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ROISERV 榮万家

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)

- Total revenue of the Group for the Relevant Year amounted to approximately RMB1,911.2 million, representing a year-on-year decrease of approximately 25.4%.
- Gross profit of the Group for the Relevant Year amounted to approximately RMB620.6 million, representing a year-on-year decrease of approximately 28.7%.
- Gross profit margin for the Relevant Year was approximately 32.5%, representing a year-on-year decrease of approximately 1.5 percentage points.
- Net profit of the Group for the Relevant Year amounted to approximately RMB236.2 million, representing a year-on-year decrease of approximately 40.6%.
- Adjusted profit (excluding the share-based payments) of the Group for the Relevant Year was approximately RMB243.6 million, representing a year-on-year decrease of approximately 41.3%.
- Profit attributable to the owners of the Company for the Relevant Year amounted to approximately RMB235.6 million, representing a year-on-year decrease of approximately 41.0%.
- Contracted GFA for the Relevant Year was approximately 97.5 million sq.m., representing a decrease of approximately 1.9 million sq.m..
- GFA under management for the Relevant Year was approximately 73.2 million sq.m., representing an increase of approximately 3.9 million sq.m..
- The Board does not recommend the payment of a final dividend for the year ended December 31, 2022.

The board (the “**董事**”) of directors (the “**董事**”) of Roiserv Lifestyle Services Co., Ltd. (the “**公司**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**集團**”) for the year ended December 31, 2022 (the “**2022年**”) with the comparative audited figures for the preceding financial year, in accordance with the China Accounting Standards for Business Enterprises (“**會計準則**”), as follows:

As at December 31

Unit: RMB

	Notes	December 31, 2021
Cash at bank and on hand		929,253,989.97
Settlement reserve		0
Placements with banks and non-bank financial institutions		0
Financial assets held-for-trading	II.4	537,573,993.31
Derivative financial assets		0
Notes receivable	II.5	123,938,656.81
Accounts receivable	II.6	1,422,426,405.73
Receivables financing		0
Prepayments	II.7	99,615,946.39
Insurance premium receivable		0
Reinsurance premium receivable		0
Reserves for reinsurance contracts receivable		0
Other receivables	II.8	265,977,745.69
Including: Interest receivable		0
Dividends receivable		0
Financial assets purchased under agreements to resell		0
Inventories		40,296,027.59
Contract assets	II.9	68,188,304.46
Assets held for sale		0
Non-current assets due within one year		3,825,645.76
Other current assets		23,474,423.52
		<u>3,514,571,139.23</u>

Loans and advances granted		0
Debt investments		0
Other debt investments		0
Long-term receivables		8,104,930.99
Long-term equity investments		103,482,149.73
Investment in other equity instruments		0
Other non-current financial assets		0
Investment properties		61,334,300.00
Fixed assets		20,329,754.86
Construction in progress		0
Productive biological assets		0
Oil and gas assets		0
Right-of-use assets		663,244.66
Intangible assets		7,843,466.17
Development expenses		0
Goodwill		0
Long-term prepaid expenses		11,458,571.10
Deferred income tax assets		44,831,377.50
Other non-current assets		0
		<u>258,047,795.01</u>
		<u>3,772,618,934.24</u>

	Notes	December 31, 2021
Short-term borrowings		0
Loans from central bank		0
Placements from banks and other financial institutions		0
Financial liabilities held-for-trading		0
Derivative financial liabilities		0
Notes payable		0
Accounts payable	II.10	679,204,021.03
Receipt in advance	II.11	4,306,305.02
Contract liabilities	II.12	420,503,851.82
Amount from sales of repurchased financial assets		0
Deposits from customers and other banks		0
Brokerage for securities trading		0
Brokerage for underwriting securities		0
Staff remuneration payable		77,348,885.07
Taxes payable		84,318,804.47
Other payables	II.13	505,217,038.09
Including: Interest payable		0
Dividends payable		0
Fee and commission payable		0
Reinsured accounts payable		0
Liabilities held for sale		0
Non-current liabilities due within one year		3,825,645.76
Other current liabilities		18,488,044.58
		<u>1,793,212,595.84</u>
Reserves for insurance contracts		0
Long-term borrowings		0
Bonds payable		0
Including: Preference shares		0
Perpetual bonds		0
Lease liabilities		9,090,377.26
Long-term payables		0
Long-term staff remuneration payable		0
Estimated liabilities		0
Deferred income		0
Deferred income tax liabilities		3,926,248.64
Other non-current liabilities		0
		<u>13,016,625.90</u>
		<u>1,806,229,221.74</u>

	Notes	December 31, 2021
Share capital	II.14	376,000,000.00
Other equity instruments		0
Including: Preference shares		0
Perpetual bonds		0
Capital reserve	II.15	1,071,044,130.78
Less: Treasury shares		0
Other comprehensive income		0
Special reserve		0
Surplus reserve	II.16	68,458,186.26
Provision for general risks		0
Undistributed profit		451,210,297.43
		<u>1,966,712,614.47</u>
Minority interests		<u>(322,901.97)</u>
		<u>1,966,389,712.50</u>
		<u>3,772,618,934.24</u>

Year ended December 31

Unit: RMB

	Notes		2021
			2,563,485,932.42
Including: Operating income	II. 17		2,563,485,932.42
Interest income			0
Premiums earned			0
Handling charges and commission income			0
			1,922,990,851.86
Including: Operating cost	II. 17		1,692,474,034.41
Interest expenses			0
Handling charges and commission expenses			0
Refunded premiums			0
Net amount of compensation			0
Net provisions for insurance reserve			0
Policy dividend payment			0
Reinsurance expenses			0
Taxes and surcharges			18,195,642.65
Selling expenses			21,440,629.96
Administrative expenses			183,027,720.56
Research and development expenses			0
Financial costs			7,852,824.28
Including: Interest expenses			5,360.00
Interest income			5,602,738.45
Add: Other income			8,633,957.11
Investment income			15,835,986.50
Including: Investment income from associates and joint ventures			3,482,149.73
Gain on derecognition of financial assets measured at amortized cost			0
Exchange gain			0
Net gain on exposure hedging			0
Gain on change in fair value			4,445,083.56
Loss on impairment of credit			(142,056,162.79)
Impairment losses on assets			(4,174,663.36)
Gains from disposal of asset			6,149.80

	<i>Notes</i>	2021
		523,185,431.38
Add: Non-operating income		1,153,717.60
Less: Non-operating expenses		<u>2,280,068.26</u>
		522,059,080.72
Less: Income tax expenses	<i>II. 18</i>	<u>124,508,585.53</u>
		397,550,495.19
1. Net profits from continuing operations		397,550,495.19
2. Net profits from discontinued operations		0
		397,550,495.19
1. Net profit attributable to owners of parent company		398,954,319.29
2. Profit or loss of minority shareholders		<u>(1,403,824.10)</u>
		0
Net other comprehensive income after tax attributable to owners of the parent company		0
		0
1. Change in remeasurement of defined benefit plans		0
2. Other comprehensive income not converted into profit or loss under equity method		0
3. Changes in fair value of investments in other equity instruments		0

