shenyang Rongguan Trading Co., Ltd.	300.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Rongkun Trading Co., Ltd.	50.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Linyi Ronghui Trading Co., Ltd.	50.00	Shandong	Shandong	Commodity sales	0.00	100.00	Investment
Shijiazhuang Rongdi Trading Co., Ltd.	100.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Xuzhou Rongrun Trading Co., Ltd.	50.00	Jiangsu	Jiangsu	Commodity sales	0.00	100.00	Investment
Zhanjiang Shengjing Trading Co., Ltd.	50.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Chongqing Rongzhiguan Trading Co., Ltd.	50.00	Chongqing	Chongqing	Commodity sales	0.00	100.00	Investment
Zhanjiang Shengyi Trading Co., Ltd.	50.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Langfang Rongrong Trading Co., Ltd.	500.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Zhanjiang Rongsheng Trading Co., Ltd.	50.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Huizhou Rongli Trading Co., Ltd.	10.00	Guangdong	Guangdong	Manufacture	0.00	100.00	Investment
Shijiazhuang Rongyu Trading Co., Ltd.	100.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Changzhou Zhenmiao Department Store Trading Co., Ltd.	50.00	Jiangsu	Jiangsu	Commodity sales	0.00	100.00	Investment
Nanjing Ronghui Trading Co., Ltd.	50.00	Jiangsu	Jiangsu	Commodity sales	0.00	100.00	Investment
Shijiazhuang Rongtan Trading Co., Ltd.	100.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Shenyang Rongxin Trading Co., Ltd.	50.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Langfang Rongba Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Zhangjiakou Rongyiheng Trading Co., Ltd.	30.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Changsha Rongdou Catering Service Co., Ltd.	50.00	Hunan	Hunan	Catering services	0.00	100.00	Investment
Shijiazhuang Rongxu Trading Co., Ltd.	100.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Shenyang Rongyue Trading Co., Ltd.	100.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Rongyu Trading Co., Ltd.	300.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Huizhou Rongzhen Trading Co., Ltd.	50.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Changsha Sanfen Liangtian Real Estate Brokerage Co., Ltd.	50.00	Hunan	Hunan	Real estate agency services	0.00	100.00	Investment
Shijiazhuang Rongci Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Zhanjiang Ronghan Trading Co., Ltd.	50.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Chengdu Rongchao Trading Co., Ltd.	50.00	Sichuan	Sichuan	Commodity sales	0.00	100.00	Investment
Xianghe Rongkun Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Langfang Duona Trading Co., Ltd.	30.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Langfang Weipai Door and Window Installation Co., Ltd.	100.00	Hebei	Hebei	Construction	0.00	51.00	Investment
Langfang Zhennuo Doors and Windows Co., Ltd.	100.00	Hebei	Hebei	Manufacture	0.00	51.00	Investment
Roiserv (Xuzhou) Lifestyle Service Co., Ltd.	500.00	Jiangsu	Jiangsu	Resident daily life services	100.00	0.00	Investment
Xuzhou Rongzhiyi Technology Co., Ltd.	200.00	Jiangsu	Jiangsu	Technical Service	0.00	100.00	Investment
Linyi Rongjia Lifestyle Service Co., Ltd.	500.00	Shandong	Linyi	Resident daily life services	0.00	100.00	Investment
Lianyungang Roiserv Lifestyle Service Co., Ltd.	500.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Pizhou Roiserv Lifestyle Service Co., Ltd.	500.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	Investment
Xuzhou Quanrong Lifestyle Services Co., Ltd.	300.00	Jiangsu	Jiangsu	Resident daily life services	0.00	60.00	Investment
Tianjin Roiserv Lifestyle Service Co., Ltd.	300.00	Tianjin	Tianjin	Property management services	100.00	0.00	Investment
Hengshui Rongyue Lifestyle Service Co., Ltd.	100.00	Hebei	Hebei	Resident daily life services	0.00	100.00	Investment
Binzhou Roiserv Lifestyle Service Co., Ltd.	300.00	Shandong	Shandong	Resident daily life services	0.00	100.00	Investment
Cangzhou Rongjing Property Management Co., Ltd.	500.00	Hebei	Hebei	Property management services	0.00	60.00	Investment
Cangzhou Rongqian Property Service Co., Ltd.	500.00	Hebei	Cangzhou	Property management services	0.00	60.00	Investment
Roiserv (Guangdong) Lifestyle Service Co., Ltd.	1,000.00	Guangdong	Guangdong	Resident daily life services	100.00	0.00	Investment
Yangjiang Shengshang Technology Co., Ltd.	50.00	Guangdong	Guangdong	Engineering services	0.00	100.00	Investment
Zhanjiang Ronghui Automotive Beauty Co., Ltd.	50.00	Guangdong	Guangdong	Car maintenance services	0.00	100.00	Investment
Yangxi County Property Rongyuwan Owners' Home Catering Service Co., Ltd.	50.00	Guangdong	Guangdong	Catering services	0.00	100.00	Investment
Yangxi County Shanhu Sea Owner's Home Catering Service Co., Ltd.	300.00	Guangdong	Guangdong	Catering services	0.00	100.00	Investment
Guangdong Shengli Elevator Co., Ltd.	500.00	Guangdong	Guangdong	Technical Service	0.00	100.00	Investment
Zhanjiang Owner's Home Catering Service Co., Ltd.	50.00	Guangdong	Guangdong	Catering services	0.00	100.00	Investment
Zhanjiang Jiatianwa Real Estate Brokerage Service Co., Ltd.	50.00	Guangdong	Guangdong	Real estate agency services	0.00	100.00	Investment
Yangjiang Shengshang Decoration Engineering Co., Ltd.	50.00	Guangdong	Guangdong	Engineering services	0.00	100.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Zhanjiang Shenghui Decoration Engineering Co., Ltd	50.00	Guangdong	Guangdong	Engineering services	0.00	100.00	Investment
Roiserv (Hunan) Lifestyle Service Co., Ltd.	500.00	Hunan	Hunan	Resident daily life services	100.00	0.00	Investment
Yueyang Roiserv Lifestyle Service Co., Ltd.	100.00	Hunan	Hunan	Property management services	0.00	100.00	Investment
Yongzhou Roiserv Lifestyle Service Co., Ltd.	200.00	Hunan	Hunan	Property management services	0.00	100.00	Investment
Zhuzhou Roiserv Lifestyle Service Co., Ltd.	200.00	Hunan	Hunan	Property management services	0.00	100.00	Investment
Shangrao Rongjia Lifestyle Service Co., Ltd.	499.00	Jiangxi	Jiangxi	Property management services	0.00	100.00	Investment
Zhangjiajie Roiserv Lifestyle Service Co., Ltd.	200.00	Hunan	Hunan	Property management services	0.00	100.00	Investment
Yiyang Roiserv Lifestyle Service Co., Ltd.	200.00	Hunan	Hunan	Property management services	0.00	100.00	Investment
Roiserv (Langfang) Lifestyle Service Co., Ltd.	500.00	Hebei	Hebei	Resident daily life services	100.00	0.00	Investment
Wen'an Rongjue Lifestyle Service Co., Ltd.	500.00	Hebei	Hebei	Resident daily life services	0.00	100.00	Investment
Xianghe Rongliang Property Management Co., Ltd.	500.00	Hebei	Hebei	Property management services	0.00	100.00	Investment
Bazhou Ronghao Property Management Co., Ltd.	500.00	Hebei	Hebei	Property management services	0.00	100.00	Investment
Huilai Rong'an Property Management Co., Ltd.	300.00	Hebei	Hebei	Property management services	0.00	100.00	Investment
Langfang Guangyang Rongjia Life Service Co., Ltd.	500.00	Hebei	Hebei	Resident daily life services	0.00	100.00	Investment
Gu'an Rongyue Property Management Co., Ltd.	500.00	Hebei	Hebei	Property management services	0.00	100.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Langfang Anci District Rongzhi Life Service Co., Ltd.	500.00	Hebei	Hebei	Resident daily life services	0.00	100.00	Investment
Sanhe Rongyi Lifestyle Service Co., Ltd.	500.00	Hebei	Hebei	Resident daily life services	0.00	100.00	Investment
Yongqing Rongtu Lifestyle Service Co., Ltd.	500.00	Hebei	Hebei	Property management services	0.00	100.00	Investment
Roiserv (Shandong) Property Development Co., Ltd.	500.00	Shandong	Shandong	Property management services	100.00	0.00	Investment
Jinan Ronghe Lifestyle Service Co., Ltd.	300.00	Shandong	Jinan	Resident daily life services	0.00	100.00	Investment
Liaocheng Rongkun Construction Engineering Co., Ltd.	1,000.00	Shandong	Shandong	Engineering services	0.00	100.00	Investment
Qingdao Rongjin Lifestyle Service Co., Ltd.	300.00	Shandong	Shandong	Property management services	0.00	100.00	Investment
Linqing Pujie Property Services Co., Ltd.	50.00	Shandong	Shandong	Property management services	0.00	100.00	Investment
Liaocheng Roiserv Lifestyle Service Co., Ltd.	300.00	Shandong	Liaocheng	Resident daily life services	0.00	100.00	Investment
Qihe Roiserv Lifestyle Service Co., Ltd.	300.00	Shandong	Shandong	Property management services	0.00	100.00	Investment
Roiserv (Shenyang) Lifestyle Service Co., Ltd.	500.00	Liaoning	Shenyang	Resident daily life services	100.00	0.00	Investment
Panjin Roiserv Lifestyle Service Co., Ltd.	500.00	Liaoning	Panjin	Resident daily life services	0.00	100.00	Investment
Sichuan Roiserv Shengxin Property Service Co., Ltd.	300.00	Sichuan	Sichuan	Property management services	100.00	0.00	Investment
Chongqing Roiserv Lifestyle Service Co., Ltd.	300.00	Chongqing	Chongqing	Resident daily life services	0.00	100.00	Investment
Xi'an Rongjia Shengxin Property Management Co., Ltd.	300.00	Shaanxi	Xi'an	Property management services	0.00	100.00	Investment
Dujun Rongwanjia Lifestyle Service Co., Ltd.	100.00	Guizhou	Qiannan Buyi Miao Autonomous Prefecture	Property management services	0.00	100.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Hebei Jinxiang Property Group Co., Ltd.	5,000.00	Hebei	Hebei	Property management services	80.00	0.00	M&A
Langfang Zhenzhi Human Resources Co., Ltd.	200.00	Hebei	Hebei	Social and economic consulting services	0.00	80.00	M&A
Langfang Wuyun Dongfang Landscape Engineering Co., Ltd.	200.00	Hebei	Hebei	Engineering services	0.00	80.00	M&A
Hebei Bihai Laundry Services Co., Ltd.	1,400.00	Hebei	Hebei	Resident daily life services	0.00	80.00	M&A
Hebei Jincheng Cleaning Services Co., Ltd.	1,400.00	Hebei	Hebei	Resident daily life services	0.00	80.00	M&A
Shengxing Lvju Living Service (Hebei) Co., Ltd.	500.00	Hebei	Hebei	Resident daily life services	77.00	0.00	M&A
Vogue Living and Living Service (Chuzhou) Co., Ltd.	10.00	Anhui	Anhui	Property management services	0.00	77.00	M&A
Vogue Living and Living Service (Chengde) Co., Ltd.	10.00	Hebei	Hebei	Property management services	0.00	77.00	M&A
Vogue Living and Living Service (Jiaozuo) Co., Ltd.	50.00	Henan	Henan	Property management services	0.00	77.00	M&A
Qinhuangdao Ronghai Hotel Management Co., Ltd.	10.00	Hebei	Hebei	Accommodation and catering	0.00	77.00	Investment
Qinhuangdao Shengxing Haorui Property Management Co., Ltd.	100.00	Hebei	Hebei	Property management services	0.00	77.00	Investment
Vogue Living and Living Service (Xinglong) Co., Ltd.	10.00	Hebei	Hebei	Property management services	0.00	77.00	M&A
Qinhuangdao Business Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	77.00	M&A
Qinhuangdao Shenglan Hotel Management Co., Ltd.	10.00	Hebei	Hebei	Accommodation and catering	0.00	77.00	Investment
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	200.00	Beijing	Beijing	Business management consulting	70.00	0.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Langfang Feibi Tuoyu Service Co., Ltd.	100.00	Hebei	Hebei	Nursery services	0.00	70.00	Investment
Wanija Smart Environment (Beijing) Co., Ltd.	2,000.00	Beijing	Beijing	Sanitation Management	70.00	0.00	M&A
Bei'an Dushang Environmental Development Co., Ltd.	2,000.00	Heilongjiang Province	Heilongjiang Province	Sanitation Management	0.00	70.00	M&A
RiseSun Anxu Environmental Development (Longhua) Co., Ltd.	2,000.00	Hebei	Hebei	Sanitation Management	0.00	70.00	M&A
Xianghe Wanija Wisdom Sanitation Management Co., Ltd.	2,000.00	Hebei	Hebei	Sanitation Management	0.00	70.00	Investment
RiseSun Anxu Environmental Development (Xinglong) Co., Ltd.	1,000.00	Hebei	Hebei	Sanitation Management	0.00	70.00	M&A
Huanren RiseSun Anxu Environmental Development Co., Ltd.	1,000.00	Liaoning	Liaoning	Sanitation Management	0.00	70.00	M&A
Qingan RiseSun Anxu Environmental Development Co., Ltd.	2,000.00	Heilongjiang Province	Heilongjiang Province	Sanitation Management	0.00	70.00	M&A
Hebei Wanhuitong Energy Technology Co., Ltd.	1,000.00	Hebei	Hebei	Technical Service	65.00	0.00	Investment
Hebei Wanhuitong Photovoltaics Co., Ltd.	1,000.00	Hebei	Hebei	Electricity, heat, gas and water production and supply industry	0.00	65.00	Investment
Jiangsu Pujie Property Co., Ltd.	500.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	M&A
Nanjing Puhe Property Services Co., Ltd.	50.00	Jiangsu	Jiangsu	Property management services	0.00	100.00	M&A
Tangshan Rongjun Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Tangshan Youanmi Catering Service Co., Ltd.	100.00	Hebei	Hebei	Catering services	0.00	100.00	M&A
Tangshan Xuantu Automobile Service Co., Ltd.	50.00	Hebei	Hebei	Car maintenance services	0.00	100.00	M&A



