

# 用心構築美好生活

## BUILDING BETTER LIVES

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preferred smart city service brand



## 2025 INTERIM REPORT

永升服务集团有限公司

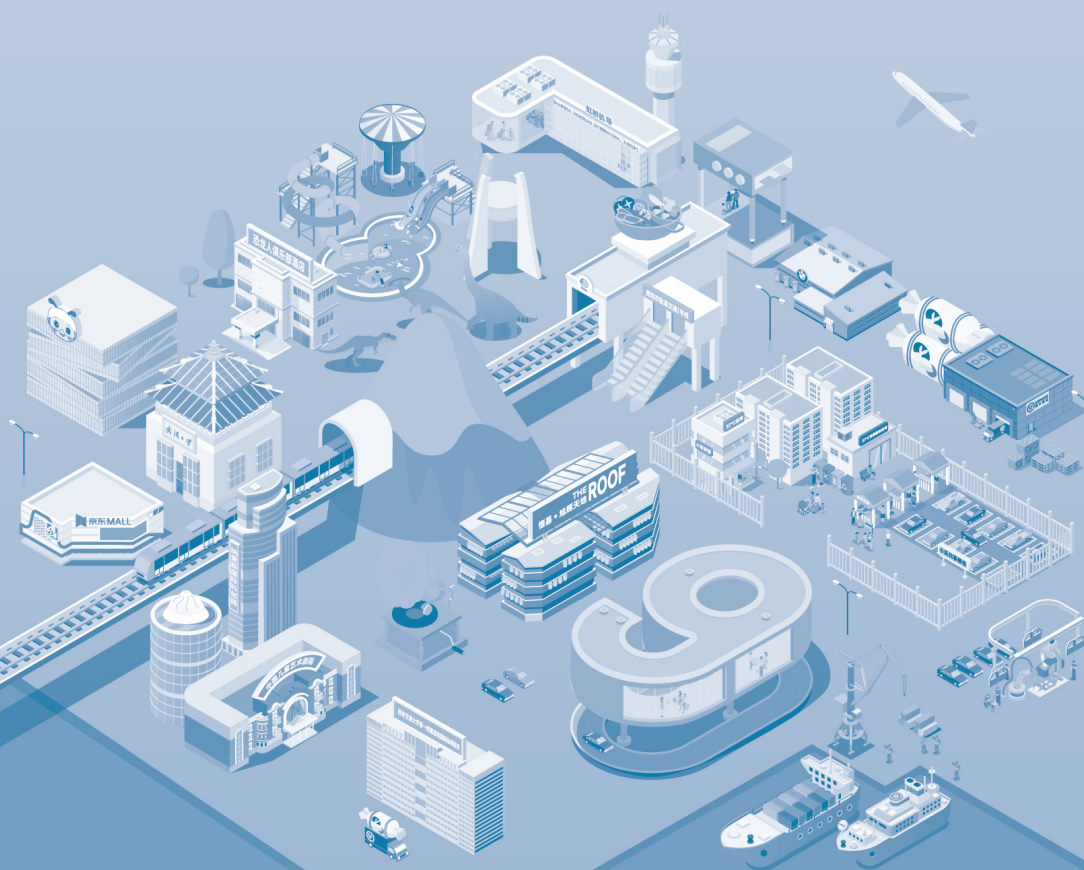
Ever Sunshine Services Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 01995

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. LIN Zhong (*Chairman*)  
Mr. ZHOU Hongbin  
Mr. ZHOU Di

### Non-executive Directors

Ms. CUI Xiaoqing  
Mr. Lin Zubo (appointed on 27 June 2025)

### Independent Non-executive Directors

Mr. MA Yongyi  
Mr. YU Tiecheng  
Mr. CHEUNG Wai Chung

## COMPANY SECRETARY

Ms. CHAN Yin Wah

## AUTHORISED REPRESENTATIVES

Mr. LIN Zhong  
Ms. CHAN Yin Wah

## STRATEGY COMMITTEE

Mr. LIN Zhong (*Chairman*)  
Ms. CUI Xiaoqing  
Mr. ZHOU Hongbin  
Mr. ZHOU Di

## AUDIT COMMITTEE

Mr. CHEUNG Wai Chung (*Chairman*)  
Mr. MA Yongyi  
Mr. YU Tiecheng

## REMUNERATION COMMITTEE

Mr. YU Tiecheng (*Chairman*)  
Mr. LIN Zhong  
Mr. MA Yongyi

## NOMINATION COMMITTEE

Mr. LIN Zhong (*Chairman*)  
Ms. CUI Xiaoqing (appointed on 27 June 2025)  
Mr. YU Tiecheng  
Mr. MA Yongyi  
Mr. CHEUNG Wai Chung (appointed on 27 June 2025)

## REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman KY1-1111  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN CHINA

5F, Building 39, Henderson CIFI Center  
Lane 1088, Shenhong Road  
Minhang District, Shanghai, PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

### PRINCIPAL BANKS

China Construction Bank Shanghai Putuo Branch  
8th Floor  
95 Changshou Road  
Putuo District, Shanghai, PRC

China Construction Bank Shanghai Nujiang Road Branch  
Room 101  
1006 Jinshajiang Road  
Putuo District, Shanghai, PRC

Ningbo Bank Shanghai Huangpu Branch  
37 Huanghe Road  
Huangpu District  
Shanghai, PRC

China Construction Bank Suzhou Gaoxin District Branch  
95 Shishan Road  
Gaoxin District  
Suzhou, Jiangsu Province, PRC

### AUDITOR

Prism Hong Kong Limited  
Units 1903 -1905, 19/F, 8 Observatory Road  
Tsim Sha Tsui  
Hong Kong

### LEGAL ADVISER

Sidley Austin

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman KY1-1111  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre, 183 Queen's Road East  
Wanchai, Hong Kong

### STOCK CODE

01995

### WEBSITE

[www.ysservice.com.cn](http://www.ysservice.com.cn)



## AWARDS AND HONORS



## DEFINITIONS

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:

Articles	the articles of association of the Company (as amended from time to time)
Audit Committee	the audit committee of the Company
associate(s)	has the meaning ascribed thereto under the Listing Rules
Best Legend	Best Legend Development (PTC) Limited (formerly known as Best Legend Development Limited), a private trust company limited by shares incorporated in the BVI on 20 April 2018 and wholly owned by Mr. Yu Chieh Jet (an employee of the Company who is not a connected person of the Company) as a special purpose vehicle to hold Shares as the trustee of the Best Legend Trust
Best Legend Trust	a trust company established on 19 October 2018, with Best Legend being appointed as the trustee, for the purpose of a share award scheme adopted by Best Legend
Board or Board of Directors	the board of directors of the Company
BU	Business unit
BVI	the British Virgin Islands
CG Code	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
China or PRC	the People's Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires, references in this interim report to "China" and the "PRC" do not apply to Taiwan, Macau Special Administrative Region and Hong Kong
CIFI Group	CIFI Holdings and its subsidiaries (excluding the Group)







## DEFINITIONS

CIFI Holdings	CIFI Holdings (Group) Co. Ltd. (旭輝控股(集團)有限公司) (stock code: 00884), an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board
Company, Ever Sunshine, we or us	Ever Sunshine Services Group Limited (永升服务集团有限公司) (formerly known as CIFI Ever Sunshine Services Group Limited (旭輝永升服务集团有限公司)), a company incorporated in the Cayman Islands as an exempted company with limited liability on 16 April 2018 and the Shares of which are listed on the Main Board
Controlling Shareholder(s)	has the meaning ascribed thereto under the Listing Rules and, unless the context requires otherwise, collectively refers to Mr. Lin Zhong, Mr. Lin Feng, Mr. Lin Wei, Elite Force Development, CIFI Holdings, Xu Sheng and Spectron
Deed of Non-Competition	the deed of non-competition dated 26 November 2018 given by our Ultimate Controlling Shareholders in favor of the Company (for itself and as trustee for each of the subsidiaries)
Director(s)	director(s) of the Company
Elite Force Development	Elite Force Development Limited, a limited liability company incorporated in the BVI on 4 April 2018, one of our Controlling Shareholders and is owned as to 50% by Mr. Lin Zhong, 25% by Mr. Lin Feng and 25% by Mr. Lin Wei
FVTPL	fair value through profit and loss
GFA	gross floor area
Group, we, us or our	the Company and its subsidiaries
Hong Kong or HK	the Hong Kong Special Administrative Region of the PRC
Hong Kong dollars, HKD or HK\$	Hong Kong dollars, the lawful currency of Hong Kong
Independent Third Party(ies)	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s) or their respective associates

IPO	the initial public offering of the Company
Listing	the listing of the Shares on the Main Board
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
Main Board	the Stock Exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
Memorandum	the memorandum of association of the Company (as amended from time to time)
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
Over-allotment Option	the option granted by the Company, pursuant to which the Company may be required to allot and issue up to an aggregate of 57,000,000 additional new Shares to, among other things, cover the over-allocations (if any) in the placing of Shares to professional, institutional and other investors (the portion of which has not been exercised has lapsed on 6 January 2019)
Prospectus	the prospectus of the Company dated 4 December 2018
Renminbi or RMB	the lawful currency of the PRC
Reporting Period	the period from 1 January 2025 to 30 June 2025
SFO	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time







## DEFINITIONS

Shareholder(s)	holder(s) of the Share(s)
Share(s)	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company, which are traded in Hong Kong dollars and listed on the Main Board
Spectron	Spectron Enterprises Limited, a limited liability company incorporated in the BVI on 18 September 2014 and one of our Controlling Shareholders
sq.m.	square metres
Stock Exchange	The Stock Exchange of Hong Kong Limited
substantial shareholder	has the meaning as ascribed thereto under the Listing Rules
Ultimate Controlling Shareholders	Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei
Xu Sheng	Xu Sheng Limited, a limited liability company incorporated in the BVI on 9 May 2011, a wholly-owned subsidiary of CIFI Holdings and one of our Controlling Shareholders

\* *For identification purposes only*

## CHAIRMAN'S STATEMENT

Dear Shareholders,

Thank you for your continuous support for the evolution and development of the Group.

On behalf of the Board, I am pleased to present the interim report of the Group for the six months ended 30 June 2025, summarizing the Group's achievements and shortcomings during the Reporting Period, while sharing the future plans and developments.

In the first half of 2025, the Group's revenue increased by approximately 2.7% to RMB3,460.8 million as compared with the corresponding period in 2024. In terms of revenue structure, revenue from property management services grew by 8.4% to RMB2,668.7 million, revenue from community value-added services decreased by 0.8% to RMB396.4 million, revenue from value-added services to non-property owners decreased by 24.4% to RMB269.6 million, and revenue from city services decreased by 15.8% to RMB125.5 million, with the overall revenue structure of the four sectors being approximately 77.1%, 11.4%, 7.8% and 3.6%.

During the Reporting Period, gross profit decreased by 10.0% to RMB645.4 million, resulting in a profit attributable to owners of the Company of RMB213.8 million, representing a year-on-year decrease of 19.4%, and net cash outflow from operating activities amounted to RMB229.9 million.

During the Reporting Period, the Group's contracted GFA increased from 350.9 million sq.m. as at 31 December 2024 to 354.9 million sq.m. as at 30 June 2025, representing an increase of 1.1%, while the GFA under management increased from 250.6 million sq.m. as at 31 December 2024 to 253.7 million sq.m. as at 30 June 2025, representing an increase of 1.2%.

In the first half of 2025, the overall operating performance of the Company failed to meet our set targets. Upon the conclusion of the interim period, we conducted a prompt and systematic review and reflection. It is our expectation that the team can swiftly identify the shortcomings from the underwhelming results of the first half of the year, reach a consensus on the strategy, align ideologically, and formulate new implementation-oriented rectification measures as early as possible, so as to accomplish the annual development goals with the sense of urgency akin to pressing forward in the middle of a journey.