	Notes		2021
4.	Changes in fair value of an enterprise's own credit risk		0
5.	Others		0
1.	Other comprehensive income converted into profit or loss under the equity method		0
2.	Changes in fair value of other debt investments		0
3.	Reclassification of financial assets to other comprehensive income		0
4.	Provision for credit impairment of other debt investments		0
5.	Cash flow hedge reserves (effective portion of cash flow hedge gains and losses)		0
6.	Exchange differences arising from translation of foreign currency financial statements		0
7.	Others		0
			0
			397,550,495.19
	Total comprehensive income attributable to shareholders of the parent company		398,954,319.29
	Total comprehensive income attributable to minority interests		(1,403,824.10)
(I)	Basic earnings per share (RMB/share)	II. 19	1.06
(II)	Diluted earnings per share (RMB/share)	II. 19	1.06

Roiserv Lifestyle Services Co., Ltd. (the “罗伊斯”) was incorporated in the People’s Republic of China (the “PRC”) on November 2, 2000 as a limited liability company under the Company Law of the PRC. The address of the Company’s registered office is East Daxiang Line and North Heyuan Road (within Xianghe Xiandai Water Industry Co., Ltd), Jiangxintun Town, Xianghe County, Langfang, Hebei Province, PRC.

The Company and its subsidiaries (together, the “罗伊斯”) are principally engaged in the provision of property management and related value-added services in the PRC.

The Company’s parent company was RiseSun Real Estate Development Co. Ltd. (“瑞森”), a company incorporated in the PRC and its shares are listed on Shenzhen Stock Exchange Co., Ltd. RiseSun Development and its subsidiaries excluding the Group are referred to as RiseSun Group. The ultimate holding company is RiseSun Holding Co., Ltd. (the “瑞森”), a limited liability investment holding company incorporated in the PRC.

On April 23, 2020, the Company was converted from a limited liability company into a joint stock company with limited liability.

On January 15, 2021, the Company’s H shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the “香港交易所”) (the “港交所”).

Unless otherwise stated, the Company’s financial information is presented in Renminbi (“人民币”), which is the Company’s functional currency.

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

The Group has a recent history of profitable operation and financial resources to support development, and believes that it is reasonable to prepare financial statements on a going concern basis.

In December 16, 2022, the Company entered into an equity transfer agreement with Qinhuangdao Rongsheng Real Estate Development Co., Ltd. (秦皇島榮盛房地產開發有限公司) to acquire 77% equity interest in Shengxing Living Service (Hebei) Co., Ltd. (盛行旅居生活服務(河北)有限公司) (“盛行”) in cash at a consideration of RMB45,353,000.0. The Company and Shengxing Living are both controlled by RiseSun Real Estate Development Co., Ltd. (榮盛房地產發展股份有限公司) and such control is not temporary, therefore the combination is a business combination under common control.

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

The Company included Shengxing Living in the scope of combination at December 31, 2022 and adjusted the opening balance on the consolidated balance sheet, together with the relevant items on the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in shareholders’ equity. The relevant items and changes in the financial statements at the beginning of the year before and after the combination are set out as follows:

Unit: RMB

Cash at bank and on hand	929,253,989.97	926,633,390.26	2,620,599.71
Provision of settlement funds	0	0	0
Loans to banks and other financial institutions	0	0	0
Financial assets held-for-trading	537,573,993.31	537,573,993.31	0
Derivative financial assets	0	0	0
Notes receivable	123,938,656.81	123,938,656.81	0
Accounts receivable	1,422,426,405.73	1,394,462,161.75	27,964,243.98
Receivables financing	0	0	0
Prepayments	99,615,946.39	98,890,302.83	725,643.56
Insurance premium receivable	0	0	0
Reinsurance premium receivable	0	0	0
Reserves for reinsurance contracts receivable	0	0	0
Other receivables	265,977,745.69	251,482,997.88	14,494,747.81
Including: Interests receivable	0	0	0
Dividends receivable	0	0	0
Financial assets purchased under agreements to resell	0	0	0
Inventories	40,296,027.59	39,979,912.62	316,114.97
Contract assets	68,188,304.46	68,188,304.46	0
Held-for-sale assets	0	0	0
Non-current assets due within one year	3,825,645.76	3,825,645.76	0
Other current assets	23,474,423.52	22,002,342.94	1,472,080.58
	<u>3,514,571,139.23</u>	<u>3,466,977,708.62</u>	<u>47,593,430.61</u>

Loans and advances	0	0	0
Debt investments	0	0	0
Other debt investments	0	0	0
Long-term receivables	8,104,930.99	8,104,930.99	0
Long-term equity investments	103,482,149.73	103,482,149.73	0
Investment in other equity instruments	0	0	0
Other non-current financial assets	0	0	0
Investment properties	61,334,300.00	61,334,300.00	0
Fixed assets	20,329,754.86	19,286,920.33	1,042,834.53
Construction in progress	0	0	0
Productive biological assets	0	0	0
Oil and gas assets	0	0	0
Right-of-use assets	663,244.66	663,244.66	0
Intangible assets	7,843,466.17	7,843,466.17	0
Development expenditures	0	0	0
Goodwill	0	0	0
Long-term deferred expenses	11,458,571.10	10,987,078.72	471,492.38
Deferred income tax assets	44,831,377.50	42,495,591.22	2,335,786.28
Other non-current assets	0	0	0
	<u>258,047,795.01</u>	<u>254,197,681.82</u>	<u>3,850,113.19</u>
	<u>3,772,618,934.24</u>	<u>3,721,175,390.44</u>	<u>51,443,543.80</u>

Short-term loans	0	0	0
Borrowings from Central Bank	0	0	0
Loans from other banks and other financial institutions	0	0	0
Financial liabilities held-for-trading	0	0	0
Derivative financial liabilities	0	0	0
Notes payable	0	0	0
Accounts payable	679,204,021.03	671,105,986.85	8,098,034.18
Receipt in advance	4,306,305.02	4,306,305.02	0
Contract liabilities	420,503,851.82	412,355,414.96	8,148,436.86
Financial assets sold under agreements to repurchase	0	0	0
Deposits from customers and interbank	0	0	0
Funds received as agent of stock exchange	0	0	0
Funds received as agent of stock underwrite	0	0	0
Employee benefits payable	77,348,885.07	76,157,284.88	1,191,600.19
Taxes and surcharges payable	84,318,804.47	82,244,925.52	2,073,878.95
Other payables	505,217,038.09	463,115,219.06	42,101,819.03
Including: Interests payable	0	0	0
Dividends payable	0	0	0
Handling charges and commissions payable	0	0	0
Reinsurance premium payable	0	0	0
Held-for-sale liabilities	0	0	0
Non-current liabilities due within one year	3,825,645.76	3,825,645.76	0
Other current liabilities	18,488,044.58	18,488,044.58	0
	<u>1,793,212,595.84</u>	<u>1,731,598,826.63</u>	<u>61,613,769.21</u>
Provision for insurance contracts	0	0	0
Long-term loans	0	0	0
Bonds payable	0	0	0
Including: Preference share	0	0	0
Perpetual bond	0	0	0
Lease liabilities	9,090,377.26	9,090,377.26	0
Long-term payables	0	0	0
Long-term employee benefits payable	0	0	0
Provisions	0	0	0
Deferred income	0	0	0
Deferred income tax liabilities	3,926,248.64	3,926,248.64	0
Other non-current liabilities	0	0	0
	<u>13,016,625.90</u>	<u>13,016,625.90</u>	<u>0</u>
	<u>1,806,229,221.74</u>	<u>1,744,615,452.53</u>	<u>61,613,769.21</u>