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Hunan Rongkun Trading Co., Ltd.	200.00	Hunan	Hunan	Commodity sales	0.00	100.00	Investment
Shennongjia Forest District Linrong Trading Co., Ltd.	50.00	Hubei Province	Hubei Province	Commodity sales	0.00	100.00	Investment
Handan Rongchao Trading Co., Ltd.	200.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Handan Rongyiheng Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongkun Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongsu Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongqi Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongxiu Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongqiao Trading Co., Ltd.	200.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongpai Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongxin Automobile Service Co., Ltd.	50.00	Hebei	Hebei	Car maintenance services	0.00	100.00	Investment
Cangzhou Rongliang Automobile Service Co., Ltd.	50.00	Hebei	Hebei	Car maintenance services	0.00	100.00	Investment
Cangzhou Rongna Trading Co., Ltd.	200.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongmai Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Cangzhou Rongzhe Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Hohhot Rongmian Trading Co., Ltd.	50.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Commodity sales	0.00	100.00	Investment
Inner Mongolia Ronglan Trading Co., Ltd.	50.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Commodity sales	0.00	100.00	Investment
Hohhot Rongmiao Trading Co., Ltd.	50.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Commodity sales	0.00	100.00	Investment



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Hohhot Rongzhen Trading Co., Ltd.	50.00	Inner Mongolia Autonomous Region	Inner Mongolia Autonomous Region	Commodity sales	0.00	100.00	Investment
Rongfa Trading Co., Ltd. in Dongchangfu District, Liaocheng City	50.00	Shandong	Shandong	Commodity sales	0.00	100.00	Investment
Dezhou Rongqi Trading Co., Ltd.	50.00	Shandong	Shandong	Commodity sales	0.00	100.00	Investment
Liaocheng Rongjia Design & Decoration Co., Ltd.	50.00	Shandong	Shandong	Engineering services	0.00	100.00	Investment
Jinan Ronghuai Trading Co., Ltd.	50.00	Shandong	Shandong	Commodity sales	0.00	100.00	M&A
Liaocheng Rongyun Clothing & Accessories Co., Ltd.	50.00	Shandong	Shandong	Manufacture	0.00	100.00	Investment
Liaocheng Lishe Automotive Beauty Maintenance Service Co., Ltd.	10.00	Shandong	Shandong	Car maintenance services	0.00	100.00	M&A
Liaocheng Rongxu Trade and Sales Co., Ltd.	50.00	Shandong	Shandong	Property management services	0.00	100.00	Investment
Liaocheng Rongyi Automobile Beauty Service Co., Ltd.	10.00	Shandong	Shandong	Car maintenance services	0.00	100.00	Investment
Jinan Shengzhuang Decoration Service Co., Ltd.	50.00	Shandong	Shandong	Engineering services	0.00	100.00	M&A
Jinan Rongfa Convenient Life Supermarket Co., Ltd.	50.00	Shandong	Shandong	Commodity sales	0.00	100.00	M&A
Liaocheng Guandi Automobile Beauty Maintenance Service Co., Ltd.	10.00	Shandong	Shandong	Car maintenance services	0.00	100.00	M&A
Liaocheng Rongchen Design & Decoration Co., Ltd.	50.00	Shandong	Shandong	Property management services	0.00	100.00	Investment
Shenyang Ronghua Trading Co., Ltd	300.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Roiserv Craftsmanship Car Wash and Beauty Co., Ltd.	10.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Sujie Car Wash and Beauty Co., Ltd.	10.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Ronghe Trading Co., Ltd.	300.00	Liaoning	Liaoning	Commodity sales	0.00	100.00	Investment
Shenyang Rongxi Catering Management Co., Ltd.	30.00	Liaoning	Liaoning	Catering services	0.00	100.00	Investment



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

VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiary	Registered capital	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
Handan Rongyuyuan Trading Co., Ltd.	300.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Handan Rongba Trading Co., Ltd.	50.00	Hebei	Hebei	Commodity sales	0.00	100.00	Investment
Zhanjiang Rongjin Trading Co., Ltd.	50.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Zhanjiang Rongli Trading Co., Ltd.	50.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Zhanjiang Rongyu Trading Co., Ltd.	50.00	Guangdong	Guangdong	Commodity sales	0.00	100.00	Investment
Jiaxing Rongjun Trading Co., Ltd.	30.00	Zhejiang	Zhejiang	Commodity sales	0.00	100.00	Investment
Jiaxing Rongjun Lifestyle Service Co., Ltd.	30.00	Zhejiang	Zhejiang	Resident daily life services	0.00	100.00	Investment
Ronggao Trading (Jiaxing) Co., Ltd.	30.00	Zhejiang	Zhejiang	Commodity sales	0.00	100.00	Investment
Jiaxing Rongsheng Lifestyle Service Co., Ltd.	30.00	Zhejiang	Zhejiang	Resident daily life services	0.00	100.00	Investment
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	1,200.00	Beijing	Beijing	Sanitation Management	70.00	0.00	M&A
Nangong Dushan Sanitation Management Co., Ltd.	1,000.00	Hebei	Hebei	Sanitation Management	0.00	70.00	M&A

Note: The shareholders of Hebei Rongheng Bosheng Electric Power Engineering Co., Ltd. consist of three parties, with the Company holding 40%, Langfang Chengxing Electric Power Equipment Co., Ltd. holding 39%, and Hebei Kobo Ruicheng Electric Power Engineering Co., Ltd. holding 21%. The Company is the largest shareholder. According to the Company's Articles of Association, resolutions at shareholders' meetings shall be voted for and approved by shareholders representing 40% or more of the voting rights. The Company shall have the right to veto the matters discussed at the shareholders' meetings and no matter shall be passed without its consent; Hebei Rongheng Bosheng does not have a board of directors and has an executive director who is appointed by the Company as a shareholder; Hebei Rongheng Bosheng does not have a supervisory board and has one supervisor who is appointed by the Company as a shareholder. As can be seen from the above, the Company has control over Hebei Rongheng Bosheng Electric Power Engineering Co., Ltd. and is able to dominate the production and operation decisions of equity interests with its equity interests and benefit from its operation activities, which shall be included in the scope of consolidation.

The aforementioned subsidiaries are incorporated as companies with limited liability under the law of the People's Republic of China.



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(2) Significant non-wholly owned subsidiaries

Name of subsidiary	Minority shareholding ratio	Profit or loss for the year attributable to minority shareholders	Dividends declared to minority shareholders during the year	Closing balance of non-controlling interests
Xuzhou Quanrong Lifestyle Services Co., Ltd.	40.00%	117,232.58	0.00	117,232.58
Cangzhou Rongzhi Property Service Co., Ltd.	49.00%	-12,440.99	0.00	78,654.35
Langfang Rongrui Property Management Co., Ltd.	49.00%	588.66	0.00	442,600.87
Baoding Rongrun Property Service Co., Ltd.	49.00%	-184,750.39	0.00	392,853.88
Cangzhou Rongqian Property Service Co., Ltd.	40.00%	-26,873.35	0.00	-26,873.35
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	49.00%	564,811.34	0.00	2,508,102.78
Cangzhou Roiserv New Town Property Service Co., Ltd.	49.00%	224,863.97	0.00	0.00
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	30.00%	-254,886.87	0.00	-133,458.95
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	60.00%	-1,766,369.02	0.00	-3,460,527.35
Shengxing Lvju Living Service (Hebei) Co., Ltd.	23.00%	1,593,473.92	0.00	586,967.93
Hebei Wanhuitong Energy Technology Co., Ltd.	35.00%	-76,596.12	0.00	973,403.88
Hebei Jinxiang Property Group Co., Ltd.	20.00%	785,188.62	0.00	11,041,126.35
Wanjia Smart Environment (Beijing) Co., Ltd.	30.00%	3,437,685.51	0.00	3,956,857.21
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	30.00%	0.00	0.00	2,480,859.43



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

VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(3) Key financial information on significant non-wholly owned subsidiaries

Name of subsidiary	Current assets	Non-current assets	Closing balance		Non-current liabilities	Total liabilities
			Total assets	Current liabilities		
Xuzhou Quanrong Lifestyle Services Co., Ltd.	4,666,985.21	7,213.61	4,674,198.82	4,381,117.37	0.00	4,381,117.37
Cangzhou Rongzhi Property Service Co., Ltd.	158,849.91	1,690.62	160,540.53	21.45	0.00	21.45
Langfang Rongrui Property Management Co., Ltd.	903,285.30	0.47	903,285.77	18.69	0.00	18.69
Baoding Rongrun Property Service Co., Ltd.	2,849,857.58	22,269.69	2,872,127.27	2,070,384.66	0.00	2,070,384.66
Cangzhou Rongqian Property Service Co., Ltd.	2,613,478.35	3,533.50	2,617,011.85	2,684,195.23	0.00	2,684,195.23
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	6,858,910.38	1,487,278.21	8,346,188.59	3,227,611.48	0.00	3,227,611.48
Cangzhou Roiserv New Town Property Service Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	826,561.63	284,672.61	1,111,234.24	1,456,097.40	0.00	1,456,097.40
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	1,351,329.48	4,995,833.11	6,347,162.59	12,114,708.18	0.00	12,114,708.18
Shengxing Lvju Living Service (Hebei) Co., Ltd.	102,349,713.53	4,631,099.53	106,980,813.06	104,428,778.66	0.00	104,428,778.66
Hebei Wanhuitong Energy Technology Co., Ltd.	2,633,282.41	443,678.29	3,076,960.70	295,806.77	0.00	295,806.77
Hebei Jinxiang Property Group Co., Ltd.	64,279,437.86	2,894,186.14	67,173,624.00	9,967,992.20	0.00	9,967,992.20
Wanjia Smart Environment (Beijing) Co., Ltd.	105,584,942.19	26,646,307.18	132,231,249.37	104,253,839.18	7,377,886.23	111,631,725.41
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	18,221,269.68	1,781,744.56	20,003,014.24	11,733,482.80	0.00	11,733,482.80