## CHAIRMAN'S STATEMENT

During the overall reflection process of the team, we have identified the following common issues. Firstly, the operational challenges brought about by the macro environment have far exceeded our expectations at the beginning of the year. In the first half of 2025, China's GDP grew by 5.3% year-on-year, and the momentum of economic recovery continued. However, it is evident that such recovery is more partial and strongly correlated with key industries. Our sample of over 1 million property owners served in 100 cities across the country covers practitioners from various industries. As the most end-level scenario of living services, property owners have shown a relatively cautious attitude in both the payment of property management fees and the expenditure on value-added services. Secondly, the impact of the social public opinion environment on property management industry continues, and even some social contradictions are concentrated in communities. There have even emerged some professional groups making a career out of "property-related disturbances (物鬧)", putting forward unreasonable demands for price reductions, which pose significant challenges to the normal order of grass-roots property management work. Thirdly, the negative impact of the downward cycle of the real estate industry persists. Newly developed projects continue to shrink, and the incremental market is particularly limited, leading to intensified competition for the existing property market. Moreover, delayed deliveries and problematic deliveries have also brought great difficulties and conflicts to the smooth takeover of properties in the later stage. Fourthly, all the above are external and objective issues, while the more fundamental problem, I believe, lies within the team. After comfortably going through the dividend period of the industry's development, how to stabilize the team, stimulate the combat effectiveness of the team, and promote more challenging business relationships in the downward cycle has become a new battlefield for middle and senior management, as well as an unfamiliar operational scenario for the front-line staff. This has also given rise to phenomena such as fear of difficulties, evasion, and even a "lying flat" attitude.

Therefore, I have communicated the following to the team, and would like to encourage all Ever Sunshine staff to move forward together: Struggles will eventually leave brilliant traces, and professional craftsmanship will make one stand out from the crowd.

### **I. STRENGTHEN THE CUSTOMER-CENTRIC PERSPECTIVE AND STRIVE TO DELIVER QUALITY WITH DEDICATION**

In the face of prolonged external uncertainties, service quality remains the fundamental cornerstone of our survival, and the ultimate recognition from the bottom of customers' hearts is the true magic weapon to navigate through this cycle. It is the frontline that directly engages with customers and delivers outcomes. Over the past few years, we have invested substantial efforts in process reengineering and standard reshaping, yet there remains a significant gap in the on-the-ground implementation at the frontline. Therefore, in the long period ahead, we will allocate more resources and attention to the frontline.

Property management is neither a manufacturing industry nor a retail sector, but a series of "experience deliveries" where there are no ready-made products to be seen. This "experience" stems from a greeting in the elevator, a phone call when reporting a repair, or a clean chair in the public area—these are the most direct perceptions of our services by property owners.

In advancing the user-centric perspective, we need to make it clear to frontline colleagues that they should elevate their perspective beyond simply “viewing the site” to truly “sensing the site”. For example, to address the contradiction between “high expectations during the initial occupancy phase” and “staged mismatches in service delivery”, we will gradually implement a comprehensive “Red-Yellow-Green Standard Dashboard” across all service projects. This will allow property owners to visually check core indicators such as the intact rate of public facilities, complaint response timeliness, and community safety index upon entry, turning the service status from “passive perception” to “active transparency”.

In the meantime, we will also launch the “Hundred-Household In-depth Interview Program”. Led by the service quality team at the headquarters, we will randomly select typical projects in various regions to conduct unstructured communications with property owners, aiming to identify hidden pain points and expectation gaps. This will in turn feed into the design of standards and processes, enabling us to thoroughly resolve the complex difficulties that frontline colleagues have faced in the past, while summarizing and categorizing them into effective systematic solutions.

We will strengthen the development of the “three on-site perceptions (現場三感)”: namely, the perception of sensory cleanliness, the perception of sincere communication, and the perception of problem resolution. Every employee should understand that property owners are not merely “those being served” but “participants in our shared living scenarios”. Meanwhile, we will resolutely prevent frontline teams from fighting alone and being helpless in the face of unprecedented difficulties. Instead, the middle and back offices with management experience will also fully commit to supporting the frontline in systematically enhancing their ability to adopt a customer-centric perspective and reinforcing their determination to deliver services with dedication.

## II. EMPHASIZE A USER-ORIENTED MINDSET AND EXCEL IN BUSINESS OPERATIONS TO DRIVE REVENUE GROWTH

In an economic environment of all-round involution, developing value-added services is extremely challenging. Property owners' willingness and ability to purchase continue to shrink, while frontline employees, under the pressure of performance targets, are prone to adopt improper practices, which may even unknowingly cause significant damage to the property owners' experience.

Faced with the growth bottleneck, both the team and I have profoundly realized that generating revenue is not about “what to sell” but “what problems to solve”. Only by truly understanding the property owners' life rhythms and practical difficulties can we establish a stable and sustainable connection between their needs and our services.





## CHAIRMAN'S STATEMENT

In the first half of the year, we shifted our strategy for promoting operational services from “product-driven” to “scenario-driven”. For example, in communities with a large number of young families, we joined forces with surrounding community resources to launch a three-in-one community childcare solution integrating “after-school childcare + interest classes + safe pick-up and drop-off”. This helps property owners screen and endorse high-quality community resources, alleviating the childcare and service pressures faced by dual-income families. Targeting the energy consumption pain points during winter heating in northern cities, we collaborated with third-party institutions to roll out an energy-saving package covering “HVAC inspections + energy optimization + pipeline cleaning”. The gradual success of these cases has not only provided property owners with excellent interactive service experiences but also boosted the confidence of frontline teams, gradually helping them break free from the predicament where diversified operations were equated to selling rice, flour, cooking oil, and other daily necessities.

Furthermore, we are actively expanding revenue scenarios in “non-property spaces”. For instance, we have piloted “community human resources services” in some government and office building properties, assisting small and medium-sized enterprises (SMEs) in the communities to match short-term labor needs such as cleaning, security, and temporary workers. This addresses the issue of SMEs’ short-term labor demands versus long-term needs, enabling the property management to evolve from a “space manager” to an “operational service provider”.

Through years of practice, we have come to a deeper realization that the core methodology for delivering successful value-added services in communities lies in adopting a user-centric approach—deeply understanding users, focusing on user experience, valuing user feedback, and enhancing personalized services. Beyond the users, we also need to pay greater attention to our employees and upstream and downstream partners. Only when all parties collectively embrace the will and mission to excel in operations can value-added services be built on a more solid and sustainable foundation.

After three consecutive years of decline, the trend of value-added services has gradually stabilized. However, it will not be easy to move towards a recovery trend in the future. We will continue to strengthen two types of revenue-generating capabilities: firstly, the ability of content innovation, to create service combinations that can be embedded into life scenarios and meet diverse needs; secondly, the ability of operational compound growth, to convert one-time transactions into long-term user value, shifting from “collecting money once” to “managing a group of people”.