Share capital	376,000,000.00	376,000,000.00	0
Other equity instruments	0	0	0
Including: Preference share	0	0	0
Perpetual bond	0	0	0
Capital reserve	1,071,044,130.78	1,070,659,130.78	385,000.00
Less: Treasury share	0	0	0
Other comprehensive income	0	0	0
Special reserve	0	0	0
Surplus reserve	68,458,186.26	68,458,186.26	0
General risk reserve	0	0	0
Undistributed profit	451,210,297.43	459,319,132.27	(8,108,834.84)
	<u>1,966,712,614.47</u>	<u>1,974,436,449.31</u>	<u>(7,723,834.84)</u>
Minority interests	<u>(322,901.97)</u>	<u>2,123,488.60</u>	<u>(2,446,390.57)</u>
	<u>1,966,389,712.50</u>	<u>1,976,559,937.91</u>	<u>(10,170,225.41)</u>
	<u>3,772,618,934.24</u>	<u>3,721,175,390.44</u>	<u>51,443,543.80</u>

Unit: RMB

	2017	2016	2015
Operating income	2,563,485,932.42	2,484,971,828.74	78,514,103.68
Including: Operating income	2,563,485,932.42	2,484,971,828.74	78,514,103.68
Interest income	0	0	0
Premium earned	0	0	0
Fee and commission income	0	0	0
Operating cost	1,922,990,851.86	1,851,716,778.94	71,274,072.92
Including: Operating cost	1,692,474,034.41	1,629,701,711.19	62,772,323.22
Interest expense	0	0	0
Fee and commission expenses	0	0	0
Refunded premiums	0	0	0
Net amount of compensation payout	0	0	0
Net provisions for insurance contracts reserve	0	0	0
Policy dividend payment	0	0	0
Reinsured expenses	0	0	0
Taxes and surcharges	18,195,642.65	17,954,164.21	241,478.44
Selling expenses	21,440,629.96	19,476,570.20	1,964,059.76
Administrative expenses	183,027,720.56	176,645,329.57	6,382,390.99
Research and development expenses	0	0	0
Finance cost	7,852,824.28	7,939,003.77	(86,179.49)
Including: Interest expenses	5,360.00	49,822.12	(44,462.12)
Interest income	5,602,738.45	5,391,744.23	210,994.22
Add: Other income	8,633,957.11	8,465,337.58	168,619.53
Investment income	15,835,986.50	15,835,986.50	0
Including: Income from investment in associates and joint ventures	3,482,149.73	3,482,149.73	0
Derecognition income of financial assets measured at amortized cost	0	0	0
Exchange gain	0	0	0
Net gain on exposure hedging	0	0	0
Gain on change in fair value	4,445,083.56	4,445,083.56	0
Loss on impairment of credit	(142,056,162.79)	(133,030,414.65)	(9,025,748.14)
Loss on impairment of assets	(4,174,663.36)	(4,174,663.36)	0
Gains from disposal of asset	6,149.80	6,149.80	0

	2017	2016	2015
	523,185,431.38	524,802,529.23	(1,617,097.85)
Add: Non-operating income	1,153,717.60	1,032,906.33	120,811.27
Less: Non-operating expenses	<u>2,280,068.26</u>	<u>2,203,663.81</u>	<u>76,404.45</u>
	522,059,080.72	523,631,771.75	(1,572,691.03)
Less: Income tax expenses	<u>124,508,585.53</u>	<u>123,359,215.82</u>	<u>1,149,369.71</u>
	397,550,495.19	400,272,555.93	(2,722,060.74)
	397,550,495.19	400,272,555.93	(2,722,060.74)
1. Net profit from continuing operations	397,550,495.19	400,272,555.93	(2,722,060.74)
2. Net profit from discontinued operations	0	0	0
	397,550,495.19	400,272,555.93	(2,722,060.74)
1. Net profit attributable to owners of parent company	398,954,319.29	400,943,067.33	(1,988,748.04)
2. Gain or loss attributable to minority interests	<u>(1,403,824.10)</u>	<u>(670,511.40)</u>	<u>(733,312.70)</u>
Net other comprehensive income after tax attributable to owners of the parent company	0	0	0
(I) Other comprehensive income that may not be subsequently reclassified to profit and loss	0	0	0
1. Change in remeasurement of defined benefit plans	0	0	0
2. Other comprehensive income that may not be reclassified to profit or loss under equity method	0	0	0
3. Change in fair value of investments in other equity instruments	0	0	0

		10,462,808.24	10,462,808.24	10,462,808.24
4.	Change in the fair value of the company's own credit risk	0	0	0
5.	Others	0	0	0
(II)	Other comprehensive income that will be subsequently reclassified to profit or loss	0	0	0
1.	Other comprehensive income that may be reclassified to profit or loss under equity method	0	0	0
2.	Change in fair value of other debt investments	0	0	0
3.	Amount included in other comprehensive income on reclassification of financial assets	0	0	0
4.	Provision for credit impairment of other debt investments	0	0	0
5.	Cash flow hedges reserve (effective part of hedging gains and losses from cash flows)	0	0	0
6.	Exchange differences arising from translation of foreign currency financial statements	0	0	0
7.	Others	0	0	0
	Net other comprehensive income after tax attributable to minority interests	<u>0</u>	<u>0</u>	<u>0</u>
		397,550,495.19	400,272,555.93	(2,722,060.74)
	Total comprehensive income attributable to shareholders of the parent company	398,954,319.29	400,943,067.33	(1,988,748.04)
	Total comprehensive income attributable to minority interests	<u>(1,403,824.10)</u>	<u>(670,511.40)</u>	<u>(733,312.70)</u>
(I)	Basic earnings per share (RMB/share)	1.06	1.09	(0.03)
(II)	Diluted earnings per share (RMB/share)	<u><u>1.06</u></u>	<u><u>1.09</u></u>	<u><u>(0.03)</u></u>

Financial assets at fair value through profit or loss	0.00	537,573,993.31
Including: Wealth management products	0.00	537,573,993.31

In 2022, the Company has redeemed all shares of the Tongxing Changxing No. 6 fixed income private equity investment fund for RMB500 million and the GRAND POWER INTERNATIONAL SPC investment fund acquired in 2021 for USD5 million.