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VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(3) Key financial information on significant non-wholly owned subsidiaries (continued)

Name of subsidiary	Current assets	Non-current assets	Opening balance		Non-current liabilities	Total liabilities
			Total assets	Current liabilities		
Xuzhou Quanrong Lifestyle Services Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
Cangzhou Rongzhi Property Service Co., Ltd.	185,554.55	354.31	185,908.86	0.00	0.00	0.00
Langfang Rongrui Property Management Co., Ltd.	902,089.90	0.00	902,089.90	24.16	0.00	24.16
Baoding Rongrun Property Service Co., Ltd.	1,402,236.47	2,425.40	1,404,661.87	225,877.65	0.00	225,877.65
Cangzhou Rongqian Property Service Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
Zhangjiakou Rongmiao Cheng Property Management Co., Ltd.	3,814,416.77	1,846,620.75	5,661,037.52	1,695,136.62	0.00	1,695,136.62
Cangzhou Roiserv New Town Property Service Co., Ltd.	815,918.56	25,605.21	841,523.77	1,044,522.75	0.00	1,044,522.75
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	780,712.31	253,876.77	1,034,589.08	629,829.34	0.00	629,829.34
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	1,205,328.57	2,838,640.34	4,043,968.91	6,867,566.13	0.00	6,867,566.13
Shengxing Lvju Living Service (Hebei) Co., Ltd.	76,764,865.15	2,278,426.33	79,043,291.48	83,419,404.54	0.00	83,419,404.54
Hebei Wanhuitong Energy Technology Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
Hebei Jinxiang Property Group Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00
Wanjia Smart Environment (Beijing) Co., Ltd.	68,844,829.11	30,297,272.32	99,142,101.43	61,888,808.36	8,541,577.21	70,430,385.57
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00



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

VII INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(3) Key financial information on significant non-wholly owned subsidiaries (continued)

Name of subsidiary	Current year amount				Prior year amount			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Xuzhou Quanrong Lifestyle Services Co., Ltd.	2,986,951.88	293,081.45	293,081.45	419,952.38	0.00	0.00	0.00	0.00
Cangzhou Rongzhi Property Service Co., Ltd.	-9,098.62	-25,389.78	-25,389.78	-1,507.67	166,774.63	52,987.93	52,987.93	-53,429.14
Langfang Rongrui Property Management Co., Ltd.	0.00	1,201.34	1,201.34	-16,918.85	0.00	2,139.70	2,139.70	-15,038.71
Baoding Rongrun Property Service Co., Ltd.	3,760,802.29	-377,041.61	-377,041.61	1,341,694.71	3,206,693.71	533,663.98	533,663.98	-166,386.27
Cangzhou Rongqian Property Service Co., Ltd.	125,166.50	-67,183.38	-67,183.38	0.00	0.00	0.00	0.00	0.00
Zhangjiakou Rongmiaocheng Property Management Co., Ltd.	13,910,942.58	1,152,676.21	1,152,676.21	-538,060.02	25,410,348.20	2,279,459.62	2,279,459.62	2,643,715.45
Cangzhou Roiserv New Town Property Service Co., Ltd.	679,261.19	458,906.06	458,906.06	-750,362.55	434,569.80	-318,746.17	-318,746.17	504,618.75
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	167,928.05	-682,098.44	-682,098.44	-24,737.89	0.00	-1,186,014.64	-1,186,014.64	-801,555.43
Hebei Rongheng Bosheng Power Engineering Co., Ltd.	24,934.98	-2,943,948.37	-2,943,948.37	1,202,268.37	129,449.94	-2,823,597.22	-2,823,597.22	3,101,979.24
Shengxing Lvju Living Service (Hebei) Co., Ltd.	50,822,499.74	6,928,147.46	6,928,147.46	247,964.38	55,703,625.54	6,260,367.69	6,260,367.69	-746,479.59
Hebei Wanhuitong Energy Technology Co., Ltd.	441.01	-218,846.07	-218,846.07	-350,702.35	0.00	0.00	0.00	0.00
Hebei Jinxiang Property Group Co., Ltd.	25,773,431.15	3,925,943.10	3,925,943.10	5,490,206.89	0.00	0.00	0.00	0.00
Wanjia Smart Environment (Beijing) Co., Ltd.	137,711,354.99	11,458,951.64	11,458,951.64	26,151,959.22	103,676,033.77	9,364,029.94	9,364,029.94	14,543,784.22
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2. Interests in joint ventures or associates

(1) Significant joint ventures or associates

Name of joint ventures or associates	Main place of business	Place of registration	Nature of business	Shareholding (%)		Accounting treatment for investments in joint ventures or associates
				Direct	Indirect	
Beijing Yinsilang Information Technology Co., Ltd.	Beijing	Beijing	Technology promotion and application services	49.00	0.00	Equity method
Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	Anhui	Anhui	Real estate	50.00	0.00	Equity method



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January 1, 2023 – December 31, 2023

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

VII INTERESTS IN OTHER ENTITIES (continued)

2. Interests in joint ventures or associates (continued)

(2) Key financial information on significant joint ventures or associates

Item	Closing balance/Current year amount		Opening balance/Prior year amount	
	Beijing Yinsilang Information Technology Co., Ltd.	Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	Beijing Yinsilang Information Technology Co., Ltd.	Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.
Current assets	217,366,533.08	4,703,602.14	221,545,431.18	1,500,000.00
Including: Cash and cash equivalents	2,192,395.01	2,366,996.34	8,867,859.24	1,500,000.00
Non-current assets	81,328.05	70,733.48	117,411.21	0.00
Total assets	217,447,861.13	4,774,335.62	221,662,842.39	1,500,000.00
Current liabilities	1,455,350.05	1,553,342.16	10,513,145.69	0.00
Non-current liabilities	0.00	0.00	0.00	0.00
Total liabilities	1,455,350.05	1,553,342.16	10,513,145.69	0.00
Total net assets	215,992,511.08	3,220,993.46	211,149,696.70	1,500,000.00
Including: Non-controlling interests	0.00	0.00	0.00	0.00
Equity attributable to shareholders of the parent company	215,992,511.08	3,220,993.46	211,149,696.70	1,500,000.00
Share of net assets based on percentage of shareholding	105,836,330.43	1,610,496.73	103,463,351.38	1,500,000.00
Adjustments	0.00	0.00	0.00	0.00
– Goodwill	0.00	0.00	0.00	0.00
– Unrealised profits from internal transactions	0.00	0.00	0.00	0.00
– Others	0.00	0.00	0.00	0.00
Book value of equity investments in joint ventures	100,000,000.00	1,500,000.00	100,000,000.00	1,500,000.00
Fair value of equity investments in joint venture for which publicly quoted prices exist	0.00	0.00	0.00	0.00
Operating revenue	138,093,058.34	4,124,070.26	192,954,739.95	0.00
Finance costs	157,493.13	-4,813.01	379,887.39	0.00
Income tax expenses	-340,697.36	10,669.92	1,599,211.94	0.00
Net profit	4,842,814.38	220,993.46	-6,364,748.55	0.00
Net profit from discontinued operations	0.00	0.00	0.00	0.00
Other comprehensive income	0.00	0.00	0.00	0.00
Total comprehensive income	4,842,814.38	220,993.46	-6,364,748.55	0.00
Dividends received from joint ventures during the year	0.00	0.00	0.00	0.00



NOTES TO THE FINANCIAL STATEMENTS

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

VIII Government grants

Government grants recognised in profit or loss for the period

Accounting item	Current year amount	Prior year amount
Employment support scheme	837,515.54	4,148,283.08
Enterprise development support fund	434,380.00	1,469,726.21
Epidemic prevention subsidy	112,879.85	160,715.28
Waste separation subsidy	39,620.00	33,995.00
Total	1,424,395.39	5,812,719.57

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

During its normal course of business, the Group is exposed to risks arising from various financial instruments, mainly including receivables, payables and financial assets held for trading. A detailed description of each financial instrument is set out in Note V to the financial statements. The risks associated with these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The management of the Group manages and monitors these exposures to ensure that the above risks are kept within limits.

1. Various types of risk management objectives and policies

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

(1) Market risk

1) Exchange rate risk

The Group's exposure to exchange rate risk relates primarily to HKD. The Group's other major business activities are denominated and settled in RMB, except for the Group's parent company currency funds which include foreign currency operations. As at December 31, 2023, the Group's assets and liabilities are all in RMB, except for the HKD balances of assets and liabilities as described in the table below. The exchange rate risk arising from the assets and liabilities with HKD and USD balances may have an impact on the Group's results of operations.

Item	December 31, 2023	December 31, 2022
Cash and cash equivalents – HKD	30,618,920.62	31,128,134.35

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

**IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS** (continued)**1. Various types of risk management objectives and policies** (continued)**(1) Market risk** (continued)**2) Interest rate risk**

The Group's interest rate risk arises from interest-bearing debt such as bank borrowings and non-current liabilities. Financial liabilities with variable interest rates expose the Group to cash flow interest rate risk and financial liabilities with fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of fixed-rate and variable-rate contracts based on the prevailing market conditions. As at December 31, 2023, the Group's interest-bearing debt mainly consisted of RMB-denominated fixed-rate short-term loan contracts amounting to RMB2.00 million (December 31, 2022: RMB0.00) and RMB-denominated fixed-rate long-term loan contracts amounting to RMB1.1146 million (December 31, 2022: RMB4.72 million).

The Group's risk of changes in fair value of financial instruments due to changes in interest rates relates primarily to fixed rate bank borrowings. For fixed rate borrowings, the Group aims to maintain its variable rate.

The Group's exposure to changes in cash flows from financial instruments due to changes in interest rates relates primarily to variable rate bank borrowings. It is the Group's policy to maintain a variable interest rate on these borrowings to eliminate the fair value risk of interest rate changes.

3) Price risk

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



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

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

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

(2) Credit risk

The Group manages credit risk on a group basis. Credit risk mainly arises from monetary funds, notes receivable, accounts receivable, accounts receivable financing, other receivables, contract assets and long-term receivables.

To mitigate credit risk, the Group has established a dedicated department to determine credit limits, perform credit approvals and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. Moreover, the Group supervises every single receivable on every balance sheet date to make sure sufficient provision on bad debt will be in place for those irretrievable receivables. As a result, the Group's management believes that the Group's exposure to credit risk has been significantly reduced.

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

The Group has adopted the necessary policies to ensure that all sales customers have a good credit history. Apart from the top five accounts receivable amounts and contract assets, the Group has no other significant credit concentration risk. Of the Group's accounts receivable and contract assets, the top five amounts totalled: RMB265,343,700, accounting for 10.92% of the Company's total accounts receivable and contract assets.

1) *Criteria for determining significant increase in credit risk*

The Group determines on every balance sheet date whether the credit risk of a financial instrument has increased significantly since its initial recognition by comparing the probability of default over the expected life of the financial instrument as determined at initial recognition with the probability of default over the expected life of the instrument as determined at the balance sheet date. However, if the Group determines that a financial instrument has only low credit risk at the balance sheet date, it can assume that the credit risk of the financial instrument has not increased significantly since initial recognition.

The Group's main criteria for determining a significant increase in credit risk are significant changes in one or more of the following indicators: significant adverse changes in the debtor's operating environment, internal and external credit ratings, and actual or expected operating results.



IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

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

(2) Credit risk (continued)

2) *Definition of assets to which credit impairment has occurred*

A financial asset becomes credit impaired when one or more events occur that have an adverse effect on the expected future cash flows of the financial asset.

Evidence that a financial asset is impaired includes observable information such as: significant financial difficulty of the issuer or debtor; A breach of contract by the debtor, such as a default or delinquency in interest or principal payments; a concession by the Group, arising from economic or contractual considerations relating to the debtor's financial difficulties, which the debtor would not otherwise have made; bankruptcy or other financial reorganization that the debtor may go into; the disappearance of an active market for the financial asset as a result of the financial difficulties of the issuer or debtor.

3) *Credit risk exposure*

At December 31, 2023, the largest exposure to credit risk that could give rise to financial losses for the Group arises primarily from losses on the Group's financial assets arising from the failure of the other party to the contract to perform its obligations and from financial guarantees assumed by the Group, specifically:

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



NOTES TO THE FINANCIAL STATEMENTS

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IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

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

(3) Liquidity risk

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

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

Amount at December 31, 2023:

Item	Within one year	1-2 years	2 to 5 years	More than 5 years	Total
Financial assets	–	–	–	–	–
Cash and cash equivalents	678,633,118.81	0.00	0.00	0.00	678,633,118.81
Notes receivable	0.00	0.00	0.00	0.00	0.00
Accounts receivable	2,419,155,699.67	0.00	0.00	0.00	2,419,155,699.67
Other receivables	917,178,010.81	0.00	0.00	0.00	917,178,010.81
Non-current assets due within one year	1,872,205.80	0.00	0.00	0.00	1,872,205.80
Long-term receivables	6,936,794.09	132,085.80	396,257.40	264,171.60	7,729,308.89
Financial liabilities	–	–	–	–	–
Short-term borrowings	2,000,000.00	0.00	0.00	0.00	2,000,000.00
Accounts payable	859,998,232.83	0.00	0.00	0.00	859,998,232.83
Other payables	565,706,023.66	0.00	0.00	0.00	565,706,023.66
Employee benefits payable	93,814,976.86	0.00	0.00	0.00	93,814,976.86
Non-current liabilities due					
within one year	4,641,065.72	0.00	0.00	0.00	4,641,065.72
Lease liabilities (excluding non-current liabilities due within one year)	0.00	6,704,406.05	3,953,825.27	421,287.06	11,079,518.38



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

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

2. Sensitivity analysis

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

(1) Foreign exchange risk sensitivity analysis

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

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

Item	Exchange rate movements	FY 2023		FY 2022	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
HKD	Appreciation against the RMB by 5%	-1,689,375.68	-1,689,375.68	-1,742,369.85	-1,742,369.85
HKD	Devaluation against the RMB by 5%	1,689,375.68	1,689,375.68	1,742,369.85	1,742,369.85



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

IX RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (continued)

2. Sensitivity analysis (continued)

(2) Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis is based on the following assumptions:

changes in market interest rates affect interest income or expense on variable rate financial instruments;

for fixed-rate financial instruments measured at fair value, changes in market interest rates affect interest income or expense only;

changes in the fair value of derivative financial instruments and other financial assets and liabilities are measured using the discounted cash flow method using market interest rates at the balance sheet date.

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

Item	Changes in interest rates	FY 2023		FY 2022	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Variable rate borrowing	Increase by 1%	31,145.73	31,145.73	47,200.34	47,200.34
Variable rate borrowing	Decrease by 1%	-31,145.73	-31,145.73	-47,200.34	-47,200.34



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X Disclosure of Fair Value

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

Item	Closing fair value			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurements	
I. Continuing fair value measurement	–	–	–	–
(I) Investment properties	0.00	55,309,069.00	0.00	55,309,069.00
1. Buildings for lease	0.00	8,991,753.84	0.00	8,991,753.84
2. Land use rights held and ready for transfer upon appreciation in value	0.00	46,317,315.16	0.00	46,317,315.16

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

The investment properties of the enterprise that belong to Level 2 fair value measurement in the current period are mainly: housing buildings used for leasing and parking spaces held for sale by the enterprise, which were valued based on the valuation report issued by Zhongqin Asset Valuation Co., Ltd. (Report No: Zhong Qin Zi Bao No. 008 (2024)).



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Related party relationships

(1) Parent company of the Company

1) Controlling shareholders and ultimate controlling party

Name of controlling shareholders and ultimate controlling party	Place of registration	Nature of business	Registered capital (RMB10,000)	Shareholding in the Company (%)	Percentage of voting rights in the Company (%)
RiseSun Real Estate Development Co., Ltd.	Langfang, Hebei	Real estate	434,816.39	62.64	62.64

The ultimate controlling party of the Company is RiseSun Holdings Co., Ltd.

2) Registered capital of controlling shareholders and changes therein

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

3) Shareholdings or equities of controlling shareholders and changes therein

Controlling shareholders	Amount of shareholding (RMB10,000)		Shareholding (%)	
	Closing balance	Opening balance	End of the year	Beginning of the year
RiseSun Real Estate Development Co., Ltd.	23,552.70	23,552.70	62.64	62.64

(2) Subsidiaries of the Company

For details of the subsidiaries, please refer to “VII. 1.(1) Composition of the Group” in this note.

(3) Joint ventures and associates of the Company

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



NOTES TO THE FINANCIAL STATEMENTS

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

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties

Name of other related party	Relationship with the Company
Shenyang RiseSun Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang Zhong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun Jinxiu Tiandi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun New Landmark Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Yutian Xingcheng Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Bizhao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hohhot RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhengzhou Hongzhufu Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Jingxuan Zhangjiakou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiakou Rongguang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun Zhongtian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Rongxu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing RiseSun Xinyu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiakou Rongshang Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yueyang RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Luohe Shengxu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Ningbo Ronghao Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiajie RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhanjiang Development Zone Rongfa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shandong RiseSun Fuxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shandong Rongfa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang RiseSun Xingfu Dadao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang Xingfu Zhujia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rongteng Shengzhan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Gangzhou Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Glory Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Xianghe Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Haoyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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

XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
RiseSun Real Estate Development Co., Ltd. Bazhou Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing RiseSun Kunchuang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing Rongqian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huizhou Datianyang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huizhou Jinrun Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huailai Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing Zhongrui Jiaye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhangjiakou Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Fangze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yongqing Rongheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Dongling Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Dezhou Glory Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Guoke (Qihe) Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yiyang RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shaanxi Huayu Yingfeng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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January 1, 2023 – December 31, 2023

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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Suzhou Yihao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Architectural Design Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou RiseSun Yixin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rongkai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Zhongshi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Hua'ou Shundu Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Shengtai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongting Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Shengjing Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongyu Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jiaxing Rongxiang Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huizhou Jinhong Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Hangzhou Rongshang Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shaoxing Chenyue Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shifang Kaixuan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Renshou Shengjing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shengkun Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Rongshang Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Rongshang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongfan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu Tianhe Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Jinye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yangxi Ronghuasheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yueyang Hengtong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Puyang Rongyou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan Rongkai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Xianghe Varytown Industrial Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongzhi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shengyu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shandong Yizhuo Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Wuhu RiseSun Wanye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yiyang Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei Rongbang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei RiseSun Shengye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Dongfangbailing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Langfang Development Zone Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhuzhou RiseSun Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tianjin Rongzhen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei RiseSun Zeye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Xinyang Rongyang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Guangdong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Xinlv Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Youshan Ecological Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Bengbu) Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Weiye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Jiaye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Fengye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Dingye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Wuhu) Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hefei RiseSun Leye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing Rongpin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Dongfang Lanhai Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Langfang Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhanjiang Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Xinmao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Liaocheng Rongxing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xuzhou) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zouping Chengtou Xinghui Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zouping Chengtou Qiyun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hengshui Rongjun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Rongsu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Ronghao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Ronghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Hongzhou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Panjin RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Ronghai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Rong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Rong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengde Hengyue Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xinglong) Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shangrao RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hanzhong Rongyuan Xingcheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Qingdao Dongfangyalong Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shanxi Rongtai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shanxi RiseSun Zhuoyue Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yangxi Huasheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Foshan Shunde Fosheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shenghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Baoding Zheshang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yongzhou Rongfeng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Ronghang Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hangzhou Glory Shenghao Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai Ronghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinzhai RiseSun Kanglv Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan Rongang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongzhen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Defa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongdao Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Nanjing Rong'en Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xianghe Ruihong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xianghe Maosheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shanxi Rongjun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Xieyi Landscape Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Baoding Zexin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Zhujia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Lesheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rong'an Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Gangzhou Rongchuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xianghe) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang RiseSun Yixin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jiaxing RiseSun Xinyi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang RiseSun Yihao Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang RiseSun Yihong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Xinhan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Guangyu Construction & Decoration Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Liaocheng RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Qianchen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Sanhe Yanyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Taiyuan Rongde Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Moze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Henan Rongyou Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Xiangyun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Rongyun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng Rongxiang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng Rongshun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Wante Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xianghe Rongxin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shengyu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Rongshuo Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hongyun (Jiangsu Changzhou) Industrial Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongshang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Business Management Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu City Bengshan District Yusheng Nanshan Yudu Kindergarten	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Chengde Rongde Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Kanglv (Henan) Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Handan Development Zone Rongfa Shenghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changsha Rongyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Rongjin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yongqing Rongzhidi Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Ronghong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xuzhou) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nantong Rongdatong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongli Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Guangde Door & Window Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Rongen Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu Rongjia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou RiseSun Real Estate Development Co., Ltd. Xinhua District Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Kaisheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Taibo Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Jinan Rongcheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Varytown Industrial Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Jinhai Real Estate Development Co., Ltd. Arcadia Seaside Holiday Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenyang Taichang Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shangsheng Property Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Handan Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shenzhen Hongyuan Architectural Design & Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Tongxin Real Estate Development Co., Ltd. RiseSun Health Valley Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Shouling Entertainment Culture Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone RiseSun Real Estate Development Co., Ltd. Arcadia International Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shangsheng Property Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone Shengze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Shennongjia Forestry District RiseSun Real Estate Tourism Development Co., Ltd. Xuhui Institute	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Development Zone Shengyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Jinhai Real Estate Development Co., Ltd. Gold Coast Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huangshan RiseSun Real Estate Development Co., Ltd. Arcadia Sunshine Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huangshan RiseSun Real Estate Development Co., Ltd. Jinpen Bay Arcadia Sunshine Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Real Estate Tourism Development Co., Ltd. Arcadia Forest Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing Jingcheng Huijie Architectural Design Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhanjiang Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Hua'ou Shundu Real Estate Co., Ltd. Arcadia International Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District Shenghang Jianlai Kangyang Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Huangshan RoEasy Resort Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xiuwu RiseSun Cultural Tourism Ancient Town Development Co., Ltd. Yuntaishan RoEasy Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bengbu RiseSun Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Wuhu Rongzhong Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Zhongsheng Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tianjin Rongtai Real Estate Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Shangsheng Outlets Trading Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Chengkun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou RiseSun Zhujia Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Rongteng Shengzhan Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Wuhan Minglirui Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Liaocheng Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Gu'an Rongfang Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Kanglv Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Liaocheng Dongchangfu District Ronghe Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liaocheng RiseSun Real Estate Development Co., Ltd. Linqing Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Linyi RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou RiseSun Shangyuan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yixing RiseSun Yixin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Ronghua Shengshi Information Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Real Estate Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yichang Rongyi Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Xinglong) Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
QingSongLing Arcadia International Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rong'en Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Bazhou Nan Meng Yusheng Hot Spring City Kindergarten	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Shengze Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Rongsen (Tianjin) Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng (Bazhou) Park Construction Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Cangzhou Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yixing Chengdong Cultural Tourism Investment Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu RiseSun Washington Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chengdu RiseSun Weiye Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tianshi (Gu'an) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hunan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Zhejiang Yiwei Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Rongnian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing RiseSun Chuangzhan Operation Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing RiseSun Real Estate Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Yujing Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd. Linyi Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Linyi Kaien Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun (Pizhou) Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Rongchuang Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Hebei RiseSun Real Estate Development Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng (Tangshan) Park Construction Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Rongkai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hanzhong Rongyuan Jincheng Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shaanxi RiseSun Fengying Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Ruisheng Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jiangsu Rongfa Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tibet New Exploration Real Estate Marketing Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Rongcheng (Tianjin) Real Estate Marketing Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Anhui Jiuhua Hot Spring Development Co., Ltd. Qingyang Arcadia Hotel Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huangshan RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou Rongding Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qianxi RiseSun Real Estate Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tibet Hongtu Tourism Culture Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Qinhuangdao Jinhai Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Shengze Real Estate Development Co., Ltd. Zuolin Youli Apartment Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Tongxin Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xiuwu RiseSun Cultural Tourism Ancient Town Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Sizhong Internet (Beijing) Network Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Operation and Management Co., Ltd. Pingshan County Rongxi Courtyard Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Ronglu Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Rongyi Catering Management Co., Ltd	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jingnan New District Investment and Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Jingtai Communication Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng (Yongqing) Water Supply Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng (Yongqing) Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xinglong Ronghuian Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Zhanjiang Economic and Technological Development Zone Yu Sheng Hua Fu Kindergarten Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Guangzhou RiseSun Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Xingcheng Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xiuwu RiseSun Yuntai Ancient Town Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shijiazhuang Shangsheng Property Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Liyang Jinrong Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District RiseSun Real Estate RoEasy Exquisite Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shennongjia Forestry District Kangyang Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Shangsheng Property Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou Alcadia RoEasy Cozy Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd. RoEasy Hospitality Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shengkun Garden Engineering Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Xuzhou Yuesheng Decoration Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Sizhong (Jiaxing) Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing New Exploration Real Estate Consulting Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Anping RoEasy Holiday Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Anhui Jiuhua Hot Spring Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd. Arcadia Holiday Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lingshui Junsheng Real Estate Development Co., Ltd. Zuolin Youli Countryside B&B	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Yangzhou RiseSun Kanglv Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui Rongfa Sports Culture Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Arcadia International Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Rokey Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Rongxi Manor Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Lijiang RiseSun Kanglv Real Estate Co., Ltd. Arcadia Xueshan Yuanxiang Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun KangLv Chengde Agricultural Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao Jinhai Real Estate Development Co., Ltd. Daihe Shouling Apartment Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Kanglv Zhangjiakou Wanquan Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou RiseSun Plaza Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Cangzhou Arcadia International Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei RiseSun Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinzhai RiseSun Ecological Agriculture Sightseeing Tourism Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Tangshan Shangsheng Department Store Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Shengkun Business Management Co., Ltd. RiseSun Huafu Supermarket	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Hebei Yesanpo Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Tourism Development Co., Ltd. Arcadia Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Nanjing RiseSun Kanglv Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Beijing Yijia Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chongqing Wenbiao Enterprise Consulting Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Liaocheng Arcadia International Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qingdao Oriental Bay Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou Lianrong Information Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou Ronghua Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Longwan Lake Tourism Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Chuzhou RiseSun Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lijiang RiseSun Kanglv Real Estate Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Lijiang RiseSun Kanglv Real Estate Co., Ltd. Rongxi Manor Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qinhuangdao RiseSun Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai RiseSun Tourism Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xingtai RiseSun Tourism Development Co., Ltd. Arcadia International Resort Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Changzhou Shangsheng Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Qifang (Beijing) Education Technology Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Huangshan RiseSun Real Estate Development Co., Ltd. Rongyiyuan Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. RoEasy Four Seasons Fairyland Hotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Weiye Real Estate Development Co., Ltd. Rongxi Manor Hotel Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

