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Redsun Services Group Limited
弘陽服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1971)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

HIGHLIGHTS

The Group achieved the following results for the six months ended 30 June 2022:

1. The Group's revenue was RMB553.9 million, representing an increase of 4.7% as compared with RMB529.1 million for the corresponding period of 2021.

2. The Group's revenue generated from its business segments are as follows:

    1) revenue from property management services was RMB404.2 million, accounting for 73.0% of total revenue, representing an increase of 15.3% as compared with RMB350.4 million for the corresponding period of 2021;

    2) revenue from value-added services to non-property owners was RMB75.1 million, accounting for 13.5% of total revenue, representing a decrease of 11.4% as compared with RMB84.8 million for the corresponding period of 2021; and

    3) revenue from community value-added services was RMB74.6 million, accounting for 13.5% of total revenue, representing a decrease of 20.5% as compared with RMB93.8 million for the corresponding period of 2021.

3. Gross profit was RMB150.8 million, representing a decrease of 1.4% as compared with RMB152.9 million for the corresponding period of 2021. Gross profit margin was 27.2%, representing a decrease of 1.7 percentage points as compared with 28.9% for the corresponding period of 2021.

4. Profit for the reporting period was RMB73.4 million, representing an increase of 14.7% as compared with profit of RMB64.0 million for the corresponding period of 2021. Profit for the reporting period attributable to equity shareholders of the Company was RMB69.3 million, representing an increase of 15.8% as compared with profit attributable to equity shareholders of RMB59.8 million for the corresponding period of 2021.

5. As at 30 June 2022, the Group had 376 contracted projects and contracted GFA of approximately 56.9 million sq.m., representing an increase of approximately 14.7% as compared with contracted GFA of 49.6 million sq.m. as at 30 June 2021. Such projects included 307 projects under management and GFA under management of approximately 44.9 million sq.m., representing an increase of approximately 30.6% as compared with GFA under management of 34.4 million sq.m. as at 30 June 2021.

6. The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2022.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Redsun Services Group Limited (the "**Company**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2022 (the "**reporting period**"), together with the comparative figures for the corresponding period of the previous year as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 June

	Notes	**2022 (Unaudited)** ***RMB'000***	2021 (Unaudited) *RMB'000*
REVENUE	5	**553,895**	529,078
Cost of sales		**(403,054)**	(376,141)
Gross profit		**150,841**	152,937
Other income and gains		**5,658**	5,645
Selling and distribution expenses		**(35)**	(871)
Administrative expenses		**(57,125)**	(69,030)
Other expenses		**(147)**	(1,531)
Impairment losses on financial assets, net		**(3,978)**	(3,186)
Finance costs		**(1,758)**	(20)
PROFIT BEFORE TAX	6	**93,456**	83,944
Income tax expense	7	**(20,047)**	(19,950)
PROFIT FOR THE PERIOD		**73,409**	63,994
Attributable to:			
Owners of the parent		**69,297**	59,830
Non-controlling interests		**4,112**	4,164
		73,409	63,994

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

Six months ended 30 June

	Notes	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(expressed in RMB per share)*			
Basic and diluted			
— For profit for the period	9	**0.17**	0.14
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**—**	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**73,409**	63,994
Attributable to:			
Owners of the parent		**69,297**	59,830
Non-controlling interests		**4,112**	4,164
		73,409	63,994

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2022 (Unaudited)** *RMB'000*	31 December 2021 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**20,392**	17,316
Right-of-use assets		**220**	441
Goodwill		**205,460**	205,460
Other intangible assets		**128,124**	136,020
Deferred tax assets		**8,885**	8,031
Total non-current assets		**363,081**	367,268
CURRENT ASSETS			
Inventories		**8,888**	9,543
Trade receivables	10	**183,892**	122,230
Prepayments, other receivables and other assets		**76,365**	55,886
Due from related companies		**158,364**	90,241
Cash and bank balances		**721,869**	697,612
Total current assets		**1,149,378**	975,512
CURRENT LIABILITIES			
Trade and bills payables	11	**102,594**	74,963
Other payables and accruals	12	**166,487**	200,004
Contract liabilities		**224,013**	180,896
Due to related companies		**—**	5,556
Interest-bearing bank and other borrowings		**13,184**	—
Lease liabilities		**1,389**	1,380
Tax payable		**44,591**	34,601
Total current liabilities		**552,258**	497,400

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	30 June 2022 (Unaudited) *RMB'000*	31 December 2021 (Audited) *RMB'000*
NET CURRENT ASSETS	**597,120**	478,112
TOTAL ASSETS LESS CURRENT LIABILITIES	**960,201**	845,380
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**50,712**	—
Deferred tax liabilities	**29,838**	33,121
Total non-current liabilities	**80,550**	33,121
Net assets	**879,651**	812,259
EQUITY		
Equity attributable to owners of the parent		
Share capital	**3,764**	3,764
Reserves	**846,350**	777,053
	850,114	780,817
Non-controlling interests	**29,537**	31,442
Total equity	**879,651**	812,259

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Redsun Services Group Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Islands Companies Law on 12 December 2019. Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 17 February 2020. The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 7 July 2020. The registered office of the Company is located at Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

During the period, the Group was mainly involved in the provision of property management services, value-added services to non-property owners and community value-added services.