Provision for bad debts is made on an individual basis	0.00	0.00	0.00	0.00	0.00
Provision for bad debts by portfolio	2,881,192.62	100.00	683,535.87	23.72	2,197,656.75
Including: Aging portfolio	2,881,192.62	100.00	683,535.87	23.72	2,197,656.75

Provision for bad debts is made on an individual basis	0.00	0.00	0.00	0.00	0.00
Provision for bad debts by portfolio	132,248,637.14	100.00	8,309,980.33	6.28	123,938,656.81
Including: Aging portfolio	132,248,637.14	100.00	8,309,980.33	6.28	123,938,656.81

Provision for bad debts by portfolio	2,158,238,358.92	100.00	208,839,200.60	9.68	1,949,399,158.32
Including: Aging portfolio	<u>2,158,238,358.92</u>	<u>100.00</u>	<u>208,839,200.60</u>	<u>9.68</u>	<u>1,949,399,158.32</u>

Provision for bad debts by portfolio	1,521,772,429.97	100.00	99,346,024.24	6.53	1,422,426,405.73
Including: Aging portfolio	<u>1,521,772,429.97</u>	<u>100.00</u>	<u>99,346,024.24</u>	<u>6.53</u>	<u>1,422,426,405.73</u>

The aging analysis of accounts receivable based on the transaction dates is as follows:

Within 1 year (including 1 year)	1,258,747,124.70
1-2 years	818,688,578.35
2-3 years	69,662,152.35
3-4 years	9,250,405.78
4-5 years	777,018.59
More than 5 years	<u>1,113,079.15</u>

Within 1 year	33,386,398.00	40.33	75,217,897.78	75.51
1-2 years	30,608,681.16	36.98	23,152,864.24	23.24
2-3 years	18,707,781.71	22.60	1,245,184.37	1.25
More than 3 years	<u>70,487.26</u>	<u>0.09</u>	<u>0.00</u>	<u>0</u>

Other receivables	784,642,586.28	323,124,975.86
Bad debt provision	<u>(95,570,903.87)</u>	<u>(57,147,230.17)</u>

Other receivables presented by aging

Within 1 year (including 1 year)	630,444,262.05
1-2 years	75,168,824.22
2-3 years	17,051,470.08
More than 3 years	61,978,029.93
Including: 3-4 years	20,615,487.87
4-5 years	20,946,643.69
More than 5 years	<u>20,415,898.37</u>

Engineering construction	<u>29,755,968.06</u>	<u>1,917,268.88</u>	<u>27,838,699.18</u>
Engineering construction	<u>72,362,967.82</u>	<u>4,174,663.36</u>	<u>68,188,304.46</u>
Within 1 year (including 1 year)	29,755,968.06		72,362,967.82
Provision for impairment	<u>1,917,268.88</u>		<u>4,174,663.36</u>
Engineering construction	<u>(40,349,605.28)</u>	The completion of projects undertaken by the Company during the year were mainly transfer to accounts receivable	

Construction fees	575,956,407.18	499,718,463.36
Service fees	150,671,510.65	107,527,464.83
Payments for goods purchased	80,786,650.77	71,958,092.84

The aging analysis of accounts payable (including trade receivables due from related parties) based on the transaction dates is as follows:

Within 1 year	538,338,046.19	599,071,690.63
1-2 years	227,452,305.14	61,525,134.08
2-3 years	26,980,940.88	14,388,801.35
3-4 years	11,271,844.56	3,657,509.76
4-5 years	2,832,118.49	432,169.98
More than 5 years	539,312.74	128,715.23

▶▶ 2021年12月31日		
- 1 -		
Rent	2,958,279.78	4,306,305.02
	<u>2,958,279.78</u>	<u>4,306,305.02</u>
▶▶ 2021年12月31日		
- 1 -		
Property fees	218,473,535.12	246,649,167.51
Engineering construction	32,740,808.89	73,414,316.02
Other community value-added services	48,001,945.63	42,110,350.36
Pre-intervention services	6,442,832.39	29,660,853.02
Garbage disposal fees and self-heating	9,420,340.30	10,517,093.13
Sales payment	4,856,318.57	4,062,669.77
Elevator usage fees	3,392,683.50	3,563,813.55
Start-up costs	185,282.61	4,834,429.60
Others	8,972,613.38	5,691,158.86
	<u>248,685,349.18</u>	<u>437,144,001.72</u>
▶▶ 2021年12月31日		
- 1 -		
Interest payable	0.00	0.00
Dividends payable	0.00	0.00
Other payables	552,047,414.55	505,217,038.09
	<u>552,047,414.55</u>	<u>505,217,038.09</u>
▶▶ 2021年12月31日		
- 1 -		

2022年12月31日

2022年12月31日

项目	2022年12月31日	2021年12月31日	2020年12月31日	2019年12月31日	2018年12月31日	2017年12月31日	2016年12月31日
Total number of shares	376,000,000.00	0.00	0.00	0.00	0.00	0.00	376,000,000.00

2022年12月31日

项目	2022年12月31日	2021年12月31日	2020年12月31日	2019年12月31日	2018年12月31日
Equity premium	1,001,538,004.84	0.00	45,353,000.00	956,185,004.84	
Other capital reserve	69,506,125.94	7,371,486.66	0.00	76,877,612.60	

Note 1. Movements in equity premium: In 2022, the Company acquired 77% equity interest of Shengxing Living in cash. For details, please refer to the relevant disclosures set out in “Note II. 3 of NOTES TO THE FINANCIAL STATEMENTS” in this announcement. According to the relevant provisions of “Accounting Standards for Business Enterprise No. 2 – Long-term Equity InvNot.8“912.133 -1 0 53 Td(AccAIC 1unting StAIC 1ndaAIC 1ds for BAIC 1siness EntA

Statutory surplus reserve	68,458,186.26	19,206,470.16	0.0	87,664,656.42
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			Amount of last year	
			Revenue	Cost
Principle operations			2,550,374,658.80	1,690,080,354.55
Other operations			13,111,273.62	2,393,679.86
			<u>2,563,485,932.42</u>	<u>1,692,474,034.41</u>

			2021
Goods			0
Including: Property management services			1,126,759,145.96
Value-added services to non-property owners			1,077,504,209.22
Community value-added services			<u>359,222,577.24</u>
			<u>2,563,485,932.42</u>

			2021
Including: Mainland of China			<u>2,563,485,932.42</u>
			0
Including: Revenue recognised at a point in time			328,171,710.92
Revenue recognised over time			<u>2,235,314,221.50</u>
			<u>2,563,485,932.42</u>

		Amount of last year
Current income tax calculated on the basis of the tax laws and relevant regulations		158,835,610.72
- Corporate income taxes in Mainland of China		158,835,610.72
Deferred income tax expenses		(34,327,025.19)
		<u>124,508,585.53</u>

The Group had no Hong Kong profit tax, since it had no taxable income derived from Hong Kong during the year.