### III. DEEPEN THE APPLICATION OF TECHNOLOGY TO TRULY ENHANCE EFFICIENCY

Ever Sunshine's technological transformation has never been about "showcasing new technologies", but about solving the most basic, tedious yet critical daily work problems. Since 2022, we have formally put forward the three principles of digital intelligence management, namely "being able to see, being able to manage, and being able to improve". We have reconstructed core operational processes and data nodes, and with the gradual maturity of artificial intelligence technology, we have accelerated in-depth research and management of data.

The "Project Digital AI" initiative that we have been advancing has now covered 60 key cities. Each project is equipped with a digital "operation billboard", which, through device integration and artificial intelligence recognition, enables functions such as "automatic on-chain tracking of patrol routes (動線巡檢自動上鏈)", "early warning of abnormal energy consumption", and "traceability of complaint handling processes". This transforms the mode from "people searching for data" to "data finding people", significantly enhancing the real-time performance and accuracy of processing. Take a large residential community in Shanghai as an example: after the application of intelligent access control, video patrols, and artificial intelligence security systems, the number of abnormal night-time security incidents has dropped by 42% year-on-year, with a marked improvement in property owners' sense of security. Meanwhile, the number of security shifts has been optimized from 5 teams to 4 teams, achieving the dual benefits of cost reduction and efficiency improvement.

For frontline employees, we have initiated the strategy of "the mobile phone as the workstation": employees can complete work reporting, record-keeping, feedback and submission via their mobile phones. This encourages them to step out of the office and engage with property owners, as well as interact with the community buildings, at every touchpoint in the project, frontline and community. The mobile phone system we provide integrates these interactions, serving as the most powerful tool for frontline work. Moreover, employees can receive intelligent evaluations and reward points upon completing tasks, which enhances their work motivation and the visibility of services.

We are deeply aware that technology is not meant to replace people, but to help everyone perform better. Internally, I have required members of the management team to be proficient in using tools and fully embrace artificial intelligence, ensuring that decision-making processes and business workflows are scientific and effective. This is truly crucial for helping our frontline colleagues cope with current difficulties. We will continue to focus our efforts on both "efficiency" and "experience", transforming digital capabilities from a "management tool" into a "competitive asset".





## CHAIRMAN'S STATEMENT

### IV. EMPHASIZE BOTTOM-LINE THINKING TO CONTROL BUSINESS RISKS

The essence of operation lies in sustainability, and the underlying logic of sustainability is controllable risks. Especially in the current transitional period of industry turbulence, the boundaries and forms of risks are becoming increasingly diverse. Even minor contradictions may escalate into major ones, causing significant losses and risks to the business and brand. Only by strengthening the risk culture can we stabilize our foundation and go further.

In the first half of 2025, we implemented a comprehensive "Risk Review Plan" across all regions. For projects that had experienced community public opinions, legal disputes, and other issues in the past year, we conducted retrospective analysis. From this, we identified 5 new types of risk sources and 4 typical new types of control loopholes in the current environment. These findings were compiled into the "Risk Control Manual for New Project Operations" and distributed to all middle-level managers and project leaders. Maintaining stable project service quality and healthy overall operations has become the core indicator we must firmly safeguard.

We have also fully implemented the "Regional Risk Control Monthly Report" system, whereby high-risk projects, accounts receivable warnings, deteriorating public opinions and other situations each month are reported by categorizing them into red, yellow and green, and this is linked to project managers' bonuses to strengthen their sense of responsibility and the mechanism for early response. Meanwhile, we have clearly stipulated that the Company's military regulations are red lines, with each business line defining its own operational bottom lines. We have established the risk principle that violations will be prosecuted without exception, and built a systematic, rigorous and fair accountability system, with managers being held to greater responsibility for violations.

Going forward, we will continue to deepen the risk management process and launch the "Risk Management Talent Program". We will select a number of middle-level backbones with business backgrounds within the Group, and through practical training and case studies, form a "Project Rescue and Risk Control Support Team". This team will be ready to provide rapid support and solutions in the face of emergencies.

Risk is not about making mistakes, but about inaction. Holding the bottom line is not only a responsibility to shareholders and society, but also a profound understanding of our own development rhythm and value positioning.

We anticipate that the broader environment may not offer particularly strong positive momentum in the period ahead. Thus, we can only adapt our own approach to meet the challenges head-on. This will not be an easy endeavor for every member of Ever Sunshine's management team. However, only through united efforts can we navigate through this cycle and rebuild our glory.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Overview

We are a reputable and fast-growing comprehensive property management service provider in the People's Republic of China (the "PRC"). As of 30 June 2025, we provided property management services, value-added services and city services in 100 cities in Mainland China, with a total contracted gross floor area ("GFA") of approximately 354.9 million square meters ("sq. m."), among which, the total GFA under management is approximately 253.7 million sq.m., serving more than 1,120,000 households.

Our business covers a broad spectrum of properties, including residential properties and non-residential properties, covering office buildings, shopping malls, school campus, hospitals, scenic spots, government-owned buildings, expressway stations, rail transit, and ferry terminals, etc. In addition, we also provide city services and other high-quality tailored services.

Adhering to the concept of "Building Better Lives", our core value is to let customer "be Trouble-Free, Worry-Free, and Discontent-Free (省心、放心、開心)". We promote diversified development through technological innovation and adhere to the development strategy of "Platform + Ecosystem". Our mission is to provide comprehensive, caring and professional property management services to our customers and to grow into a customer-preferred smart city service brand.

### Our Business Model

We operate four major business lines, namely (i) property management services; (ii) community value-added services; (iii) value-added services to non-property owners; and (iv) city services, which form a comprehensive service portfolio offering to our customers and cover the entire value chain of the property management industry.

1. Property management services: We provide a variety of property management services to property developers, property owners and residents, which primarily include cleaning, security, gardening and repair and maintenance services. We manage a portfolio of residential and non-residential properties. Our non-residential properties include office buildings, shopping malls, schools, hospitals, scenic spots, government-owned buildings, expressway service stations, rail transit and ferry terminals.
2. Community value-added services: We provide community value-added services to both property owners and residents with the aim of improving their living experiences, maintaining and enhancing their asset values. These services mainly cover (i) home-living services; (ii) parking unit management and leasing services; (iii) property agency services; and (iv) common area value-added services.
3. Value-added services to non-property owners: We provide a comprehensive range of value-added services to non-property owners, who primarily include property developers and, to a lesser extent, non-property developers who require certain additional tailored services in respect of their non-residential properties and property management services providers who outsource certain value-added services to us. Our value-added services to non-property owners mainly include (i) sales assistance services; (ii) additional tailored services; (iii) housing repair services; (iv) pre-delivery inspection services; and (v) preliminary planning and design consultancy services, which cover on-site inspection services for each unit to provide sufficient recommendations from the end-user's perspective.