In the opinion of the directors, the holding company of the Company is Redsun Services Group (Holdings) Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*
Annual Improvements to IFRS Standards 2018–2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the revised IFRSs are described below:

a) Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.

c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the revised IFRSs are described below: (continued)

d) Annual Improvements to IFRS Standards 2018–2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property management services income and value-added services income by project locations for the purpose of making decisions about resource allocation and performance assessment. As all the locations have similar economic characteristics and are similar in the nature of property management services, the nature of the aforementioned business processes, the type or class of the customer for the aforementioned business and the methods used to distribute the property management services and value-added services, all locations were aggregated as one reportable operating segment.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

Information about major customers

During the six months ended 30 June 2022, revenue from continuing operations of approximately RMB127,140,000 (For the six months ended 30 June 2021: RMB119,304,000) was derived from providing property management services and value-added services to a single customer, which is a related party controlled by the controlling shareholder, including providing property management services and value-added services to a group of entities which are known to be under common control with that customer.

5. REVENUE

Revenue represents income from property management services, value-added services to non-property owners and community value-added services. An analysis of revenue is as follows:

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Property management services	**404,164**	350,438
Value-added services to non-property owners	**75,095**	84,803
Community value-added services	**74,636**	93,837
	553,895	529,078

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from customers and recognised over time		
Property management services	**404,164**	350,438
Value-added services to non-property owners	**62,366**	75,843
	466,530	426,281
Revenue from customers and recognised at a point in time		
Value-added services to non-property owners	**12,729**	8,960
Community value-added services	**74,636**	93,837
	87,365	102,797

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Property management services	**75,541**	66,171

5. REVENUE (continued)

Revenue from contracts with customers (continued)

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Property management services

The Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date. The Group has elected the practical expedient to not to disclose the remaining performance obligations for these types of contracts. The majority of the property management services contracts do not have a fixed term.

Value-added services to non-property owners

Value-added services to non-property owners mainly include sales assistance services, pre-delivery and consulting services. The term of the contracts for sales assistance is generally set to expire when the counterparties notify the Group that the services are no longer required. Pre-delivery and consulting services are rendered in a short period of time and there were no unsatisfied performance obligations at the end of the respective periods.

Community value-added services

The services are rendered in a short period of time and there were no unsatisfied performance obligations at the end of the respective periods.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of services provided	**403,054**	367,813
Depreciation of property, plant and equipment	**2,872**	4,754
Depreciation of right-of-use assets	**221**	221
Amortisation of intangible assets	**11,692**	8,898
Foreign exchange difference, net	**(1,089)**	913
Impairment losses on trade receivables	**2,866**	2,793
Impairment losses on financial assets included in prepayments, other receivables and other assets	**1,112**	393
Loss on disposal of items of property, plant and equipment	**7**	23

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profit currently arising in Hong Kong for the six months ended 30 June 2022.

Subsidiaries of the Group operating in Mainland China are subject to PRC corporate income tax at a rate of 25% for the period.

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
Corporate income tax	**24,184**	23,128
Deferred tax	**(4,137)**	(3,178)
Total tax charge for the period	**20,047**	19,950

8. DIVIDENDS

The board of directors has resolved not to pay an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 415,000,000 (2021: 415,000,000) in issue during the period.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2022 and 2021 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the periods.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

The calculations of basic earnings per share are based on:

	For the six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**69,297**	59,830

	Number of shares	
	2022	2021
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**415,000,000**	415,000,000

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of revenue recognition, net of provision for the loss allowance for impairment, is as follows:

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**153,451**	91,338
1 to 2 years	**21,975**	26,094
2 to 3 years	**6,493**	3,548
Over 3 years	**1,973**	1,250
	183,892	122,230

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**101,539**	73,936
Over 1 year	**1,055**	1,027
	102,594	74,963

12. OTHER PAYABLES AND ACCRUALS

	30 June 2022	31 December 2021
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Receipts on behalf of community residents for utilities	**35,864**	34,248
Deposits received	**52,144**	44,029
Other tax payable	**16,383**	17,690
Payroll and welfare payable	**30,683**	65,722
Dividends payable	**4,632**	—
Others	**26,781**	38,315
	166,487	200,004

Other payables are unsecured and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW FOR THE FIRST HALF OF 2022

In the first half of 2022, China's economy overcame the adverse effects of unexpected factors such as the complex and volatile international situation and frequent reoccurrences of COVID-19, and the national economy had a steady rebound. In the first half of the year, the gross domestic product ("**GDP**") had a year-on-year increase of 2.5%, which achieved a stable growth.