Net profit attributable to the holders of ordinary shares of the parent company	11.37	0.63	0.63
Net profit attributable to the holders of ordinary shares of the parent company (excluding: extraordinary profit and loss)	<u>12.12</u>	<u>0.67</u>	<u>0.67</u>

Dividends recognised as distribution during the year:
Interim dividend paid for 2022 of RMB0.25 (pre-tax) per share (2021: Nil)

	2021
	-

On August 31, 2022, the Board recommended the payment of an interim dividend of RMB0.25 (before tax) per share in the form of cash for the six months ended June 30, 2022, totaling approximately RMB94 million to the Shareholders of the Company.

The Board does not recommend the payment of a final dividend for the year ended December 31, 2022 (2021: Nil).

The Group is a comprehensive property management service provider deeply rooted in the Bohai Economic Rim with a service network across China strategically covering core geographical areas such as the Yangtze River Delta region and the Greater Bay Area. As of December 31, 2022, the Group had a total of 385 property management projects under management with an aggregate gross floor area (“GFA”) under management of 73.2 million square metres (“sq.m.”), covering 59 cities across 19 provinces, municipalities and autonomous regions in China. As of December 31, 2022, the Group was contracted to manage 486 property management projects with an aggregate contracted GFA of 97.5 million sq.m., covering 70 cities across 19 provinces, municipalities and autonomous regions in China.

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

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

- **Property management services:** The Group provides property developers, property owners and residents 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 and the Olympic Village. During the year ended December 31, 2022, 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.

The Group adheres to the strategic objective of rapidly expanding the GFA under management, and has been rapidly expanding its property management service portfolio by obtaining new property management service contracts. Despite that as of December 31, 2022, its contracted GFA was approximately 97.5 million sq.m. under 486 contracted projects, representing a decrease of approximately 1.9% and 0.2% as compared with that as of December 31, 2021, respectively. The Group has achieved an increase in respect of the GFA and projects under management. As of December 31, 2022, the GFA under management was approximately 73.2 million sq.m. relating to 385 projects under management, representing an increase of approximately 5.6% and 5.7% as compared with that as of December 31, 2021, respectively.

In addition, as of December 31, 2022, the Group had entered into 113 framework agreements and strategic cooperation agreements with independent third-party property developers, which typically set forth their intention to engage the Group as the property management services provider, the relevant projects proposed to be managed by the Group and its GFA, and the proposed scope of the Group's services and property management fees. As at December 31, 2022, the properties proposed to be managed by the Group under these framework agreements and strategic cooperation agreements had an aggregate GFA of approximately 125.7 million sq.m..

The table below sets out the respective movements of the Group'

Since the establishment of the Group, its business footprint has extended across the country. As of December 31, 2022, the Group established business presence in 70 cities in 19 provinces, municipalities and autonomous regions in the People’s Republic of China (the “*PRC*”).

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

	2022	2021
	(’000 sq.m.)	(’000 sq.m.)
Bohai Economic Rim ⁽¹⁾	40,888	40,888
Yangtze River Delta region ⁽²⁾	15,641	15,641
Greater Bay Area and surrounding regions ⁽³⁾	2,822	2,822
Central and Western China ⁽⁴⁾	9,977	9,977
Total	69,328	69,328
	59%	59%
	22.6%	22.6%
	4.1%	4.1%
	14.4%	14.4%

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 Shanghai, 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.

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, 2022 and 2021, the unit price of the Group’s consolidated average property management fees remained at RMB1.7/sq.m./month.

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 and the Olympic Village.

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:

	2021	
	GFA under management (’000 sq.m.)	Number of projects under management
Residential properties	60,715	300
Non-residential properties		
– Commercial properties	4,428	50
– Public and other properties	4,185	14
Subtotal	8,613	64
Total	69,328	364

In addition, under the strong support of RiseSun Development and its subsidiaries (the “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, 2022, the Group had an aggregate GFA under management of approximately 2.0 million sq.m. and an aggregate contracted GFA of approximately 3.6 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:

	2021	
	GFA under management (’000 sq.m.)	%
RiseSun Group ⁽¹⁾	67,782	97.8%
Properties developed by independent third-party property developers	1,546	2.2%
Total	69,328	100%

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.

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 2022, the revenue from value-added services to non-property owners decreased by approximately 63.9% from approximately RMB1,077.5 million in 2021 to approximately RMB388.9 million. As the value-added service customers are mainly property developers, due to the sharp decrease in the construction area and completed area of property developers in 2022, the property engineering services in the value-added services to non-property owners decreased significantly by approximately 72.1%, and the revenue was significantly lower than the corresponding period in last year.

The Group quickly improved its operation capabilities by optimizing business structure of engineering services, adjusting staff deployment, and establishing professional engineering management teams; and promoted the accomplishment of cost reduction and efficiency enhancement through the integration of personnel in various regions, relieving geographical restrictions, coordination and deployment of resources of the Group.

The Group has built a 24/7 remote monitoring and alarm platform for facilities and equipment that integrates software and hardware by combining the Internet of Things and cloud computing technologies. The Group has connected the platform with internal business systems, thereby realizing the automation of facility inspection and alarm processing, enhancing the service level of facilities and equipment, and improving human efficiency management. Through intelligent operation and standardized process, the Group provides customers with standardized and high-quality services while improving operational efficiency. The Group provides smart community designing services to property developers who expect to use its property management expertise to refine their property project designs, including but not limited to the design of smart access control systems, security patrolling systems, public facilities monitoring systems and car park management systems, so as to achieve staff reduction and efficiency enhancement. At the same time, a series of business instruction manuals such as the operation manual of the film-like service system have been formulated to clarify service standards and enhance the value of property 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 home-living services and property space management services. The revenue from community value-added services in 2022 was approximately RMB240.4 million, representing a decrease by approximately 33.1% from approximately RMB359.2 million in 2021.

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; and housekeeping services. The revenue from home-living services in 2022 decreased by approximately 23.2% from approximately RMB185.6 million in 2021 to approximately RMB142.6 million. The decrease in revenue from home-living services was attributable to the local lockdown policy for the control of COVID-19 pandemic during the Relevant Year.

For community retail and commercial procurement services, the Group adopted a comprehensive retail model integrating its online shopping, offline convenience stores and home delivery services. Its online shopping mall focuses on high-end consumer goods and its offline convenience stores focus on groceries. The targeted retail model lowers its operating costs and ensures product quality. Its headquarters directly manage the offline convenience stores. With such a streamlined management structure, the Group is able to respond to requests and resolve issues in a timely manner. It believes its comprehensive retail model, coupled with its home delivery services where it helps customers shop and deliver groceries to the customer's door, provides convenient shopping experience for the customers. As of December 31, 2022, the Group had a total of 56 offline convenience stores which were located in the communities under its management, with over 45,000 stock keeping units or SKUs and approximately 1.1 million registered users on Rice Mall (米飯公社). The monthly average activity of the Rice Mall APP increased by approximately 17% as compared to the same period of 2021.