## MANAGEMENT DISCUSSION AND ANALYSIS

4. City services: We can provide a wide range of city services. Such services mainly include (i) city environmental sanitation; (ii) waste sorting and treatment; (iii) installation of block facilities; (iv) landscaping project; (v) old communities renovation; and (vi) smart block construction.

### Property Management Services

#### Continuous High Quality Development

We uphold our strategy of deepening city and insist on quality expansion as one of our strategic goals. During the Reporting Period, we achieved high quality development in contracted GFA and GFA under management through multi-wheel drivers.

As at 30 June 2025, our contracted GFA amounted to approximately 354.9 million sq.m. and the number of contracted projects was 1,966, representing an increase of approximately 7.7% and 13.6%, respectively as compared with those as at 30 June 2024. As at 30 June 2025, our GFA under management amounted to approximately 253.7 million sq.m. and the number of projects under management was 1,531, representing an increase of 7.4% and 7.4%, respectively as compared with those as at 30 June 2024.

The table below sets out the changes in our contracted GFA and GFA under management for the six months ended 30 June 2025 and 2024, respectively:

	For the six months ended 30 June			
	2025		2024	
	Contracted GFA (sq.m. '000)	GFA under management (sq.m. '000)	Contracted GFA (sq.m. '000)	GFA under management (sq.m. '000)
As at the beginning of the Reporting Period	350,935	250,642	308,265	221,408
Additions <sup>(1)</sup>	20,756	18,778	37,588	24,464
Terminations <sup>(2)</sup>	(16,837)	(15,679)	(16,323)	(9,526)
<b>As at the end of the Reporting Period</b>	<b>354,854</b>	<b>253,741</b>	<b>329,530</b>	<b>236,346</b>

Notes:

- (1) With respect to our residential and non-residential projects under management, additions primarily included preliminary management contracts for new properties developed by real estate developers, property management service contracts pursuant to which we replaced the previous property management service providers, and property management contracts acquired through acquisitions of subsidiaries.
- (2) These terminations included our voluntary non-renewals of certain property management services contracts as we reallocated our resources to more profitable engagements in order to optimize our property management portfolio.

### Our Geographic Footprint

Since the Group's inception up to 30 June 2025, our geographic footprint has covered 100 cities in China, aiming at deep regional penetration in pursuit of effective scale expansion.

The table below sets forth a breakdown, by geographic location, of our total GFA under management as at the dates indicated and the revenue generated from property management services for the six months ended 30 June 2025 and 2024, respectively:

	As at 30 June or for the six months ended 30 June					
	2025			2024		
	GFA sq.m. '000	Revenue RMB'000	%	GFA sq.m. '000	Revenue RMB'000	%
Eastern region <sup>(1)</sup>	142,492	1,568,920	58.8	127,334	1,530,833	62.2
Northern region <sup>(2)</sup>	35,244	359,743	13.5	27,073	232,409	9.4
Central Southern region <sup>(3)</sup>	37,429	337,362	12.6	37,556	284,104	11.5
Western region <sup>(4)</sup>	28,448	302,813	11.4	36,401	325,098	13.2
Northeastern region <sup>(5)</sup>	10,128	99,911	3.7	7,982	90,039	3.7
<b>Total</b>	<b>253,741</b>	<b>2,668,749</b>	<b>100.0</b>	<b>236,346</b>	<b>2,462,483</b>	<b>100.0</b>

Notes:

- (1) Cities in the eastern region in which we have property management projects include Shanghai, Suzhou, Nanjing, Wuxi, Zhenjiang, Nantong, Changzhou, Xuzhou, Yangzhou, Huai'an, Lianyungang, Suqian, Yancheng, Jinhua, Chuzhou, Hangzhou, Ningbo, Jiaxing, Huzhou, Wenzhou, Taizhou, Zhoushan, Shaoxing, Xiamen, Fuzhou, Zhangzhou, Quanzhou, Putian, Qingdao, Zibo, Yantai, Weihai, Rizhao, Zaozhuang, Liaocheng, Weifang, Heze, Jining, Taizhou, Dezhou, Linyi, Jinan, Dongying, Binzhou, Hefei, Wuhu, Anqing, Xuancheng, Fuyang and Huainan.
- (2) Cities in the northern region in which we have property management projects include Beijing, Tianjin, Shijiazhuang, Taiyuan, Cangzhou, Tangshan, Langfang and Handan.
- (3) Cities in the central southern region in which we have property management projects include Shenzhen, Guangzhou, Dongguan, Foshan, Zhongshan, Huizhou, Jiangmen, Wuhan, Xiangyang, Huanggang, Yichang, Nanchang, Shaoyang, Zhuzhou, Xiangtan, Zhengzhou, Shangqiu, Xuchang, Luoyang, Nanyang, Changsha, Yueyang, Changde, Hengyang, Guilin, Nanning and Liuzhou.
- (4) Cities in the western region in which we have property management projects include Xi'an, Chengdu, Chongqing, Yinchuan, Baoji, Lülüliang, Urumqi, Xining, Guiyang, Liupanshui, Kunming and Dali Bai Autonomous Prefecture.
- (5) Cities in the northeastern region in which we have property management projects include Changchun, Harbin, Shenyang and Dalian.



## MANAGEMENT DISCUSSION AND ANALYSIS

### **Achieve progressive growth in scale, subject to the principle of high-quality development**

#### **Handling of Business Transactions with CIFI Group in Accordance with Market-oriented Principle**

As a long-term service partner of CIFI Holdings (Group) Co. Ltd. (the “CIFI Holdings”, stock code: 00884) and its subsidiaries (excluding the Group) (the “CIFI Group”), we have been maintaining a stable market-oriented collaborative partnership with CIFI Group. Looking back at the first half of 2025, the market environment of the real estate industry in the PRC remained challenging and recovery has been weak. These challenges have also had a continued negative impact on the property management services industry. We still adhered to the principle of “conducting business with the CIFI Group in accordance with market-based principles”, which enabled us to mitigate the relevant negative impact relatively effectively and strive to keep the relevant negative impact on our property management services business within a manageable range. We have continued to improve and adjust our strategies to ensure that our cooperation with the CIFI Group continues to develop steadily. In this challenging environment, we will focus on risk control and independent market-oriented operations as our main directions.