During the three years since the outbreak of COVID-19, the normalization and static management of the epidemic have become the basic form of epidemic prevention, which further highlighted the importance of the property management industry in community management, and the macro-economic policies have become more friendly to the property management industry. In February 2022, the General Office of the State Council issued the "Notice of 14th Five-Year Plan for Construction of Urban and Rural Community Service System" (《「十四五」城鄉社區服務體系建設規劃的通知》), which encourages the introduction of professional property services to places where condition allows and the establishment and improvement of a two-way selection mechanism between property owners and property management companies. In May 2022, nine ministries including the Ministry of Civil Affairs and the CPC Political and Legislative Affairs Committee, jointly issued the "Opinions on Further Promoting the Construction of Smart Communities" (《關於深入推進智慧社區建設的意見》), which points out that under the background of normalization of epidemic prevention and control, property management companies should seize the opportunity and focus on the core goal of cost reduction and efficiency enhancement to accelerate relevant progress in optimizing and upgrading service quality and user experience.

In the first half of 2022, the Group was confronted with the recurring epidemic situation and macro-economic impact. Despite the unprecedented challenges faced by the property management industry, the Group achieved high-quality and steady growth in scale and revenue with the joint efforts of all colleagues.

During the reporting period, the Group's revenue was RMB553.9 million, representing an increase of 4.7% as compared with the corresponding period last year. Revenue from property management services was RMB404.16 million, representing an increase of 15.3% as compared with the corresponding period last year. Revenue from value-added services to non-property owners was RMB75.10 million, representing a year-on-year decrease of 11.4% and a decrease as a percentage of total revenue for the second consecutive year, which represents a decreasing dependence on revenue from real estate related business. We remain our adherence to the layout strategy of "penetrating the Greater Jiangsu Region, strengthening foothold in the Yangtze River Delta Region and expanding into core cities (做透大江蘇、深耕長三角、做強中心城)". As of the reporting date, we have established our presence in 62 cities in China with a contracted gross floor area ("**GFA**") of 56.91 million sq.m., representing an increase of approximately 14.7% as compared with the corresponding period last year, and a GFA under management of 44.88 million sq.m., representing an increase of 30.6% as compared with the corresponding period last year, demonstrating that our management scale has reached a new level ever again.

Focusing on construction of our development core. The Group gave play to the advantage of Nanjing "home-city" to expand the development tracks of urban services and constantly establish its presence in the projects located in Taishan Street, Jiangbei New District, Nanjing and Xigang Street, Qixia District, Nanjing. Continuously penetrating the sector of logistics management services for expressways, the Group cooperated with Hubei United Transportation Investment Co., Ltd. (湖北聯合交通投資有限公司) to provide logistics services such as cleaning environment, order maintenance and engineering maintenance for its 12 stations including Wuhan Heping-Zuoling Expressway. Leveraging its reputation and courteous and customized professional services provided during the epidemic in Shanghai, the Group successfully obtained the Shanghai Henlius Industrial Park Project through market-oriented bidding expansion to provide property management services for large-scale pharmaceutical enterprises.

Adhering to our original mission and reinforcing our capability in providing quality services. During the first half of 2022, the Group insisted to think everything from the customers' perspective and explore future demand of customers. By expanding the boundary to create a good life for customers, we unveiled the "Customer Value Year" with customer-centricity. We adhered to the original vision of "creating values for customers (為客戶創造價值)" to transit from "product thinking" to "customer thinking". We upgraded the Redsun Mode 2.0 to establish "five good services" with basic service quality as the focus, which further solidified our basic service quality. We continued to launch special programs, such as "Management to Listen Program (聆聽行動)" and "Zero Distance with Senior Management Program (高管零距離行動)", to listen to customers and solve their problems. By maximizing the motivation of our employees at the institutional level, we helped them to be self-motivated, strengthened our core product capabilities and brand influence, and thus formed a virtuous cycle. The "Redsun Housekeeper" service products under this model have now been launched in full swing in the Group. Our organizational efficiency has been continuously improved and our efforts to enhance quality and efficacy have achieved satisfactory outcome.

Adhering to integrity and innovation to promote high-quality development. Focusing on customers' needs and advantageous areas of property management enterprises, the Group constantly diversified the community living service ecosystem and built up professional service capabilities. We integrated premium supplier resources and continuously penetrated deeply into various segments of business including Redsun community resources value-added services, Redsun Property Decoration Centre (弘陽美居中心), and Hong Life Rental & Sales Centre (弘生活租售中心). While extending the professional values of the Group, we have also upgraded the value of assets and community spaces for property owners. At the same time, in compliance with the boost of "intelligent empowerment", the Group actively promoted digital construction and carried out smart upgrades, where we continuously iterated and upgraded the "Hongtu panoramic smart data platform", "management and control platform of all-dimensional plan", "Hongzhi Cloud Monitor" and "online management and control platform of investment and development", for the purpose of enhancing management efficiency while controlling operation costs.

With the steady growth of the Group's performance, the Group also gained recognition from the public and the industry. In the first half of 2022, the Company became a council member of the China Property Management Institute and received several awards including "TOP18 of Top 100 Property Management Companies in 2022" (2022中國物業服務百強企業TOP18) from China Index Academy and "TOP5 of China's Listed Property Management Companies in 2022 — Profitability" (2022中國物業上市公司盈利能力TOP5) from CRIC Property Management (克而瑞物管).