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 in 2022 decreased by approximately 43.7% from approximately RMB173.6 million in 2021 to approximately RMB97.8 million.

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

For property brokerage business, the Group deploys a Sales and Lease Operation System (租售業務系統) which consists of a “property dictionary” system and a “resident-property matching” system. These systems securely manage customer information and efficiently match supplies and demands of the properties, provide millions of property owners with convenient rental and sales channels, and create a better service experience.

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In 2023, in light with the relaxation of epidemic prevention and control policies, the Group will seize the opportunity to follow contemporary trends and continue developing its three core business lines of property management services, value-added services to non-property owners, and community value-added services, with particular emphasis on brand leadership and customers. The Group believes that it is well-positioned to achieve high-quality growth focusing on both profitability and scale with access to service and technology.

Looking forward to 2023, the Group will (i) continue to uphold the principle of customer-oriented services, improve property service quality, upgrade the property service brand, and continuously enhance the trust of owners and word-of-mouth effect through quality services to secure a solid market position; (ii) keep improving 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 enhance brand value; (iii) build a “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 gradually develop the community health industry to provide owners with a “convenient and reassuring” community health experience to enable owners to feel our “caring” property services; (iv) at the same time keep strengthening the construction of financial management and control and capital support system to improve the financial management and control efficiency as well as the risk resistance capability of the enterprise; and (v) exert equal efforts on external introduction and internal training, optimize the talent structure, expand talent reserve, promote the information technology construction of the Company, and achieve technology empowerment, thereby improving the operation efficiency and quality of the Company.

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

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

	2021 RMB'000	%
Property management services	1,126,759	13.8
Value-added services to non-property owners	1,077,504	(63.9)
Community value-added services	359,223	(33.1)
Total	2,563,486	(25.4)

The Group's revenue decreased by approximately 25.4% from approximately RMB2,563.5 million for the year ended December 31, 2021 to approximately RMB1,911.2 million for the year ended December 31, 2022. 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 13.8% from approximately RMB1,126.8 million for the year ended December 31, 2021 to approximately RMB1,281.9 million for the year ended December 31, 2022, which was primarily driven by the Group's business expansion, of which the GFA under management increased by approximately 5.7% from 69.3 million sq.m. as of December 31, 2021 to 73.2 million sq.m. as of December 31, 2022;
- (ii) the decrease in revenue from value-added services to non-property owners by approximately 63.9% from approximately RMB1,077.5 million for the year ended December 31, 2021 to approximately RMB388.9 million for the year ended December 31, 2022, which was mainly due to the downward cycle of the property industry led to the significant decrease in number of new projects delivered in 2022 as compared with 2021, resulting in a significant decrease in revenue from value-added services to non-property owners; and
- (iii) the decrease in revenue from community value-added services by approximately 33.1% from approximately RMB359.2 million for the year ended December 31, 2021 to approximately RMB240.4 million for the year ended December 31, 2022, which was primarily attributable to the fact that the in-store consumption of new retail businesses and new community services, such as offline convenience stores, lifestyle pavilions and auto beauty, decreased significantly due to the impact of the epidemic, resulting in a significant decrease in revenue from community value-added services for year as compared with 2021.

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:

	2021	RMB'000	%
Properties developed by RiseSun Group ⁽¹⁾		1,105,675	98.1
Properties developed by independent third-party property developers		21,084	1.9
Total		1,126,759	100.00

Note:

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

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:

	2021	RMB'000	%
Bohai Economic Rim ⁽¹⁾		658,238	58.4
Yangtze River Delta region ⁽²⁾		246,768	21.9
Greater Bay Area and surrounding regions ⁽³⁾		52,323	4.7
Central and Western China ⁽⁴⁾		169,430	15.0
Total		1,126,759	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 Shanghai, 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.

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:

	2021			
			RMB'000	
			%	
Property engineering services			518,928	48.2
On-site services			181,109	16.8
Other services ⁽¹⁾			377,467	35.0
Total			1,077,504	100.0

Note:

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

	2021			
			RMB'000	
			%	
Home-living services			185,621	51.7
Property space management services			173,602	48.3
Total			359,223	100.0

The Group's cost of sales mainly consists of (i) employee benefit expenses; (ii) maintenance costs; (iii) engineering costs; (iv) greening and cleaning expenses; (v) costs of goods sold; (vi) utilities; (vii) taxes and other levies; (viii) cost of consumables; (ix) office expenses; (x) travelling and entertainment expenses; (xi) depreciation and amortization charges; and (xii) others. The Group's cost of sales decreased by approximately 23.7% from approximately RMB1,692.5 million for the year ended December 31, 2021 to approximately RMB1,290.6 million for the year ended December 31, 2022. The decrease in the cost of sales was mainly due to the lower revenue resulting in a corresponding decrease in costs.

	2021		2022	
	Gross profit	Gross profit	Gross profit	Gross profit
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Property management services	347,828	347,828	347,828	30.9
Value-added services to non-property owners	392,095	392,095	392,095	36.4
Community value-added services	131,089	131,089	131,089	36.5
Total	871,012	871,012	871,012	34.0

Gross profit represents revenue less cost of sales. As a result of the foregoing, the Group's gross profit decreased by approximately 28.7% from approximately RMB871.0 million for the year ended December 31, 2021 to approximately RMB620.6 million for the year ended December 31, 2022.

The gross profit margin of the Group decreased from approximately 34.0% for the year ended December 31, 2021 to approximately 32.5% for the year ended December 31, 2022, which was mainly attributable to (i) a year-on-year decrease of approximately 3.1% in gross profit margin for property management services, mainly due to the downward cycle of the property industry; and (ii) a year-on-year decrease of approximately 4.7% in gross profit margin for community value-added services in 2022 as compared to 2021, mainly due to the significant decrease in revenue from new retail businesses such as offline convenience stores and lifestyle stores and new community service businesses with higher gross margins due to the COVID-19 pandemic in the Relevant Year.

The Group's selling expenses mainly consist of employee benefit expenses and office expenses for its sale and marketing staff. The Group's expenses decreased by approximately 66.9% from approximately RMB21.4 million for the year ended December 31, 2021 to approximately RMB7.1 million for the year ended December 31, 2022, primarily due to the tightening of its business development business and the decline in marketing efforts.

The Group's administrative expenses mainly consist of (i) employee benefit expenses; (ii) travelling and entertainment expenses; (iii) professional service fees, primarily including legal fees and information technology usage and maintenance fees for its mobile application; (iv) office expenses; (v) bank charges; (vi) listing expenses; (vii) depreciation and amortization charges for the Group's office equipment; (viii) auditors' remuneration; (ix) cost of consumables and (x) others. The Group's administrative expenses decreased by approximately 8.7% from approximately RMB183.0 million for the year ended December 31, 2021 to approximately RMB167.0 million for the year ended December 31, 2022, primarily due to the decrease in expenses relating to the share incentive scheme and the management bonus.