1. Related party relationships (continued)

(4) Other related parties (continued)

Name of other related party	Relationship with the Company
Langfang RiseSun Hotel Management Co., Ltd. Linyi Huayu Xingyuan Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang RiseSun Hotel Management Co., Ltd. Linyi Rongxin Hotel Exhibition Center Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RiseSun Real Estate Development Co., Ltd. Bengbu Branch	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Jinan RoEasy Hotel Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Guoke (Qihe) Investment Co., Ltd. Arcadia IHotel	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Hongya Real Estate Development Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Laishui RiseSun Kanglv Investment Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
RoEasy Trip Kanglv (Hainan) Automobile Service Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Langfang Yijing Garden Nursery Stock Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Rongcheng (Tianjin) Building Materials Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Shenghui Business Management Co., Ltd.	Other enterprise controlled by the same controlling shareholder (RiseSun Group)
Xuzhou Rongrun Real Estate Development Co., Ltd.	An associate of RiseSun Group
Cangzhou Baosheng Real Estate Development Co., Ltd.	An associate of RiseSun Group
Shijiazhuang Runpeng Real Estate Development Co., Ltd.	An associate of RiseSun Group
RiseSun Construction Engineering Co., Ltd.	A company controlled by ultimate holding company
RiseSun Xingcheng (Hing Long) New Energy Development Co., Ltd.	A company controlled by ultimate holding company
Hebei Anxu Specialised Vehicle Co., Ltd.	A company controlled by ultimate holding company
Langfang RiseSun Concrete Co., Ltd.	A company controlled by ultimate holding company
Langfang Xinsheng Concrete Co., Ltd.	A company controlled by ultimate holding company
RiseSun Anxu Environmental Development (Beian City) Co., Ltd.	A company controlled by ultimate holding company



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

2. Related Party Transactions

(1) Purchase of goods/acceptance of services

Related parties	Content of related transactions	Current year amount	Prior year amount
RiseSun Group	Property service	14,276,608.77	19,686,543.23
A company controlled by ultimate holding company	Purchase of goods	1,687,312.37	2,323,028.01
A company controlled by ultimate holding company	Property service	303,443.40	0.00
Total	-	16,267,364.54	22,009,571.24

(2) Sales of goods/provision of services

Related parties	Content of related transactions	Current year amount	Prior year amount
RiseSun Group	Services	273,221,168.73	434,224,847.42
A company controlled by ultimate holding company	Services	209,853.06	187,613.21
An associate of RiseSun Group	Services	163,297.80	0.00
Total	-	273,594,319.59	434,412,460.63

(3) Key management remuneration

Name of item	Current year amount	Prior year amount
Total remuneration	10,089,985.80	12,694,238.92

(4) Continuing related party transactions

The related party transactions disclosed in the Group's 2023 Financial Report XI. 2. also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Balance of receivables from and payables to related parties

(1) Receivables

Name of item	Related parties	Closing book balance	Bad debt provision	Opening book balance	Bad debt provision
Accounts receivable	RiseSun Group	1,374,178,692.70	224,171,471.45	1,325,520,714.20	147,048,705.23
Accounts receivable	A company controlled by ultimate holding company	36,387,930.48	10,386,427.53	39,151,961.56	6,509,318.96
Accounts receivable	An associate of RiseSun Group	2,805,274.79	514,652.00	4,356,385.62	482,363.44
Prepayments	RiseSun Group	37,537,727.49	0.00	412,626.86	0.00
Prepayments	A company controlled by ultimate holding company	940,000.00	0.00	0.00	0.00
Other receivables	RiseSun Group	258,054,654.51	61,899,161.09	166,630,058.45	54,248,457.73
Other receivables	A company controlled by ultimate holding company	14,455,085.82	971,121.44	6,294,926.73	12,054.16
Contract assets	RiseSun Group	23,955,049.44	1,537,914.19	27,010,722.70	1,780,006.62
Notes receivable	RiseSun Group	0.00	0.00	1,890,227.71	249,132.01
Total	-	1,748,314,415.23	299,480,747.70	1,571,267,623.83	210,330,038.15

(2) Payables

Name of item	Related parties	Closing book balance	Opening book balance
Accounts payable	RiseSun Group	34,633,196.55	50,697,847.78
Accounts payable	A company controlled by ultimate holding company	8,302,084.40	6,003,200.00
Other payables	ultimate holding company	84,602,864.24	84,984,358.74
Other payables	RiseSun Group	2,849,925.03	81,820.82
Dividends payable	RiseSun Group	47,105,400.00	0.00
Dividends payable	A company controlled by ultimate holding company	27,000,000.00	0.00
Contract liabilities	RiseSun Group	23,008,421.82	38,085,081.01
Contract liabilities	An associate of RiseSun Group	0.00	2.03
Contract liabilities	A company controlled by ultimate holding company	268,779.97	70,846.48
Total	-	227,770,672.01	179,923,156.86



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4. Related party commitments

None.

5. Remuneration of directors, supervisors and employees

(1) The remunerations of directors and supervisors are detailed as follows:

Item	Salaries and allowances	Social security, housing fund and pensions	Bonus	Share-based payments	Total
Current year amount	–	–	–	–	–
Executive Director	3,389,623.71	386,228.58	503,670.90	427,636.15	4,707,159.34
Geng Jianfu	1,864,399.06	84,721.76	123,781.45	207,691.80	2,280,594.07
Liu Hongxia	983,034.10	160,318.58	346,200.00	105,490.78	1,595,043.46
Xiao Tianchi	542,190.55	141,188.24	33,689.45	114,453.58	831,521.82
Supervisor	878,524.46	166,754.41	30,729.10	118,688.85	1,194,696.82
Dong Hui	497,682.10	84,721.33	30,729.10	99,708.32	712,840.85
Wu Xiyang	260,555.00	82,033.08	0.00	18,980.53	361,568.61
Zhang Yuanpeng	60,000.00	0.00	0.00	0.00	60,000.00
Wang Jiandong (resigned on March 2, 2023)	10,459.77	0.00	0.00	0.00	10,459.77
Yang Xi (appointed March 2, 2023)	49,827.59	0.00	0.00	0.00	49,827.59
Non-executive Director	145,722.99	131,033.76	0.00	95,183.93	371,940.68
Zhang Wenge	145,722.99	131,033.76	0.00	95,183.93	371,940.68
Independent Non-Executive Director	450,000.00	0.00	0.00	0.00	450,000.00
Jin Wenhui	150,000.00	0.00	0.00	0.00	150,000.00
Tang Yishu	150,000.00	0.00	0.00	0.00	150,000.00
Xu Shaohong Alex	150,000.00	0.00	0.00	0.00	150,000.00
Total	4,863,871.16	684,016.75	534,400.00	641,508.93	6,723,796.84
Prior year amount	–	–	–	–	–
Executive Director	5,232,600.96	366,796.34	0.00	2,414,509.80	8,013,907.10
Geng Jianfu	2,543,682.00	81,200.12	0.00	897,355.22	3,522,237.34
Xiao Tianchi	612,000.00	130,710.30	0.00	494,509.27	1,237,219.57
Liu Hongxia (appointed on August 22nd, 2022)	940,000.00	79,391.93	0.00	455,784.47	1,475,176.40
Liu Yonggang (resigned on June 21st, 2022)	1,136,918.96	75,493.99	0.00	566,860.84	1,779,273.79
Supervisor	907,717.36	133,173.16	0.00	664,770.09	1,705,660.61
Dong Hui	612,964.48	81,006.32	0.00	430,800.73	1,124,771.53
Liu Jifeng	174,752.88	52,166.84	0.00	233,969.36	460,889.08
Wang Jiandong	60,000.00	0.00	0.00	0.00	60,000.00
Zhang Yuanpeng	60,000.00	0.00	0.00	0.00	60,000.00
Non-executive Director	275,500.00	54,597.40	0.00	411,252.64	741,350.04
Zhang Wenge	275,500.00	54,597.40	0.00	411,252.64	741,350.04
Independent Non-Executive Director	454,022.99	0.00	0.00	0.00	454,022.99
Jin Wenhui	150,000.00	0.00	0.00	0.00	150,000.00
Tang Yishu	150,000.00	0.00	0.00	0.00	150,000.00
Hui Siu Hong (appointed on August 22nd, 2022)	66,522.99	0.00	0.00	0.00	66,522.99
Siu Chi Hung (resigned on July 20th, 2022)	87,500.00	0.00	0.00	0.00	87,500.00
Total	6,869,841.31	554,566.90	0.00	3,490,532.53	10,914,940.74



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

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

(2) The top five highest-paid persons

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

Item	Current year amount	Prior year amount
Salaries and allowances	2,626,451.11	681,659.38
Social security, housing fund and related pension costs	413,410.24	109,137.25
Bonus	99,260.66	0.00
Share-based payments	96,027.86	414,898.92
Total	3,235,149.87	1,205,695.55

Remuneration range:

Item	Number of people in the current year	Number of people in the prior year
within RMB 500,000	0.00	0.00
RMB500,001 to 1,000,000	2.00	0.00
RMB1,000,001 to 1,500,000	1.00	1.00
RMB1,500,001 to 2,000,000	0.00	0.00
RMB2,000,001 to 2,500,000	0.00	0.00



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XI RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

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

(3) None of the Directors waived or agreed to waive any remuneration during the two years ended 31 December 2023. During two years ended 31 December 2023, no remunerations were paid by the Company to any Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office.