BUSINESS REVIEW

Our Business Model

Since our inception in Nanjing in 2003, we have grown from a property management service provider to a well-recognized community service provider with national presence in China. We provide a wide range of property management services to property owners, residents and tenants. We also provide value-added services to non-property owners, primarily property developers, and other property management companies and community value-added services to residential property owners and residents.

1) Property management services: We provide property owners, residents and tenants with a wide range of property management services, including, among others, public order, cleaning, greening, facility management, and repairs and maintenance services. Our portfolio of managed properties comprises of residential, commercial, public construction and other properties. In addition to residential properties, we also provide property management services to a variety of commercial properties, such as shopping malls, home improvement and furnishings malls, hotels and theme parks. We also provide property management services to public construction and other properties such as hospitals, schools and industrial parks.

2) Value-added services to non-property owners: We also provide value-added services to non-property owners, including (i) consulting services to other property management companies; (ii) preliminary planning and design consultancy services to property developers for property development projects; (iii) sales assistance services to property developers to assist with their sales and marketing activities at property sales venues and display units, including visitor reception, cleaning, security inspection and maintenance; and (iv) other value-added services to property developers, such as inspection services.

3) Community value-added services: We provide community value-added services to residential property owners and residents to improve their living experiences with the aim to preserve and increase the value of their properties. Our community value-added services for residential properties primarily include, among others, (i) property brokerage services, (ii) property decoration services, (iii) community convenience services, (iv) common area value-added services and (v) assets management services. The table below sets forth a breakdown of the Group's total revenue by business lines during the reporting period and the corresponding period of 2021:

	Six months ended 30 June 2022		Six months ended 30 June 2021	
	Revenue ***(RMB'000)***	**Percentage** ***(%)***	Revenue *(RMB'000)*	Percentage *(%)*
Property management services	**404,164**	**73.0%**	350,438	66.3%
Value-added services to non-property owners	**75,095**	**13.5%**	84,803	16.0%
Community value-added services	**74,636**	**13.5%**	93,837	17.7%
Total	**553,895**	**100.0%**	529,078	100.0%

By types of developers:

The table below sets forth the Group's total revenue from property management services, GFA under management and number of projects during the reporting period and the corresponding period of 2021:

	Six months ended 30 June 2022	**As at 30 June 2022**		Six months ended 30 June 2021	As at 30 June 2021	
	Revenue ***(RMB'000)***	**Number of Projects**	**GFA under management** ***('000 sq.m.)***	Revenue *(RMB'000)*	Number of Projects	GFA under management *('000 sq.m.)*
Redsun Properties Group[1]	**161,501**	**93**	**15,309.8**	151,402	75	12,645.3
Third-party property developers	**195,239**	**211**	**28,286.4**	153,608	150	20,429.4
— Third party developers[2]	**164,711**	**175**	**23,009.5**	132,450	132	17,948.4
— Joint ventures and associates of Redsun Properties[3]	**30,528**	**36**	**5,276.9**	21,158	18	2,481.0
Other associates of our controlling shareholders[4]	**47,424**	**3**	**1,282.9**	45,428	3	1,282.9
Total	**404,164**	**307**	**44,879.1**	350,438	228	34,357.6

Notes:

(1) Includes projects solely developed by Redsun Properties Group Limited (the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (Stock Code: 1996)) and its subsidiaries (collectively, "**Redsun Properties Group**") and properties that Redsun Properties Group jointly developed with other property developers for which properties Redsun Properties Group holds a controlling interest.

(2) Includes properties developed by third-party property developers independent from Redsun Properties Group.

(3) Includes properties developed by property developers which are joint ventures and associates of Redsun Properties Group in which Redsun Properties Group does not hold a controlling interest.

(4) Includes properties owned by Jiangsu Redsun Industrial Raw Materials City Co., Ltd. ("**Redsun Materials City**") together with its subsidiaries and Nanjing Redsun Business World Co., Ltd. ("**Redsun Business World**"), which are associates of our controlling shareholders. Redsun Materials City is owned as to 100% by Mr. Zeng Huansha, the founder and controlling shareholder of the Group ("**Mr. Zeng**"). Redsun Business World is owned as to 90% by Ms. Zeng Suqing (曾素清), the sister of Mr. Zeng, and 10% by Ms. Chen Sihong (陳思紅), spouse of Mr. Zeng.

By types of properties we manage:

The table below sets forth the Group's total revenue from property management services, GFA under management and number of projects during the reporting period and the corresponding period of 2021:

We manage residential and non-residential properties, respectively. Our non-residential properties under management include office buildings, malls, industrial parks and schools, etc. Although the revenue from residential properties still accounts for a substantial proportion of our revenue, we endeavor to diversify our service offerings, so as to cover other types of properties.