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 general downward trend of the real estate industry and the impact of the COVID-19 pandemic, the Company assessed the provision ratio for bad debts in a prudent manner and made an impairment provision of approximately RMB141.3 million in 2022.

The Group's income tax expenses comprise PRC corporate income tax. The Group's income tax expenses decreased by approximately 39.9% from approximately RMB124.5 million for the year ended December 31, 2021 to approximately RMB74.8 million for the year ended December 31, 2022. The decrease in the income tax was mainly due to the decrease in the Group's revenue as a result of the COVID-19 pandemic and the temporary downturn of the property industry in the PRC. The effective income tax rate of the Group remained relatively stable at approximately 23.8% and 24.1% for the years ended December 31, 2021 and 2022, respectively. Such rate was lower than the PRC statutory corporate income tax rate of 25%, primarily because certain subsidiaries are small enterprises with low profits and the applicable effective income tax is below 25%.

As a result of the aforementioned changes in the Group's financial conditions, the Group's profit for the year decreased by approximately 40.6% from approximately RMB397.6 million for the year ended December 31, 2021 to approximately RMB236.2 million for the year ended December 31, 2022. After excluding the share-based payments (net of tax), the Group's adjusted profit for the year decreased by approximately 41.3% from approximately RMB414.7 million for the year ended December 31, 2021 to approximately RMB243.6 million for the year ended December 31, 2022.

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 for evaluating 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:

	2021
	RMB'000
Profit for the year	397,550
Adjusted for:	
Share-based payments (net of tax)	17,101
Adjusted profit for the year	414,651

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, 2021 and 2022, the Group's fixed assets, right-of-use assets and long-term prepaid expenses amounted to approximately RMB32.5 million and RMB36.0 million, respectively. The increase in the Group's property, plant and equipment during the year ended December 31, 2022 was primarily attributable to the procurement of office equipment and machinery to support the Group's business expansion.

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 RMB61.3 million as of December 31, 2021 to approximately RMB60.8 million as of December 31, 2022, primarily due to the disposal of investment properties.

The Group's intangible assets mainly include computer software. The Group's intangible assets decreased from approximately RMB7.8 million as of December 31, 2021 to approximately RMB6.3 million as of December 31, 2022, primarily due to the amortisation of intangible assets.

The Group's trade and other receivables comprise trade receivables, notes receivable, finance lease receivables, other receivables and prepayments to suppliers. As of December 31, 2022, the Group's trade and other receivables and prepayments amounted to approximately RMB2,732.4 million, representing an increase of approximately 42.0% from approximately RMB1,923.9 million as of December 31, 2021.

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, 2022, the Group's trade receivables amounted to approximately RMB1,949.4 million, representing an increase of approximately 37.1% from approximately RMB1,422.4 million as of December 31, 2021, mainly due to the slow settlement by RiseSun Development and its related parties affected by the COVID-19 pandemic in 2022 and the downturn in the real estate sector.

As of December 31, 2022, the Group recorded finance lease receivables in the amount of approximately RMB8.9 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 consist primarily of the refundable deposit, prepaid utility fees, receivables from related parties, reserve fund and others. It increased from approximately RMB266.0 million as of December 31, 2021 to approximately RMB689.1 million as of December 31, 2022. The increase is primarily attributable to the payment of refundable deposit to Langfang Junyi Building Materials Co., Ltd. (廊坊俊義建材有限公司) as disclosed in the announcement of the Company dated November 15, 2022.

As of December 31, 2022, the Group's prepayments amounted to approximately RMB82.8 million, representing an decrease of approximately 16.9% from approximately RMB99.6 million as of December 31, 2021, primarily due to the decrease in construction projects resulting in corresponding decrease in prepayments to suppliers.

The Group's trade and other payables comprise trade payables, other payables, accrued payroll and taxes payables. As of December 31, 2022, the Group's trade and other payables amounted to approximately RMB1,518.7 million, representing an increase of approximately 12.8% from approximately RMB1,346.1 million as of December 31, 2021.

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 31 December 2022, the Group's trade payables amounted to approximately RMB807.4 million, representing an increase of approximately 18.9% from approximately RMB679.2 million as of December 31, 2021. Among which, construction fees increased by approximately RMB76.3 million or 15.3%, and service fees increased by approximately RMB43.1 million or 40.1% as compared to the previous year, mainly due to the increase in service fees payable resulting from the increase in the scale of property services and the increase in third party subcontractors; payments for goods purchased increased by approximately RMB8.8 million or 12.3%, mainly due to the increase in payables for goods purchased resulting from new convenience stores opened in 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, utility fees paid on behalf of property owners and residents and accrued listing expenses. As of December 31, 2022, the Group's other payables amounted to approximately RMB552.0 million, representing the increase of approximately 9.3% from approximately RMB505.2 million as of December 31, 2021, mainly due to an increase in other payables resulting from the increase of cash received and utility fees paid on behalf of property owners and residents.

As of December 31, 2022, accrued payroll amounted to approximately RMB66.4 million, representing a decrease of approximately 14.1% from approximately RMB77.3 million as of December 31, 2021, mainly due to the reduction in year-end bonus for 2022 and the outsourcing of junior positions by the Group.

The Group believes that, taking into account the financial resources available to it, it has sufficient working capital to meet the needs for working capital, capital expenditure and other capital needs.

As of December 31, 2022, the Group's net current assets amounted to approximately RMB1,786.4 million (December 31, 2021: approximately RMB1,721.4 million). The Group's total current assets increased by approximately 4.1% from approximately RMB3,514.6 million as of December 31, 2021 to approximately RMB3,659.5 million as of December 31, 2022. The Group's total current liabilities increased by approximately 4.5% from approximately RMB1,793.2 million as of December 31, 2021 to approximately RMB1,873.1 million as of December 31, 2022.

As of December 31, 2022, the Group's cash and cash equivalents amounted to approximately RMB821.7 million, representing a decrease of approximately 10.6% from approximately RMB918.7 million as of December 31, 2021, mainly due to the interim dividends of RMB94.0 million paid to shareholders of the Company during the Relevant Year.

As of December 31, 2022, the Group did not have any bank loan or convertible loan (December 31, 2021: nil).

As of December 31, 2022, the Group did not have any pledged assets (December 31, 2021: nil).

On 21 June 2021, the Company subscribed units in a fund (the “ ”) issued by Beijing Tongxing Gongying Asset Management Company Limited (

Save as disclosed in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated December 31, 2020 (“Prospectus”) regarding its plan for utilising the net proceeds from the listing on January 15, 2021, the Group does not have any other plans for material investments or capital assets as at the date of this announcement.

The Group’s activities are exposed to a variety of financial risks: market risk (including interest rate risk and 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.