(4) Key management remuneration

Key management compensation, including amounts paid and payable to directors, supervisors and senior management, is as follows:

Item	Current year amount	Prior year amount
Salaries and allowances	7,564,052.88	8,103,530.27
Social security, housing fund and related pension costs	1,106,148.27	685,277.20
Bonus	682,247.86	0.00
Share-based payments	737,536.79	3,905,431.45
Total	10,089,985.80	12,694,238.92



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XII Share-based payments

1. Total share-based payments

Category of Grantees	Granted during the year		Exercised during the year		Unlocked during the year		Lapsed during the year	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Management	0.00	0.00	5,461,225.00	1,706,989.18	0.00	0.00	0.00	0.00

2. Equity-Settled Share-Based Payments

Item	The current year
Methodology for determining the fair value of equity instruments at the date of grant	Determined on the basis of an assessment of the fair value valuation report of the share incentive scheme.
Significant parameters of the fair value of equity instruments at the grant date	Estimated profitability and industry-specific market conditions
Basis for determining the number of exercisable equity instruments	At each balance sheet date during the waiting period, the number of equity instruments expected to become exercisable is revised by making a best estimate based on subsequent information such as the latest available changes in the number of exercisable employees. At the vesting date, the number of equity instruments ultimately expected to be exercisable corresponds to the actual number of exercisable instruments.
Reasons for significant differences between current year estimates and prior year estimates	None
Accumulated amount charged to capital reserves for equity-settled share-based payments	62,969,200.50

3. Share-based payment expense for the year

Category of Grantees	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Management	1,706,989.18	0.00



NOTES TO THE FINANCIAL STATEMENTS

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XIII COMMITMENTS AND CONTINGENCIES

Contingencies arising from the Group's pending litigation amounting to over RMB1 million and their financial effects as of the reporting date are as follows:

Plaintiff	Defendant	Cause of Action	Court	Amount involved	Progress
Pizhou Three Brothers Hotel Co., Ltd.	Roiserv Lifestyle Services Co., Ltd. Xuzhou/Pizhou Branch	Contract disputes over housing lease	Pizhou People's Court	11,267,000.00	Under adjudication
Yueyang Junan Construction Engineering Co., Ltd.	Roiserv Lifestyle Services Co., Ltd. Hunan Branch	Construction contract disputes	Yueyang City Yueyanglou District People's Court	2,487,144.72	Under adjudication
Shi Peisong	RiseSun Real Estate Development Co., Ltd., RiseSun Real Estate Development Co., Ltd. Langfang Branch, Langfang Shengkun Business Management Co., Ltd., and Roiserv Lifestyle Services Co., Ltd.	Contract disputes over house sale	Langfang Economic and Technological Development Zone People's Court	2,296,540.96	Under adjudication
Shenzhen Manyun Hotel Management Co., Ltd.	Roiserv (Guangdong) Lifestyle Service Co., Ltd. Yangjiang Branch	Contract disputes over housing lease	Yangjiang City Yangxi County People's Court	1,841,445.60	Under adjudication
Langfang Baosen Construction Engineering Co., Ltd.	Roiserv Lifestyle Services Co., Ltd.	Construction contract disputes	Langfang Economic and Technological Development Zone People's Court	1,675,255.00	Under adjudication
Yanggu Haitong Trade Co., Ltd.	Tianjin Rongshang Technology Co., Ltd.	Disputes over recourse to commercial paper	Yanggu County People's Court	1,456,418.57	Pending hearing
Yuan Xiaoliang, Liu Detian	Nanjing RiseSun Shengtai Real Estate Co., Ltd., Nanjing Liuhe RiseSun Property Services Co., Ltd.	Disputes or personal injury	Nanjing Jiangbei New District People's Court	1,316,681.60	Under adjudication
Total	-	-	-	22,340,486.45	-

Description:

- On 20 September 2023, the plaintiff, Pizhou Three Brothers Hotel Co., Ltd. (邳州市三兄弟酒店有限公司), filed a lawsuit with the Pizhou People's Court in connection with the house lease contract dispute with the defendants, Roiserv Lifestyle Services Co., Ltd., Xuzhou Branch, and Roiserv Lifestyle Services Co., Ltd., Pizhou Branch, requesting that the defendants be ordered to pay to the plaintiff the loss of RMB400,000 for the closure of the business and the loss of RMB7,267,000 for the renovation. The case is currently at trial.



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January 1, 2023 – December 31, 2023

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XIII COMMITMENTS AND CONTINGENCIES (continued)

2. On 12 January 2024, the plaintiff, Yueyang Junan Construction Engineering Co., Ltd. (岳陽市君安建築工程有限公司), filed a lawsuit with Yueyang Yueyanglou District People's Court in connection with the construction contract dispute with the defendant, Roiserv Lifestyle Services Co., Ltd., Hunan Branch, requesting that the defendant be ordered to pay to the plaintiff the amount of RMB2,187,144.72 for the construction, plus interest of RMB300,000. The case is currently at trial.
3. On 1 September 2023, the plaintiff, Shi Peisong, filed a lawsuit with the Langfang Economic and Technological Development Zone People's Court in connection with the house purchase and sale contract dispute with the defendants, RiseSun Real Estate Development Co., Ltd., RiseSun Real Estate Development Co., Ltd., Langfang Branch, Langfang Shengkun Business Management Co., Ltd., and Roiserv Lifestyle Services Co., Ltd., requesting that the defendants be ordered to: (1) pay the delinquent house rent of RMB300,009 and interest; (2) refund the purchase price of RMB1,192,090 and pay the loss of mortgage interest of RMB44,400.96; (3) refund the public housing maintenance fund of RMB7,951 and interest; (4) be jointly and severally liable for the return of the down payment of RMB362,090 and interest; (5) be jointly and severally liable for the return of the down payment of RMB240,000 and interest; (6) refund expenses incurred in connection with the house purchase of RMB120,000 and interest; (7) refund group purchase fee of RMB30,000 and interest. The case is currently at trial.
4. On 19 September 2023, the plaintiff, Shenzhen Manyun Hotel Management Co. Ltd. (深圳慢雲酒店管理有限公司), filed a lawsuit with Yangjiang City Yangxi County People's Court in connection with the house lease contract dispute with the defendant, Roiserv (Guangdong) Lifestyle Services Co., Ltd., Yangjiang Branch, requesting that the defendant be ordered to: (1) pay the plaintiff housing expenses of RMB1,620,885.6; (2) pay the plaintiff liquidated damages of RMB210,560; (3) pay the plaintiff attorney's fees of RMB10,000 incurred in the realisation of bonds. The case is currently at trial.
5. On 18 January 2024, the plaintiff, Langfang Baosen Construction Engineering Co., Ltd., filed a lawsuit with the Langfang Economic and Technological Development Zone People's Court in connection with the construction contract dispute with the defendant, Roiserv Lifestyle Services Co., Ltd., requesting that the defendant be ordered to pay to the plaintiff the principal of the project amount of RMB1,675,255 and interest. The case is currently at trial.
6. On 19 August 2023, the plaintiff, Yanggu Haitong Commerce and Trade Co., Ltd. (陽谷海通商貿有限公司), filed a lawsuit with Yanggu County People's Court in connection with the commercial paper recourse dispute with the defendant, Tianjin Rongshang Science and Technology Co., Ltd. (天津榮尚科技有限公司), requesting that the defendant be ordered to pay to the plaintiff the note amount of RMB1,456,418.57 and interest. The case is currently pending court hearing.
7. On 18 July 2023, the plaintiffs, Yuan Xiaoliang and Liu Dexiang, filed a lawsuit with the Nanjing Jiangbei New District People's Court in connection with the personal damage compensation dispute with the defendants, Nanjing RiseSun Shengtai Real Estate Co., Ltd. and Nanjing Liuhe RiseSun Property Services Co., Ltd., requesting that the defendants be ordered to pay to the plaintiffs medical expenses of RMB1,269.6, medical expenses of RMB1,259.6, transportation expenses of RMB1,000, death compensation of RMB1,203,560, funeral expenses of RMB60,862, and compensation for mental distress of RMB50,000. The case is currently at trial.



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XIV EVENTS AFTER THE BALANCE SHEET DATE

None.

XV OTHER SIGNIFICANT MATTERS

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

No.	Enforcement		Amount of frozen equity	Start date	End date
	Notice Document No.	Enforcement Court			
1	(2022) Hu 0104 Min Chu No. 12362	Xu Hui District People's Court, Shanghai	RMB56.4 million	2022-8-25	2025-8-24
2	(2022) Yu 0902 Zhi Bao No. 187	Hualong District People's Court, Puyang City, Henan Province	RMB0.5 million	2022-3-2	2025-3-1
3	(2022) Yu 0902 Zhi Bao No. 156	Hualong District People's Court, Puyang City, Henan Province	RMB1 million	2022-2-28	2025-2-27
4	(2022) Yu 0902 Zhi Bao No. 153	Hualong District People's Court, Puyang City, Henan Province	RMB1 million	2022-2-28	2025-2-27
5	(2022) Yu 0902 Zhi Bao No. 164	Hualong District People's Court, Puyang City, Henan Province	RMB1 million	2022-2-28	2025-2-27
6	(2022) Yu 0902 Zhi Bao No. 159	Hualong District People's Court, Puyang City, Henan Province	RMB1 million	2022-2-28	2025-2-27

- As of the reporting date, the equity interests held by the Company in the investees were frozen as follows:

No.	Investees with equity interests frozen	Enforcement Notice Document No.	Enforcement Court	Amount of frozen equity		
				Start date	End date	
1	Beijing RiseSun Huabao Asset Management Center (Limited Partnership)	(2022) Jing 0115 Min Chu No. 17705	Beijing Municipal Daxing District People's Court	RMB1 million	2023-02-06	2026-02-05
2	Beijing Yinsilang Information Technology Co., Ltd.	(2022) Jing 0115 Min Chu No. 17705	Beijing Municipal Daxing District People's Court	RMB10 million	2023-01-04	2026-01-03



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XV OTHER SIGNIFICANT MATTERS (continued)

3. The exclusive agency sale of parking spaces between the Company and Langfang Junyi Building Materials Co., Ltd. progressed as follows:

On June 30, 2022, the Company entered into a sales agency service agreement (the “Sales Agency Agreement”) with Langfang Junyi Building Materials Co., Ltd. (herein after referred to as “Langfang Junyi”). Pursuant to the Sales Agency Agreement, Langfang Junyi shall grant the right to the Company to provide sales agency services on an exclusive basis in respect of certain car parking lots (the “Parking Lot(s)”) of Langfang Junyi for a term of two years from June 30, 2022 to June 30, 2024 where the Company was required to pay a refundable performance deposit amounting to RMB614,700,000 (the “Performance Deposit”) to guarantee its performance of duty and obligation under the Sales Agency Agreement. For each Parking Lot, a based price (the “Base Price”), has been agreed between the Company and Langfang Junyi. The Company will then sell the Parking Lot to a third party customer at a selling price (the “Agreed Price”) which shall not be lower than the Base Price of such Parking Lot. The proceeds from the sale of the Parking Lots will be collected by the Company to offset the Performance Deposit first on a dollar for dollar basis. After the Base Price of a Parking Lot had been offset against the Performance Deposit, the difference between such Agreed Price and Base Price shall be distributed to Langfang Junyi and the Company in the proportion of 30% and 70%. Any outstanding Performance Deposit shall be returned to the Company within seven business days upon the expiry of the Sales Agency Agreement. Langfang Junyi Parking arose from debt offset by Rongsheng. For the year ended December 31, 2023, the Company obtained parking space sales amounting to RMB193,161,800, of which the portion of the reserve price was RMB141,403,900, the amount of gross profit on sales was RMB51,757,900, and the portion of the sale price in excess of the reserve price was attributable to the Company’s taxable sales commission income of RMB36,458,000, and the balance of the performance bond receivable by the Company from Langfang Junyi as of December 31, 2023, was RMB470,880,057.39.