	Six months ended 30 June 2022	**As at 30 June 2022**		Six months ended 30 June 2021	As at 30 June 2021	
	Revenue	**Number of Projects**	**GFA under management**	Revenue	Number of Projects	GFA under management
	(RMB'000)		***('000 sq.m.)***	*(RMB'000)*		*('000 sq.m.)*
Residential	**244,666**	**221**	**35,584.8**	206,010	159	27,882.2
Commercial	**114,746**	**32**	**4,703.4**	113,978	34	4,624.1
Public construction and others	**44,752**	**54**	**4,590.9**	30,450	35	1,851.3
Total	**404,164**	**307**	**44,879.1**	350,438	228	34,357.6

By types of geographic presence:

The table below sets forth the Group's total revenue from property management services, GFA under management and number of projects during the reporting period and the corresponding period of 2021:

Since the inception of the Group, we have expanded our geographic presence from Nanjing to 62 cities in China as of 30 June 2022.

	Six months ended 30 June 2022	**As at 30 June 2022**		Six months ended 30 June 2021	As at 30 June 2021	
	Revenue	**Number of Projects**	**GFA under management**	Revenue	Number of Projects	GFA under management
	(RMB'000)		***('000 sq.m.)***	*(RMB'000)*		*('000 sq.m.)*
Nanjing	**181,394**	**125**	**15,717.5**	176,395	91	13,155.7
Jiangsu (excluding Nanjing)	**82,046**	**65**	**10,873.1**	74,959	53	8,771.2
Shanghai	**3,327**	**1**	**207.1**	2,383	1	207.1
Anhui	**34,448**	**36**	**6,853.9**	29,948	27	5,423.9
Shandong	**3,822**	**2**	**199.9**	3,863	2	264.6
Hunan	**6,969**	**7**	**1,078.2**	5,491	3	550.5
Hebei	**2,645**	**1**	**76.9**	3,882	1	76.9
Henan	**3,356**	**2**	**314.7**	1,735	2	316.8
Zhejiang	**6,645**	**7**	**865.9**	2,458	4	533.5
Hubei	**53,972**	**34**	**4,345.0**	39,573	29	3,174.3
Chongqing	**7,983**	**6**	**814.2**	4,829	6	736.0
Guangdong	**3,483**	**7**	**1,078.8**	796	2	338.3
Jiangxi	**4,715**	**5**	**769.7**	1,498	2	204.5
Sichuan	**4,321**	**6**	**1,309.9**	1,750	3	316.4
Jilin	**4,817**	**2**	**288.0**	878	2	287.9
Shaanxi	**221**	**1**	**86.3**	—	—	—
Total	**404,164**	**307**	**44,879.1**	350,438	228	34,357.6

FINANCIAL REVIEW

Revenue

During the reporting period, the Group's revenue amounted to RMB553.9 million, representing an increase of RMB24.8 million or 4.7% from RMB529.1 million for the corresponding period in 2021. The increase in revenue was mainly attributable to the increase in the number of residential and public construction and other projects managed by the Group, leading to the corresponding increase in revenue from providing property management services.

Property management services

During the reporting period, the Group's revenue from providing property management services reached RMB404.2 million, representing an increase of RMB53.7 million or 15.3% from RMB350.4 million for the corresponding period in 2021. This was mainly attributable to the rapid increase in total GFA under management in line with the Group's business expansion.

Value-added services to non-property owners

During the reporting period, the Group's revenue from value-added services to non-property owners reached RMB75.1 million, representing a decrease of 11.4% from RMB84.8 million for the corresponding period in 2021. The decrease in revenue from value-added services to non-property owners was mainly attributable to the decrease of sales venue projects as the property projects were delivered gradually.

Community value-added services

During the reporting period, the Group's revenue from community value-added services reached RMB74.6 million, representing a decrease of 20.5% from RMB93.8 million for the corresponding period in 2021. During the reporting period, the decrease in revenue from community value-added services was mainly attributable to the decrease in revenue from sales commission of parking spaces.

Cost of sales and services

During the reporting period, the Group's cost of sales and services amounted to RMB403.1 million, representing an increase of approximately 7.2% from RMB376.1 million for the corresponding period in 2021. The increase was mainly attributable to the increase in project sub-contracting cost as a result of the expansion of business scale.

Gross profit

As a result of the aforementioned key factors, the Group's gross profit decreased by approximately 1.4% from RMB152.9 million for the six months ended 30 June 2021 to RMB150.8 million for the six months ended 30 June 2022. The decrease was mainly attributable to a decrease in revenue from providing value-added services to non-property owners and community value-added services.

The Group's gross profit margin by business lines is set forth below:

Projects	**Six months ended 30 June 2022**	Six months ended 30 June 2021
Property management services	**25.9%**	25.5%
Value-added services to non-property owners	**20.2%**	21.3%
Community value-added services	**41.7%**	48.5%
Consolidated gross profit margin	**27.2%**	28.9%

During the reporting period, the Group's gross profit margin was 27.2%, representing a decrease of 1.7 percentage points from 28.9% for the corresponding period in 2021. The decrease was mainly attributable to the decrease in the gross profit margin of value-added services to non-property owners and community value-added services.