#### **Continued Enhancement of the Company’s Independent Third-party Market Development Capabilities**

As one of the key drivers of the Company’s scale expansion, we have always endeavoured to develop the third-party markets through diversified approaches. By expanding our resources to various independent markets, we continue to increase our market share. At the same time, we continue to improve our ability to build teams to achieve better empowerment results. This proactive strategy has enabled us to remain competitive in an ever-changing environment and has brought about sustained scale growth for the Company. The main targets of our market expansion include regional property developers, existing residential properties which seek to replace property management service providers, bidding projects of local governments, and industrial parks and office buildings of commercial and enterprise customers, etc.

Since the implementation of market-oriented expansion, through years of accumulation, the Group has successfully built a solid bidding outreach capabilities. The saturation revenue from the Company’s outbound contracts for the Reporting Period increased significantly year-on-year and reached the best performance in years. We believe that with the Company’s constantly improving comprehensive strength and better reputation brand support, through our continuous enhancement of the industry standards and improving the bidding outreach technical means, we will certainly achieve a more robust business growth.

### **Strategic Mergers and Acquisitions**

Strategic mergers and acquisitions have been a crucial part of our historical development process. In terms of mergers and acquisitions, the Group adheres to the principle of “Selects the target carefully before investment; conducts effective management after investment (投前精選標的，投後完善管理)”. Through strategic mergers and acquisitions, we increased our market share in existing markets, expanded our regional business scales, and made up the weaknesses among sectors quickly to enhance our multi-sector services capabilities.

Since the Listing, we have adhered to the prudent principle for mergers and acquisitions and have acquired companies for different type of properties such as Zhengzhou Jinyi Property Service Co., Ltd.\* (鄭州錦藝物業服務有限公司) for residential sector, Qingdao Yayuan Property Management Co., Ltd.\* (青島雅園物業管理有限公司) and Shanghai Macalline Property Management Services Co., Ltd.\* (上海美凱龍物業管理服務有限公司) for commercial and office space sector, Jiangsu Xiangjiang Property Development Co., Ltd.\* (江蘇香江物業發展有限公司) and Beijing Hangteng Property Management Co., Ltd.\* (北京航騰物業管理有限責任公司) for public facilities sector, Shandong XinJian Property Development Co., Ltd.\* (山東鑫建物業發展有限公司) for logistics park sector, Hunan Meizhong Biophysical Environment Technology Co., Ltd.\* (湖南美中環境生態科技有限公司) (“**Meizhong Environment**”) for city sanitation sector and Huaxi Xin'an (Beijing) Property Management Co., Ltd.\* (華熙鑫安(北京)物業管理有限公司) for mixed-use complex sector, and all have achieved positive post-investment integration results. Overall, however, since 2022, we significantly reduced the number of mergers and acquisitions due to the continued disturbance in the external environment and the Company's prudent internal risk management requirements. In the first half of 2025, we did not carry out any project of mergers and acquisitions.

It is particularly worth mentioning that, due to our adherence to the disciplined principles of strategic mergers and acquisitions, all of the projects that we have historically merged and acquired have achieved good integration with us, and have all reached the performance requirement targets, and it is expected that the existing acquired and integrated companies will be able to achieve better business operation and realize better performance contribution in the future.



## MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth the breakdown, by types of property developers, of our total GFA under management as at the dates indicated:

	As at 30 June			
	2025		2024	
	GFA sq.m. '000	%	GFA sq.m. '000	%
CIFI Group <sup>(1)</sup>	58,857	23.2	60,477	25.6
Third-party property developers <sup>(2)</sup>	194,884	76.8	175,869	74.4
<b>Total</b>	<b>253,741</b>	<b>100.0</b>	<b>236,346</b>	<b>100.0</b>

Notes:

- (1) Included properties solely developed by the CIFI Group and properties jointly developed by the CIFI Group and other property developers (the CIFI Group held a controlling interest in such properties).
- (2) Referred to properties solely developed by third-party property developers independent from the CIFI Group, as well as properties jointly developed by the CIFI Group and other property developers (the CIFI Group did not hold a controlling interest in such properties).

### Strengthening Position as a Comprehensive Property Management Service Provider

We manage a wide range of properties, including residential and non-residential properties. We have accumulated tremendous experience in managing non-residential properties, including office buildings, shopping malls, industrial parks, hospitals and schools etc. Meanwhile, with the further opening up of the non-residential market, we were offered with more opportunities to participate in the tender bidding in such market and expand market share. We seized the emerging market opportunities and entered the sub-sectors in the non-residential market, including headquarters buildings for large enterprises, expressway services stations, subway rail transit, tourist scenic spots and industrial exhibition centers. We treat the acquired projects as a stepping stone to set up benchmarks and continue to achieve penetrative development in local markets, thereby achieving the increase in the concentration in local market. Despite the fact that revenue generated from residential property projects has contributed and will continue to contribute a large proportion of our property management revenue, we strive to diversify our service portfolio to get more development of refinement and specialization in the non-residential properties. As at 30 June 2025, non-residential properties accounted for approximately 39.2% in our GFA under management.

## MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth a breakdown, by different types of properties as they were developed, of our total GFA under management as at the dates indicated and revenue from property management services generated therefrom for the six months ended 30 June 2025 and 2024, respectively:

	As at 30 June or for the six months ended 30 June					
	2025			2024		
	GFA sq.m. '000	Revenue RMB'000	%	GFA sq.m. '000	Revenue RMB'000	%
Residential properties	154,368	1,334,666	50.0	151,779	1,457,526	59.2
Non-residential properties	99,373	1,334,083	50.0	84,567	1,004,957	40.8
<b>Total</b>	<b>253,741</b>	<b>2,668,749</b>	<b>100.0</b>	<b>236,346</b>	<b>2,462,483</b>	<b>100.0</b>

### Lump Sum Basis and Commission Basis

We generally price our services by taking into account, among others, factors such as the characteristics and locations of the residential communities, our budget, targeted profit margins, property owner and resident profiles and the scope and quality of our services. We charge property management fees primarily on a lump sum basis, with a small portion of which charged on a commission basis.