4. Progress of the Debts Settlement Framework Agreement between the Company and RiseSun Real Estate Development Co., Ltd.* (榮盛房地產發展股份有限公司):

On November 16, 2023, in order to address the Group’s receivables exposure, the Company entered into a debts settlement framework agreement with RiseSun Real Estate Development Co., Ltd.* (榮盛房地產發展股份有限公司) and its subsidiaries (the “RiseSun Development Group”), pursuant to which the Company acquired (i) a total of 10,870 parking spaces; and (ii) a total of 332 residential, office and retail units (with a total GFA of approximately 26,341.01 square meters) of the RiseSun Development Group in the PRC at a consideration of RMB567,857,855.55. It was agreed by the Company and the RiseSun Development Group under the debts settlement framework agreement that the consideration for the acquisition of settlement properties payable by the Group shall be offset against the receivables on a dollar-for-dollar basis, and thus no separate cash payment will be made by the Group to the RiseSun Development Group.

On January 31, 2024, the acquisition was approved by the Company in an extraordinary general meeting, after which the Group proceeded with the acquisition of settlement properties.



NOTES TO THE FINANCIAL STATEMENTS

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XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts receivable

(1) Accounts receivable presented by aging

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	838,263,736.60	908,696,093.71
1-2 years	356,703,712.76	467,933,409.70
2-3 years	234,908,968.78	42,495,983.61
More than 3 years	33,575,162.90	4,859,975.85
Including: 3-4 years	28,886,987.05	3,475,857.12
4-5 years	3,304,057.12	687,249.58
More than 5 years	1,384,118.73	696,869.15
Total	1,463,451,581.04	1,423,985,462.87

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

Type	Book balance		Closing balance Bad debt provision		Accrual ratio (%)	Book value
	Amount	Ratio (%)	Amount	Amount		
Provision for bad debts by portfolio	1,463,451,581.04	100.00	191,795,209.67	13.11	1,271,656,371.37	
Including: Aging portfolio	1,463,451,581.04	100.00	191,795,209.67	13.11	1,271,656,371.37	

Type	Book balance		Opening balance Bad debt provision		Accrual ratio (%)	Book value
	Amount	Ratio (%)	Amount	Amount		
Provision for bad debts by portfolio	1,423,985,462.87	100.00	130,682,944.81	9.18	1,293,302,518.06	
Including: Aging portfolio	1,423,985,462.87	100.00	130,682,944.81	9.18	1,293,302,518.06	



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XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

1. Accounts receivable (continued)

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

1) Bad debt provision for accounts receivable by portfolio

Aging	Book balance	Closing balance	
		Bad debt provision	Accrual ratio (%)
Within 1 year (including 1 year)	838,263,736.60	46,477,280.67	5.54
1-2 years	356,703,712.76	44,173,320.43	12.38
2-3 years	234,908,968.78	82,481,654.73	35.11
More than 3 years	33,575,162.90	18,662,953.84	55.59
Including: 3-4 years	28,886,987.05	15,449,292.62	53.48
4-5 years	3,304,057.12	1,829,542.49	55.37
More than 5 years	1,384,118.73	1,384,118.73	100.00
Total	1,463,451,581.04	191,795,209.67	-

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

Type	Opening balance	Accrual	Amount of change in current year			Closing balance
			Recovery or reversal	Charge off or write-off	Others	
Provision for bad debts by portfolio	130,682,944.81	61,822,411.39	0.00	710,146.53	0.00	191,795,209.67

(4) Accounts receivable actually written off during the year

Item	Amount of write-off
Accounts receivable actually written-off	710,146.53



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XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

1. Accounts receivable (continued)

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

The aggregate amount of the top five accounts receivable and contract assets with closing balance grouped by debtors for the year was RMB182,308,694.48, accounting for 12.33% of the total closing balance of accounts receivable and contract assets, and the aggregate amount of the corresponding provision for bad debts with closing balance was RMB31,523,861.67.

2. Other receivables

Item	Closing balance	Opening balance
Interest receivable	9,339,290.39	0.00
Dividends receivable	48,871,200.00	48,871,200.00
Other receivables	1,438,691,174.82	1,265,151,495.74
Total	1,496,901,665.21	1,314,022,695.74

2.1 Interest receivable

Item	Closing balance	Opening balance
Interest on Certificate of Deposit	9,339,290.39	0.00

2.2 Dividends receivable

Item	Closing balance	Opening balance
Dividends receivable	48,871,200.00	48,871,200.00

2.3. Other receivables

(1) Classification of other receivables by nature of payment

Nature of payment	Closing book balance	Opening book balance
Transactions with subsidiaries	835,233,368.10	639,264,170.45
Deposit and guarantee	502,723,054.73	563,666,051.80
Advances for utilities, etc.	52,648,569.26	54,906,688.19
Collection on behalf of the third-party platforms	93,992,575.83	26,448,593.50
Provisional payments	26,058,961.79	19,427,381.58
Others	2,645,589.46	11,029,419.04
Social security and provident fund payment	2,227,497.86	2,451,376.23
Maintenance fund	1,494,175.72	619,249.72
Reserves	1,154,309.18	275,175.92
Total	1,518,178,101.93	1,318,088,106.43



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

2.3. Other receivables (continued)

(2) Other receivables presented by aging

Aging	Closing book balance	Opening book balance
Within 1 year (including 1 year)	988,096,021.32	1,233,632,163.73
1-2 years	487,950,892.74	58,502,414.95
2-3 years	18,240,476.20	3,097,674.34
More than 3 years	23,890,711.67	22,855,853.41
Including: 3-4 years	2,246,401.84	18,942,744.37
4-5 years	18,698,842.66	1,509,389.21
More than 5 years	2,945,467.17	2,403,719.83
Total	1,518,178,101.93	1,318,088,106.43

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

Type	Book balance		Closing balance		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	1,518,178,101.93	100.00	79,486,927.11	5.24	1,438,691,174.82
Including: Aging portfolio	1,518,178,101.93	100.00	79,486,927.11	5.24	1,438,691,174.82

Type	Book balance		Opening balance		Book value
	Amount	Ratio (%)	Amount	Accrual ratio (%)	
Provision for bad debts by portfolio	1,318,088,106.43	100.00	52,936,610.69	4.02	1,265,151,495.74
Including: Aging portfolio	1,318,088,106.43	100.00	52,936,610.69	4.02	1,265,151,495.74



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

2.3. Other receivables (continued)

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

1) Bad debt provision for other receivables by portfolio

Aging	Closing balance		Accrual ratio (%)
	Book balance	Bad debt provision	
Within 1 year (including 1 year)	988,096,021.32	9,328,933.53	0.94
1-2 years	487,950,892.74	49,170,363.39	10.08
2-3 years	18,240,476.20	6,376,672.70	34.96
More than 3 years	23,890,711.67	14,610,957.49	61.16
Including: 3-4 years	2,246,401.84	1,140,567.95	50.77
4-5 years	18,698,842.66	10,524,922.37	56.29
More than 5 years	2,945,467.17	2,945,467.17	100.00
Total	1,518,178,101.93	79,486,927.11	-

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

Type	Opening balance	Amount of change in current year			Others	Closing balance
		Accrual	Recovery or reversal	Charge off or write-off		
Provision for bad debts						
by portfolio	52,936,610.69	26,372,094.50	0.00	-178,221.92	0.00	79,486,927.11



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

2.3. Other receivables (continued)

(5) Other receivables with top five closing balances, grouped by party in arrears

Name of entity	Nature of payment	Closing balance	Aging	Percentage of total closing balance of other receivables (%)	Closing balance of bad debt provision
Langfang Junyi Building Materials Co., Ltd.	Deposit and guarantee	470,880,057.39	within 1 year – RMB40,000.00 More than 1 year – RMB470,840,057.39. 1-2 years – RMB470,840,057.39	31.02	47,086,005.74
Roiserv (Beijing) Technology Services Co., Ltd.	Related parties in consolidation	333,147,466.72	Within 1 year – RMB333,147,466.72	21.94	0.00
Tianjin Rongshang Technology Co., Ltd.	Related parties in consolidation	61,067,690.97	within 1 year – RMB61,067,690.97	4.02	0.00
RiseSun Real Estate Development Co., Ltd.	Provisional payments	58,721,850.54	Within 1 year – RMB58,721,850.54	3.87	3,769,942.80
Tangshan Fengnan District Pujie Property Service Co., Ltd.	Related parties in consolidation	52,873,163.46	Within 1 year – RMB52,873,163.46	3.48	0.00
Total	-	976,690,229.08	-	64.33	50,855,948.54



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investments

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	111,287,077.92	0.00	111,287,077.92	56,796,000.00	0.00	56,796,000.00
Investments in associates and joint ventures	104,126,398.72	0.00	104,126,398.72	101,642,922.94	0.00	101,642,922.94
Total	215,413,476.64	0.00	215,413,476.64	158,438,922.94	0.00	158,438,922.94

(1) Investments in subsidiaries

Investee	Opening balance (Carrying amount)	Provision for impairment – Opening balance	Changes in current year				Closing balance (Carrying amount)	Closing balance of provision for impairment
			Additional investments	Reduced investment	Provision for impairment	Others		
Hebei Jinxiang Property Group Co., Ltd.	0.00	0.00	41,023,750.96	0.00	0.00	0.00	41,023,750.96	0.00
Tianjin Rongshang Technology Co., Ltd.	30,000,000.00	0.00	0.00	0.00	0.00	0.00	30,000,000.00	0.00
Wanjia Smart Environment (Beijing) Co., Ltd.	0.00	0.00	5,818,654.95	0.00	0.00	0.00	5,818,654.95	0.00
Beijing Dushang Sanitation Equipment Technology Development Co., Ltd.	0.00	0.00	5,788,672.01	0.00	0.00	0.00	5,788,672.01	0.00
Roiserv (Shandong) Property Development Co., Ltd.	5,000,000.00	0.00	0.00	0.00	0.00	0.00	5,000,000.00	0.00
Nanjing Liuhe RiseSun Property Service Co., Ltd.	3,000,000.00	0.00	0.00	0.00	0.00	0.00	3,000,000.00	0.00
Langfang Rongzhen Trading Co., Ltd.	3,000,000.00	0.00	0.00	0.00	0.00	0.00	3,000,000.00	0.00
Tianjin Roiserv Lifestyle Service Co., Ltd.	3,000,000.00	0.00	0.00	0.00	0.00	0.00	3,000,000.00	0.00
Roiserv (Guangdong) Lifestyle Service Co., Ltd.	2,200,000.00	0.00	0.00	0.00	0.00	0.00	2,200,000.00	0.00
Shanxi Roiserv Lifestyle Service Co., Ltd.	2,000,000.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00	0.00
Hebei Wanhuitong Energy Technology Co., Ltd.	0.00	0.00	1,950,000.00	0.00	0.00	0.00	1,950,000.00	0.00
Zhangjiakou Rongmiaocheng Property Management Co., Ltd.	1,530,000.00	0.00	0.00	0.00	0.00	0.00	1,530,000.00	0.00
Beijing Rongyang Wanjia Management Consulting Co., Ltd.	1,400,000.00	0.00	0.00	0.00	0.00	0.00	1,400,000.00	0.00
Cangzhou Rongguang Construction Engineering Co., Ltd.	1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00
Shijiazhuang Rongci Real Estate Brokerage Co., Ltd.	1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investments (continued)