The gross profit margin of property management services was 25.9%, representing a slight increase as compared with 25.5% for the corresponding period in 2021. The number of projects under management by the Group continued to increase, and the gross profit margin of the current period increased slightly due to effective economies of scale.

The gross profit margin of value-added services to non-property owners was 20.2%, representing a slight decrease from 21.3% for the corresponding period in 2021. The decrease was mainly attributable to the decrease in the gross profit margin of sales assistance services provided to property developers due to the impact of the real estate industry.

The gross profit margin of community value-added services was 41.7%, representing a decrease from 48.5% for the corresponding period in 2021. The decrease was mainly attributable to the decrease in revenue from sales of parking spaces, which was a business with relatively high gross profit margin.

Other income and other net income

During the reporting period, the Group's other income and other net income amounted to RMB5.7 million, which basically remained consistent as compared with RMB5.6 million for the corresponding period in 2021.

Administrative expenses

During the reporting period, the Group's administrative expenses amounted to RMB57.1 million, representing a decrease of approximately 17.2% from RMB69.0 million for the corresponding period in 2021. The decrease was mainly attributable to the upgrade of management system and reinforcement of cost control by the Group.

Net impairment losses on financial assets

The Group's net impairment losses on financial assets primarily included the impairment allowance for trade receivables and other receivables in accordance with the accounting policy. During the reporting period, the Group's net impairment losses on financial assets amounted to RMB4.0 million, as compared to RMB3.2 million for the corresponding period in 2021, which was mainly due to the increased trade receivables as a result of the increase in revenue scale.

Profit before income tax expense

During the reporting period, the Group's profit before income tax expense amounted to RMB93.5 million, representing an increase of approximately 11.3% from RMB83.9 million for the corresponding period in 2021.

Income tax expenses

During the reporting period, the Group's income tax expense amounted to RMB20.0 million, which basically remained the same as compared with RMB20.0 million for the corresponding period in 2021.

Liquidity, reserves and capital structure

The Group maintained a solid financial position during the reporting period. As at 30 June 2022, the current assets amounted to RMB1,149.4 million, representing an increase as compared to RMB975.5 million as at 31 December 2021. The Group's cash and cash equivalents were mainly denominated in RMB and amounted to RMB721.9 million, representing an increase of 3.5% from RMB697.6 million as at 31 December 2021, which was mainly due to the growth in business scale during the period. The current ratio (current assets divided by current liabilities) of the Group was 2.08 as at 30 June 2022, representing an increase from 1.96 as at 31 December 2021. The gearing ratio (total liabilities divided by total assets) as at 30 June 2022 was 41.8%, which was an increase from 39.5% as at 31 December 2021.

As at 30 June 2022, the Group's total equity amounted to RMB879.7 million, representing an increase of 8.3% from RMB812.3 million as at 31 December 2021, which was mainly due to the growth resulting from operating profit.

The Group actively reviews and manages its capital structure on a regular basis to maintain a balance between the relatively high returns to the owners of the Group and possible high level of borrowings and maintains the advantages and security of a sound capital position. The Group also makes adjustments to the capital structure in light of changes in economic conditions.

Trade receivables

The Group's trade receivables primarily include receivables from customers for property management services and community value-added services. As at 30 June 2022, the Group's trade receivables amounted to RMB183.9 million, representing an increase of approximately 50.4% from RMB122.2 million as at 31 December 2021, which was mainly due to the seasonality factor that the Group normally enhanced collection of trade receivables at the end of the year and the increase in the Group's revenue scale.

Prepayments, other receivables and other assets

The Group's prepayments, other receivables and other assets primarily consist of prepayments on behalf of customers to utility suppliers, other deposits, amounts due from third parties and other tax recoverable. As at 30 June 2022, the Group's prepayments, deposits and other receivables amounted to RMB76.4 million, representing an increase of approximately 36.6% from RMB55.9 million as at 31 December 2021, primarily due to the corresponding increase in prepayments on behalf of customers to utility suppliers as a result of the increase in the number of projects under management by the Group during the reporting period.

Trade and bills payables

The Group's trade and bills payables mainly comprise amounts due to sub-contractors of property management services. As at 30 June 2022, the Group's trade payables amounted to RMB102.6 million, representing an increase of approximately 36.9% from RMB75.0 million as at 31 December 2021, which was mainly due to the increase in the number of projects under management by the Group, resulting in the corresponding expansion of the outsourcing scale.

Contract liabilities

The Group's contract liabilities mainly represent the advance payments made by customers while our underlying services are yet to be provided. As at 30 June 2022, the Group's contract liabilities amounted to RMB224.0 million, representing an increase of approximately 23.8% from RMB180.9 million as at 31 December 2021, which was mainly due to the continuous growth in the number of property projects under management as a result of the Group's business expansion.

Other payables and accruals

The Group's other payables and accruals primarily comprise payroll and welfare payable to our employees, receipts on behalf of community residents for utilities, business tax and surcharges, deposits received and other payables. As at 30 June 2022, the Group's other payables and accruals amounted to RMB166.5 million, representing a decrease of approximately 16.8% from RMB200.0 million as at 31 December 2021, which was mainly due to the adoption of a series of cost reduction and efficiency enhancement measures as well as continuous improvement in management efficiency per capita by the Group.