The following table sets forth a breakdown, by revenue model, of our total GFA under management as at the dates indicated and revenue from property management services for the six months ended 30 June 2025 and 2024, respectively:

	As at 30 June or for the six months ended 30 June					
	2025			2024		
	GFA sq.m. '000	Revenue RMB'000	%	GFA sq.m. '000	Revenue RMB'000	%
Lump sum basis	251,450	2,664,929	99.9	234,476	2,460,204	99.9
Commission basis	2,291	3,820	0.1	1,870	2,279	0.1
<b>Total</b>	<b>253,741</b>	<b>2,668,749</b>	<b>100.0</b>	<b>236,346</b>	<b>2,462,483</b>	<b>100.0</b>





## MANAGEMENT DISCUSSION AND ANALYSIS

### Community Value-Added Services

During the Reporting Period, a variety of community value-added services struggled to advance amidst the challenges of a slower-than-expected macroeconomic recovery and a weak property market in the PRC, while we focused more on community value-added services development and gave up some of the businesses with low gross profit margins and poor sustainability. During the Reporting Period, revenue from community value-added services was approximately RMB396.4 million, representing a decrease of approximately 0.8% as compared with approximately RMB399.4 million for the six months ended 30 June 2024.

Promoting rapid development of community value-added services and establishing a value-added service development system is one of the Group's key strategic development directions. We adhered to the concept of "something must be done and some must not be done (有所為、有所不為)" and developed value-added service products suitable for property owners, based on the needs of community property owner so as to boost the revenue generated from community value-added services.

With the expansion of our service scope, we have more mature experience in community value-added services and continue to optimize and upgrade our talent team. We have continued to deepen our research on community scenarios and service target groups, and have been advancing in a number of dimensions, including demand identification, product and service design, channel and supplier selection, and marketing plan development. Although the development of community value-added services has encountered multiple pressures from the macro-economy and faced various challenges, the community value-added services have continued to strive for advancement. In the future, the Group will continue to follow the strategy of driving up the revenue from community value-added services, and will continue to improve the quality of our services to achieve more sustainable development.

We believe that there are a number of reasons which caused the current bottleneck for the development of community value-added services. However, by continuously grasping the service needs of high-quality customers, through stronger service loyalty, innovative product servitisation and sustained efforts, we will still reap the benefits of the spring blossom of community value-added services.

Currently, our community value-added services cover four major areas, namely home-living services, parking unit management and leasing services, property agency services, and common area value-added services. The following table sets forth the breakdown of revenue from our community value-added services for the six months ended 30 June 2025 and 2024, respectively:

	For the six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Home-living services <sup>(1)</sup>	207,433	52.3	221,493	55.4
Parking unit management and leasing services <sup>(2)</sup>	72,576	18.3	76,153	19.1
Property agency services <sup>(3)</sup>	67,662	17.1	62,270	15.6
Common area value-added services <sup>(4)</sup>	48,732	12.3	39,482	9.9
<b>Total</b>	<b>396,403</b>	<b>100.0</b>	<b>399,398</b>	<b>100.0</b>

Notes:

- (1) This primarily included house delivery-stage renovation services such as house decoration, partial house renovation, turnkey furnishing etc.; mature community services such as on-site maintenance, housekeeping and cleaning, home management, secondary renovation, community group purchasing etc.; and special services such as facilities and equipment repair, maintenance and renovation for communities.
- (2) This primarily included fees received from leasing and management of parking units.
- (3) This primarily included agency sales and agency leasing of apartments and parking unit.
- (4) This primarily included service income received from leasing and management of common areas.

#### Value-Added Services to Non-Property Owners

We provide value-added services to non-property owners, which comprise sales assistance services that primarily include display units management services (the scope of services mainly covers security, cleaning, greening, reception etiquette, and other services for display units), additional tailored services, preliminary planning and design consultancy services, housing repair services, and pre-delivery inspection services. We extend the professional services of property management to the front end of real estate development. Most of these non-property owners are property developers.

During the Reporting Period, revenue from value-added services to non-property owners decreased by approximately 24.4% to approximately RMB269.6 million as compared with RMB356.6 million for the six months ended 30 June 2024, mainly due to the weakened real estate market in China. We are more cautious about the provision of value-added services to non-property owners and have withdrawn from some of the service projects with relatively low expected gains.



## MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth a breakdown of our revenue generated from our value-added services provided to non-property owners for the six months ended 30 June 2025 and 2024, respectively:

	For the six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Sales assistance services	79,097	29.3	109,069	30.6
Additional tailored services	130,795	48.5	151,115	42.4
Preliminary planning and design consultancy services	10,943	4.1	18,615	5.2
Housing repair services	39,404	14.6	58,636	16.4
Pre-delivery inspection services	9,370	3.5	19,178	5.4
<b>Total</b>	<b>269,609</b>	<b>100.0</b>	<b>356,613</b>	<b>100.0</b>

### City Services

With the continuous development of social governance and the socialisation of logistic services for the authorities, the Company has gradually expanded from the traditional residential property sector to the non-residential sector and extended to the city services operation level in accordance with the market demand and the development direction of the "big property services (大物業)" strategy. Since 2020, we have actively explored and accumulated experience in city services. Meanwhile, we have further built up our professional capabilities in city services through the acquisition and integration of Meizhong Environment in 2021.

At the initial stage of our Listing, we launched the Company's mission "Building Better Lives". Subsequently, in 2020, we first announced the Company's vision to "Grow into A Customer-preferred Smart City Service Brand". After continuous exploration and research, we have positioned the Company's city services in three directions:

- (i) city municipal services butler: focusing on environmental sanitation and greening, as well as old community renovation services;
- (ii) city asset management assistant: dedicated to the effective management of city idle space and area resource; and
- (iii) city future development partner: participating in the construction of smart cities and becoming an important player in city development.

We have become a property management company covering the business of city services, and will constantly strive to realize the Company's mission and vision to provide premium smart city services to our customers.