The Group’s businesses are principally conducted in RMB. As of December 31, 2022, major non-RMB liabilities were other receivables which were denominated in Hong Kong dollar (“HK\$”) or US dollar (“US\$”). Fluctuation of the exchange rates of RMB against HK\$ or US\$ could affect the Group’s operating results. As of December 31, 2022, if RMB had strengthened/weakened by 5%, against US\$ and HK\$ with all other variables held constant, post-tax profit for the Relevant Year would have been RMB1,167,305.04 (2021: RMB18,809,352.34) higher/lower, respectively.

The Group’s interest rate risks arise from borrowings. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

As of December 31, 2022, the Group was not exposed to any material cash flow and fair value interest rate risk since all borrowings had been repaid.

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 (“FVPL”). 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.

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.

As of December 31, 2022, the Group did not have any material contingent liabilities (December 31, 2021: nil).

As of December 31, 2022, the lease commitment of the Group as a lessee amounted to approximately RMB0.2 million (December 31, 2021: approximately RMB0.8 million).

As of December 31, 2022, the current ratio was 2.0 (December 31, 2021: approximately 2.0) and its liabilities to assets ratio was approximately 47.6% (December 31, 2021: approximately 47.9%).

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%. Liabilities to assets 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%.

As of December 31, 2022, the Group had no material off-balance sheet commitments and arrangements.

The H shares of the Company (“H Shares”) were listed on the Main Board of the Stock Exchange on January 15, 2021, with 94,000,000 new H Shares allotted and issued. The net proceeds from the Listing amounted to approximately HK\$1,168 million. Such proceeds will be applied in the same manner as set out in the Prospectus:

- Approximately 60.0% will be used to pursue selective strategic investment and acquisition opportunities to further expand business scale and geographic coverage and broaden service offerings;
- Approximately 15.0% will be used to enrich the Group’s community value-added service offerings;
- Approximately 15.0% will be used to upgrade the Group’s information technology infrastructure and promote smart community management;
- Approximately 10.0% will be used for general business purpose and working capital.

Further details on the utilisation of the net proceeds for the year ended December 31, 2022 will be disclosed in the annual report of the Company for the year ended December 31, 2022.

Human resource has always been the most valuable resource of the Group. As of December 31, 2022, the Group had a total of 7,147 full-time employees. For the year ended December 31, 2022, the staff cost recognised as expenses of the Group amounted to approximately RMB645.6 million (2021: approximately RMB732.5 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. To retain talents and thus achieve the strategic and operating objectives of the Group, the Company adopted a share incentive scheme on May 22, 2020 and distributed dividends in strict line with the plan. 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 systematic trainings catering to individual needs. For example, the Group provides trainings on market analysis and operating strategy to senior management, trainings on team management and resource integration to mid-level management staff, and trainings on business professionalism and standardized operation to primary employees, and continuously establishes and optimizes a hierarchical talent cultivation system to clear the development path for talents. As of December 31, 2022, the Group organized approximately 1,500 training sessions, and nearly 7,000 employees participated in these sessions.

There have not been any significant events taken place that have a material impact on the Group from December 31, 2022 and up to the date of this announcement.

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability system. The Company has adopted the code provisions of the Corporate Governance Code (“CG Code”) contained in Part 2 of the Appendix 14 to the Listing Rules and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company.

To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code that were in force for the Relevant Year.

On July 20, 2022, Mr. Siu Chi Hung (“Siu Chi Hung”) resigned as an independent non-executive Director, the chairman of the audit committee of the Company (the “Audit Committee”) and a member of the nomination committee of the Company (the “Nomination Committee”) since he will devote more time to other personal business. Following the resignation of Mr. Siu, the Company only had two independent non-executive Directors, the Audit Committee had only two members, the Nomination Committee did not comprise a majority of independent non-executive directors and failed to meet the requirements of Rules 3.10(1), 3.21 and 3.27A of the Listing Rules. On August 22, 2022, Mr. Xu Shaohong (“Xu Shaohong”) was approved by the Shareholders at the annual general meeting of the Company as an independent non-executive Director. Following the appointment of Mr. Xu, the Company has re-complied with Rules 3.10(1), 3.21 and 3.27A of the Listing Rules.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by its Directors, supervisors of the Company (the “Supervisors”) and employees (the “Employees”). The Company has made specific enquiries with all the Directors and Supervisors on whether they have complied with the required standard as set out in the Model Code for the Relevant Year and all the Directors and Supervisors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the above-mentioned period.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with the Securities Dealing Code and written guidelines on no less exacting terms than the Model Code. No incident of non-compliance was found by the Company for the year ended December 31, 2022.

The Board has established an Audit Committee with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and monitor the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit. The Audit Committee consists of three members, namely Mr. Xu Shaohong, Mr. Zhang Wenge and Mr. Jin Wenhui. The chairman of the Audit Committee is Mr. Xu Shaohong, while Mr. Jin Wenhui, a member of Audit Committee, who holds appropriate accounting qualification.

The Audit Committee has discussed with the management and the external auditor of the Company and has reviewed the annual results of the Group for the year ended December 31, 2022 together with the accounting standards and practices adopted by the Group. The Audit Committee has agreed with the management of the Company on the annual results of the Group for the year ended December 31, 2022.

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, and the related notes thereto for the year ended December 31, 2022 as set out in this announcement have been agreed by the Group's external auditor, ShineWing Certified Public Accountants LLP ("ShineWing"), to the amounts set out in the Group's audited consolidated financial statements for the Relevant Year. The work performed by ShineWing in this respect did not constitute an assurance engagement in accordance with auditing standards issued by the Chinese Institute of Certified Public Accountants and consequently no assurance has been expressed by ShineWing on this announcement.

For the Relevant Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Based on the information that is publicly available to the Company and within the knowledge of its Directors, for the Relevant Year and up to the date of this announcement, the Company had maintained sufficient public float of at least 25% of the Company's total number of issued shares as required under the Listing Rules.

The forthcoming annual general meeting of the Company will be held on Friday, June 30, 2023 (the "2022 AGM") and a notice of the 2022 AGM will be published by the Company and despatched to the Shareholders in the manner prescribed under the Listing Rules in due course.

The Board does not recommend the payment of a final dividend for the year ended December 31, 2022 (2021:Nil).

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.roiserv.com. The annual report of the Company containing all the information required under the Listing Rules will be dispatched to the Shareholders and made available on the websites of the Stock Exchange and the Company on or before April 30, 2023.

By order of the Board

Chairman and Executive Director

Hong Kong, March 31, 2023

As at the date of this announcement, the executive Directors are Mr. Geng Jianfu, Ms. Liu Hongxia and Mr. Xiao Tianchi; the non-executive Director is Mr. Zhang Wenge; and the independent non-executive Directors are Mr. Jin Wenhui, Mr. Xu Shaohong and Mr. Tang Yishu.

Any discrepancy in any table between totals and sums of individual amounts listed in any table are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.