Contingent liabilities

As at 30 June 2022, the Group did not have material contingent liabilities or guarantees.

OUTLOOK FOR THE SECOND HALF OF 2022

Under the guidance of national policies, there is huge room for development and consolidation in the property management industry. The improvement in service quality and standardization of healthy development will inevitably be the general direction of the development of property management industry.

The Group will continue to adhere to the high-quality and steady development strategies. With the support of comprehensive improvement in the organizational and cultural ability of talents, we will enhance our professional, standardized, high-quality, systematic service operational capabilities as well as service design and innovative capabilities, so that we can create excellent comprehensive servicing capabilities in the all-round development of "space + scenario" operational capabilities, and take this as the basis for building our healthy and sustainable development capabilities to realize the long-term value of the Company.

Great efforts in providing quality services: upholding the customer-centered philosophy, we will solidify our product lines and further enhance our service power to meet the increasing demand of high-quality products.

The Group will continue to adhere to the "customer-centered" service philosophy and further optimize the service standard and quality control system throughout the entire product lifecycle. We will also continue to enrich the service contents and standards of our product lines and achieve rapid replication of service standards, so as to sustain customer satisfaction and brand reputation.

For residential properties, with the implementation of the residential service classification system, the Group will further upgrade scenario-based services for the community and optimize living experience. For non-residential properties, the Group will launch non-residential benchmark projects and give full play to the success of benchmark effects based on demands from major customers to speed up the market expansion of non-residential properties. For urban services, the Group will build regional economies of scale with its urban service quality and brand influence in "Nanjing home-city" and continue to build up core competitiveness of its urban services and enhance its capability in basic social governance.

Great efforts in operation: on the basis of the three major property types and leveraging social resources of multi-customer groups, the Group will further create sustainability in operating capability.

Stronger marketization capability drives the scale of property management of the Group to increase steadily. Leveraging its "residential + commercial" dual-driven strategy, based on the steady growth in the scale of property management, strategically, the Group will focus on the Greater Jiangsu Region and core cities where it has already established a foothold, in order to further optimize the market structure and management density. Tactically, we will focus on urban services and push ahead with marketization.

The Group will further build a "platform + ecosystem" value-added service chain for property owners to satisfy diversified and multi-level living needs of residents. We will further connect and integrate superior resources to strengthen customer loyalty to frequent-use services and products with rigid demand such as home decoration. The Group will further expand the width of its services scope based on the relevance of customer demands. Meanwhile, targeting at high-net-worth customers, the Group will promote low-frequency and high-income service products such as assets, further deepen its services and form growth momentum to realize whole chain and full cycle value-added services for property owners.

Great efforts in innovation: adhering to Redsun Mode, we will boost our vitality, increase our efficiency with various measures and further strengthen our innovative capability, in order to provide strong support to high-quality and steady development.

To practically conduct its principal business, the Group strives to enhance its services, operating and innovative capabilities on an ongoing basis with reference to the changes in customer and market demands. Adhering to Redsun's own model, the Group continuously optimizes its services, products, operating capabilities and efficiency. Meanwhile, by nurturing three major key talents, namely, "Hong Elite", "Hong Housekeeper" and "Hong Master", we use innovation to bring impetus and safeguard our competitiveness.

The Group's intelligent construction in 2022 mainly comprises four major smart platforms, namely, "Hongtu Smart Database (弘圖智慧數據庫)", "Panorama Project System (全景計劃系統)" and "Redsun Services APP (弘陽服務APP)" and "Hong Life APP (弘生活APP)". We will continue to make technological achievements and accumulate experience of operating smart platforms. With improvement in service quality and standards, operating and decision-making efficiency, digital decision-making ability and management as well as instant response time, management precision and control efficiency will be enhanced.

Those who refuse to take the easy path will succeed; those who meet challenges head on will prevail. In the future when the property management industry enters a new development stage, the Group will try its best endeavours to become a venerable good life operator with its continuously enhancing service power, operation power and innovative power.

CORPORATE GOVERNANCE/OTHER INFORMATION

1. Material Investments, Acquisitions and Disposals

There was no material investment, acquisition and disposal of subsidiaries, associates or joint ventures by the Group during the reporting period.

2. Employment and Remuneration Policies

As of 30 June 2022, the Group had 3,960 employees in total, of which 2,975 employees were engaged in property management and related services for residential properties, 605 employees were engaged in property management and related services for commercial properties and 380 employees were engaged in property management and related services for public building properties.

The emolument of the employees of the Group is mainly determined based on their duties, performance and the prevailing market level in the respective regions. The Group has formulated a systematic and market-competitive employee incentive plan and a comprehensive talent cultivation scheme based on its business to attract and retain talents through offering competitive salary packages, comprehensive talent training strategies, internal promotion system and a caring corporate culture.