(1) Investments in subsidiaries (continued)

Investee	Opening balance (Carrying amount)	Provision for impairment - Opening balance	Additional investments	Changes in current year			Closing balance (Carrying amount)	Closing balance of provision for impairment
				Reduced investment	Provision for impairment	Others		
Roiserv (Beijing) Technology Services Co., Ltd.	1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	0.00
Langfang Rongxin Real Estate Brokerage Co., Ltd.	510,000.00	0.00	0.00	0.00	0.00	0.00	510,000.00	0.00
Hohhot RiseSun Property Service Co., Ltd.	500,000.00	0.00	0.00	0.00	0.00	0.00	500,000.00	0.00
Langfang Rongrui Property Management Co., Ltd.	459,000.00	0.00	0.00	0.00	0.00	0.00	459,000.00	0.00
Baoding Rongrun Property Service Co., Ltd.	255,000.00	0.00	0.00	0.00	0.00	0.00	255,000.00	0.00
Beijing Manbeilun Cosmetics Co., Ltd.	202,000.00	0.00	0.00	0.00	0.00	0.00	202,000.00	0.00
Sichuan Roiserv Shengxin Property Service Co., Ltd.	200,000.00	0.00	0.00	0.00	0.00	0.00	200,000.00	0.00
Henan Roiserv Lifestyle Service Co., Ltd.	200,000.00	0.00	0.00	0.00	0.00	0.00	200,000.00	0.00
Shijiazhuang Shengjing Fitness Service Co., Ltd.	100,000.00	0.00	0.00	0.00	0.00	0.00	100,000.00	0.00
Roiserv (Shijiazhuang) Property Service Co., Ltd.	100,000.00	0.00	0.00	0.00	0.00	0.00	100,000.00	0.00
Zhangjiakou Rongmeng Property Management Co., Ltd.	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00
Zhangjiakou Rongguanyue Property Management Co., Ltd.	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	0.00
Roiserv (Langfang) Lifestyle Service Co., Ltd.	0.00	0.00	10,000.00	0.00	0.00	0.00	10,000.00	0.00
Cangzhou Roiserv New Town Property Service Co., Ltd.	100,000.00	0.00	0.00	100,000.00	0.00	0.00	0.00	0.00
Total	56,796,000.00	0.00	54,591,077.92	100,000.00	0.00	0.00	111,287,077.92	0.00



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investments (continued)

(2) Investments in associates and joint ventures

Investee	Opening balance (Carrying amount)	Provision for impairment		Reduced investment	Gains or losses recognized on investments under the equity method	Changes in current year					Closing balance (Carrying amount)	Closing balance of provision for impairment
		- Opening balance	Additional investments			Adjustment to other comprehensive income	Declaration of cash dividends or profits	Provision for impairment	Others			
I. Joint ventures												
Bengbu Dongfang Wanjia Lifestyle Service Co., Ltd.	1,500,000.00	0.00	0.00	0.00	110,496.73	0.00	0.00	0.00	0.00	0.00	1,610,496.73	0.00
II. Associates												
Beijing Yinsilang Information Technology Co., Ltd.	100,142,922.94	0.00	0.00	0.00	2,372,979.05	0.00	0.00	0.00	0.00	0.00	102,515,901.99	0.00
Total	101,642,922.94	0.00	0.00	0.00	2,483,475.78	0.00	0.00	0.00	0.00	0.00	104,126,398.72	0.00

4. Operating Revenue & Operating Cost

Item	Current year amount		Prior year amount	
	Income	Cost	Income	Cost
Main operations	1,211,433,878.05	891,499,036.17	1,421,630,114.65	946,748,295.52
Other operations	3,683,290.40	945,798.37	3,695,318.97	1,412,008.76
Total	1,215,117,168.45	892,444,834.54	1,425,325,433.62	948,160,304.28



NOTES TO THE FINANCIAL STATEMENTS

January 1, 2023 – December 31, 2023

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

XVI NOTES TO SIGNIFICANT ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

5. Investment income

Item	Current year amount	Prior year amount
Investment income from long-term equity investments accounted for under the cost method	0.00	417.80
Investment income from long-term equity investments accounted for under the equity method	2,483,475.78	-3,339,226.79
Investment income from disposal of long-term equity investments	22,563.60	0.00
Investment income from disposal of financial assets held for trading	0.00	-17,925,231.34
Gain from debt restructuring	-3,077,295.38	-728,020.66
Total	-571,256.00	-21,992,060.99



SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

January 1st, 2023 – December 31st, 2023

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

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

Item	Current year amount	Note
Gains or losses on disposal of non-current assets (including the write-off of provision for impairment of assets)	-53,461.77	
Government grants recognised in the profit or loss for the period (other than those that are closely related to the Company's normal business operations, in compliance with national policies and regulations, and in accordance with established standards, and with a continuing impact on the Company's profit or loss)	2,473,387.64	
Gains arising when the cost of the Company's investment in subsidiaries, associates and joint ventures is less than the share of the fair value of the investee's identifiable net assets at the time the investment is acquired	1,613,032.97	
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control	6,188,121.41	
Gains and losses on debt restructuring	-3,077,295.38	
Gains or losses arising from changes in fair value of investment properties subsequently measured using the fair value model	-328,857.08	
Investment income from long-term equity investments accounted for under the equity method	2,483,475.78	
Investment income from disposal of long-term equity investments	10,217.36	
Other non-operating income and expenses other than those mentioned above	-3,690,030.05	
Other items of gain or loss that meet the definition of non-recurring gain or loss	0.00	
Subtotal	5,618,590.88	
Less: Amount affected by income tax	1,404,647.72	
Amount affected by non-controlling interests (after tax)	1,305,689.75	
Total	2,908,253.41	-

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the parent company	5.94	0.34	0.34
Net income attributable to ordinary shareholders of the parent company after deducting non-recurring gains and losses	5.81	0.33	0.33



FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED INCOME STATEMENT	2023 RMB'000	Year ended December 31,			
		2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000
Revenue	1,831,897	2,014,870	2,563,486	1,820,841	1,282,039
Total profit	166,659	325,400	522,059	359,832	152,567
Income tax expenses	35,967	79,824	124,509	-96,077	-39,409
Profit (loss) for the year	130,692	245,576	397,550	263,756	113,158
Profit (loss) for the year attributable to:					
– Owners of the Company	126,328	242,127	398,954	263,756	113,232
– Non-controlling interests	4,364	3,448	-1,404	–	-74
Profit before income tax	166,659	325,400	522,059	359,833	152,567
Income tax expenses	35,967	79,824	124,509	96,077	39,409
Profit for the year	130,692	245,576	397,550	263,756	113,158
Attributable to:					
Owners of the Company	126,328	242,127	398,954	263,756	113,232
Non-controlling interests	4,364	3,448	-1,404	0	74
Total	130,692	245,576	397,550	263,756	113,158
Earnings per share (expressed in RMB per share)					
Basic and diluted earnings per share	0.34	0.64	1.06	0.97	N/A



CONSOLIDATED BALANCE SHEET	As of December 31,				
	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000
Assets					
Non-current assets	342,879	324,347	258,048	125,161	174,405
Current assets	3,811,346	3,728,383	3,514,571	1,736,910	1,644,788
Total assets	4,154,225	4,052,730	3,772,619	1,862,071	1,819,193
Equity and liabilities					
Total equity	2,093,117	2,099,392	1,966,390	634,803	378,970
Non-current liabilities	18,086	18,361	13,017	18,476	83,673
Current liabilities	2,043,022	1,934,978	1,793,213	1,208,792	1,356,550
Total liabilities	2,061,108	1,953,339	1,806,229	1,227,268	1,440,223
Total equity and liabilities	4,154,225	4,052,730	3,772,619	1,862,071	1,819,193



GLOSSARY AND DEFINITIONS

“AGM”	the annual general meeting of the Company to be convened and held on Friday, June 28, 2024
“Articles of Association”	the articles of association of the Company
“Audit Committee”	the audit committee of the Company
“Director(s)”	the director(s) of the Company
“Board”	the board of Directors of the Company
“CASBE”	the China Accounting Standards for Business Enterprises
“China” or “PRC”	the People’s Republic of China
“Company” or “Roiserv”	Roiserv Lifestyle Services Co., Ltd. (榮萬家生活服務股份有限公司) (formerly known as Rongwanjia Life Services Co., Ltd.* (榮萬家生活服務有限公司) and Langfang RiseSun Property Services Company Limited* (廊坊榮盛物業服務有限公司)), a limited liability company established in the PRC on November 2, 2000, the shares of which are listed on the main board of the Stock Exchange (stock code: 2146.HK)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to RiseSun Real Estate Development, RiseSun Holdings, RiseSun Construction Engineering and Mr. Geng
“Corporate Governance Code”	the corporate governance code set out in Part 2 of Appendix 14 (renamed as Appendix C1 with effect from 31 December 2023) to the Listing Rules
“GFA”	gross floor area
“Group”, “we” or “us”	the Company and its subsidiaries
“H Share(s)”	the overseas-listed foreign shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in Hong Kong dollars and are listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing”	the listing of the Company on the Main Board of the Stock Exchange on January 15, 2021
“Listing Date”	January 15, 2021, the date on which dealings in the H Shares first commence on the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 (renamed as Appendix C3 with effect from 31 December 2023) to the Listing Rules
“Mr. Geng”	Mr. Geng Jianming (耿建明), the ultimate Controlling Shareholder and the brother of Mr. Geng Jianfu, the chairman of our Board and the executive Director
“Nomination Committee”	the nomination committee of the Company
“non-GAAP”	non-generally accepted accounting principles
“Prospectus”	the prospectus of the Company dated December 31, 2021 issued in respect of the Listing
“Register of Members”	the register of members of the Company
“Relevant Year”	the year ended December 31, 2023
“Remuneration Committee”	the remuneration committee of the Company
“RiseSun Construction Engineering”	榮盛建設工程有限公司 (RiseSun Construction Engineering Co., Ltd.*), a limited liability company established in the PRC on November 12, 1998 and one of the Controlling Shareholders
“RiseSun Group”	RiseSun Real Estate Development and its subsidiaries, which exclude the Group
“RiseSun Holdings”	RiseSun Holdings Co., Ltd.* (榮盛控股股份有限公司), a joint stock company with limited liability established in the PRC on July 31, 2002 and one of the Controlling Shareholders
“RiseSun Holdings Group”	RiseSun Holdings and its subsidiaries, which exclude the Group
“RiseSun Real Estate Development”	榮盛房地產發展股份有限公司 (RiseSun Real Estate Development Co., Ltd.*) (formerly known as 廊坊開發區榮盛房地產開發有限公司 (RiseSun Property Development Co., Ltd.*)), a joint stock company with limited liability established in the PRC on December 30, 1996, listed on the Shenzhen Stock Exchange (stock code: 002146) and one of the Controlling Shareholders
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Shares
“Shengyide Commercial”	香河盛繹德商務信息諮詢中心（有限合夥）(Xianghe Shengyide Commercial Consulting Center (Limited Partner)*), a limited partnership established in the PRC on May 13, 2021 and one of the Shareholders
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Zhonghong Kaisheng”	河北中鴻凱盛投資股份有限公司 (Hebei Zhonghong Kaisheng Investment Co., Ltd.*), a joint stock company with limited liability established in the PRC on December 12, 2015 and one of the Shareholders
“Jinxiang Property”	河北金項物業集團有限公司 (Hebei Jinxiang Property Group Co., Ltd.*)
“Wanjia Smart”	萬家智慧環境（北京）有限公司 (Wanjia Smart Environment (Beijing) Co., Ltd.*)
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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