In addition, focusing on the entire process of talent cultivation and development, the Group has also formulated the systematic "five-talent scheme", for enhancing the quality of talents and broadening its pool of talents. The Group has designed the "leadership scheme", "brigadier scheme", "new manager", "excellent manager" and "management trainee programme" for the key talents, as well as established "service capability nurturing center" to cultivate "Hong Elite", "Redsun Housekeeper" and "Hong Master" for enhancing capabilities of the Company's customer services, in which systematic arrangements are implemented to provide the employees of the Group with clear development path and secure the demand for talents in different business segments and levels. The Group believes that talent cultivation scheme of the Group will enhance team building, improve team capability, and provide talent pipelines for the business development of the Group.

3. Use of Proceeds Raised from Initial Public Offering and Over-allotment Option

The net proceeds from initial public offering amounted to approximately HK$398 million. On 27 July 2020, the Company also received net proceeds of HK$62.1 million from the full exercise of over-allotment option.

The table below sets out the details of actual usage of the net proceeds as at 30 June 2022:

		Net Proceeds (HK$ million)				
Item	**Percentage**	**Available**	**Used**	**Used**	**Unused**	**Remaining balance expected to be fully used by**
		Net proceeds from the Listing	From the Listing Date and up to 30 June 2022	For the six months ended 30 June 2022	As at 30 June 2022	
Selective strategic investment and acquisition and further expansion of property management business	40%	184	154	—	30	End of Year 2022
R&D and upgrade of intelligent system	30%	138	55	20	83	End of Year 2023
Improvement of service quality	10%	46	34	6	12	End of Year 2023
Recruitment of talents and improvement of employee training and employee benefit system	10%	46	34	4	12	End of Year 2023
Working capital and general corporate purposes	10%	46	41	2	5	End of Year 2023
Total	100%	460	318	32	142	

4. Events after the Reporting Period

On 25 July 2022, Hong Life Property Services Management Co., Ltd. ("**Hong Life Property Management**", an indirect wholly-owned subsidiary of the Company), Gaoli Holdings Group Co., Ltd.* ("**Gaoli Holdings**") and Nanjing Gaoli Property Management Co., Ltd.* ("**Gaoli Property**") and Jiangsu Gaoli Meijia Property Co., Ltd.* ("**Jiangsu Gaoli Meijia**") entered into an equity transfer agreement, pursuant to which Gaoli Holdings has agreed to acquire, and Hong Life Property Management has agreed to dispose of, 80% of the equity interest in each of Gaoli Property and Jiangsu Gaoli Meijia for a consideration of RMB73,536,000. Please refer to the announcement of the Company dated 25 July 2022 for further details.

On 2 August 2022, Mr. Jia Jie resigned as the chief financial officer of the Company and Mr. Hu Chunhuang was appointed as the chief financial officer of the Company. Please refer to the announcement of the Company dated 2 August 2022 for further details.

Save as disclosed above, the Group had no material events after the reporting period.

5. Interim Dividend

The Board of the Company did not recommend payment of any interim dividend for the six months ended 30 June 2022.

6. Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the reporting period.

7. Exposure to Foreign Exchange Risk

The Group primarily operates in the PRC and the majority of transactions were denominated and settled in RMB. The Group will continue to monitor foreign exchange activities and safeguard the cash value of the Group with its best efforts.

8. Compliance with the Corporate Governance Code

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its corporate governance standards and, to the best knowledge of the Directors, the Company has complied with all applicable code provisions set out in the CG Code during the reporting period.

The Directors will use their best endeavors to procure the Company to continue to comply with the CG Code.

9. Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its code for dealing in securities in the Company by the Directors.

The Directors have confirmed compliance with the required standard set out in the Model Code during the reporting period.

10. Audit Committee and Review of Interim Results

The Board of the Company has established an audit committee (the "**Audit Committee**") with written terms of reference in accordance with the CG Code.

The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group, oversee the audit process, provide advice and comments to the Board, perform other duties and responsibilities as may be assigned by the Board. The Audit Committee consists of four members, including Mr. Zhao Xianbo, Ms. Wang Fen, Mr. Li Xiaohang and Mr. Zeng Junkai. The Audit Committee is chaired by Mr. Zhao Xianbo, an independent non-executive Director who possesses appropriate professional accounting and related financial management expertise. The Audit Committee has reviewed the Company's unaudited condensed consolidated interim results for the six months ended 30 June 2022 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of audit and financial reporting.

11. Publication of Interim Results and 2022 Interim Report on the Websites of the Stock Exchange and the Company

This announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.rsunservice.hk). The interim report of the Company for the six months ended 30 June 2022 will be dispatched to the Company's shareholders and published on the above websites in due course.

By order of the Board
Redsun Services Group Limited
Zeng Junkai
Chairman

Hong Kong, 23 August 2022

As at the date of this announcement, Mr. Zeng Junkai is the non-executive Director; Mr. Yang Guang and Ms. Zeng Zixi are the executive Directors; and Ms. Wang Fen, Mr. Li Xiaohang and Mr. Zhao Xianbo are the independent non-executive Directors.

* *For identification purpose only*