## FUTURE OUTLOOK

Since the industry entered a period of in-depth adjustment in 2022, we have been facing macroeconomic pressures and intensified market competition. Nevertheless, we have always maintained firm confidence and pursued progress while ensuring stability. As an integrated property management enterprise, we adhere to the philosophy of “Building Better Lives”, actively respond to the government’s call to participate in community co-construction, deeply integrate into city grassroots governance, and provide property owners with smarter and more efficient living and working environments. Despite the current lack of recovery momentum, we closely monitor policy orientations and changes in market demand, flexibly adjust our business strategies, and continuously promote the upgrading of service quality and refinement of management. In the second half of 2025, the management will lead the team to forge ahead, accelerate the achievement of the Company’s medium and long-term strategic goals, fulfill the mission of “Building Better Lives”, and create sustainable value for users.

### Guided by high-quality development, we will steadily expand our business scale and regional layout

Guided by high-quality development, we will steadily expand the GFA under management and service types, promoting synchronous growth in scale and density. To this end, we are continuously optimizing the market expansion system and bid proposal capabilities, establishing a more precise project evaluation mechanism, improving the success rate of bidding, further expanding the reserve of top-tier projects, and striving for more high-end property resources.

We will focus on deepening our presence in regions with concentrated populations and vibrant economies such as the Yangtze River Delta, the Guangdong-Hong Kong-Macau Greater Bay Area, and the Beijing-Tianjin-Hebei region, and gradually achieve a 100-city layout alongside regional intensive operations. In terms of service categories, we will also continue to expand non-residential businesses, with particular emphasis on high-potential segments including commercial complexes, medical and elderly care facilities, logistics parks, and city public buildings. Seizing the opportunities presented by the socialization of city operations, we aim to build a diversified property service matrix.

Meanwhile, leveraging the Group’s brand strengths and delivery capabilities, we will continue to deepen strategic cooperation with state-owned construction platforms, city investment companies and high-quality real estate enterprises, expand the integrated models of “construction management + operation management” and “government + marketization”, and achieve breakthroughs in city renewal, old renovation projects, indemnificatory housing and other areas.

### Enhance capabilities in diversified value-added services and build a full-chain service system

In response to the increasingly diversified needs of customers, we are actively improving service modules such as preliminary consultancy, construction inspection, delivery inspection, and housing repair management, so as to enhance our capability in delivering overall solutions. This will further consolidate our professional advantages in the market of value-added services to non-property owners and create new sources of revenue growth. In terms of providing extended services to developers, we are promoting the transformation of services from single-point management to full-chain management, thereby achieving greater value co-creation. In addition, we will also explore providing management output and digital-intelligent transformation services to small and medium-sized regional property management companies. Through brand empowerment and operational support, we aim to transform our role from a “property manager” to a “property solution provider”, further expanding our business boundaries.





## MANAGEMENT DISCUSSION AND ANALYSIS

### **Deepen community value-added services and build an all-scenario living ecosystem for property owners**

Community value-added services will remain the strategic core of our efforts to “build a larger and stronger platform, and optimize and deepen the ecosystem”. We will further strengthen the business unit model, optimize the independent operation of the property owner service lines, enable the team to be more focused and flexible, and promote the replication and expansion of business models after they mature in local pilots. In terms of service categories, we will focus on continuously iterating services around property owners’ high-frequency and just-needed scenarios, such as community housekeeping, space renovation, aging-friendly transformation, neighborhood commerce, and community live-streaming e-commerce, so as to build a full-life-cycle service system covering “people, objects, and spaces” and enhance the platform’s reach and commercial monetization capabilities. We will take “in-depth services, light assets, and strong loyalty” as the strategic direction for community operations, continuously explore potential market demands, and achieve sustainable growth in service revenue.

### **Driven by both talent development and organizational upgrading, we will build a team with strong execution capabilities**

In response to the dual requirements of service professionalization and operational complexity, we will continue to optimize the talent structure and organizational mechanisms. Through the dual drive of the “Ever Dynamic (永動力)” campus recruitment and social talent introduction, we will build a stable, efficient and professional team of grassroots and middle-level backbones. For the senior management team, we will adhere to the “cage-changing for birds (騰籠換鳥)” strategy, focusing on managers with consistent values, strong execution capabilities and systematic thinking, so as to form a consensus on vision and a synergy in strategic execution.

For middle management, we will establish a business unit-based functional empowerment and job rotation mechanism to comprehensively enhance their operational understanding and resource integration capabilities. In terms of organizational development, we will further promote flattening reforms, improve cross-departmental collaboration efficiency, strengthen the culture of “result orientation and accountability to individuals”, stimulate team momentum, and enhance the overall organizational resilience and responsiveness.

### Fully invest in technology and intelligent operations to build a digitally-driven enterprise

Technology will serve as the core engine driving our future growth and efficiency transformation. We will continue to increase investment and R&D input in smart technology companies, and strengthen the integrated application of artificial intelligence, Internet of Things and big data in property management service scenarios. In terms of system construction, we will fully upgrade the basic architectures such as internal management systems, financial data platforms, human resources cloud and contract management cloud, and build a data base spanning finance, human resources, operations, contracts and procurement, so as to enhance management efficiency and risk control capabilities.

We also plan to establish a “Central Command Center” integrating intelligent central control, data decision-making and remote collaboration, so as to realize centralized operation and real-time monitoring of city-level projects. Simultaneously, we will promote the application of AI-based management tools in various grassroots projects to reduce repetitive human input and enhance digital operation capabilities. We firmly believe that the integration of technological innovation and process reengineering will comprehensively drive the property management industry to evolve from “human-based governance” to “data-based governance”, bringing users a more intelligent, efficient and secure modern property management experience.

## FINANCIAL REVIEW

### Revenue

During the Reporting Period, the Group's revenue amounted to approximately RMB3,460.8 million, representing an increase of approximately 2.7% from approximately RMB3,371.0 million for the corresponding period in 2024.

Revenue of the Group by business line for the periods indicated was as follows:

	For the six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Property management services	2,668,749	77.1	2,462,483	73.1
Community value-added services	396,403	11.4	399,398	11.8
Value-added services to non-property owners	269,609	7.8	356,613	10.6
City services	125,474	3.6	149,021	4.4
Others	608	0.1	3,510	0.1
<b>Total revenue</b>	<b>3,460,843</b>	<b>100.0</b>	<b>3,371,025</b>	<b>100.0</b>

The property management services business is our largest source of income. During the Reporting Period, the revenue from property management services was approximately RMB2,668.7 million, accounting for approximately 77.1% of the Group's total revenue. The increase in revenue from property management services was primarily driven by our continuous efforts to expand third-party customer base.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets out the Group's revenue derived from property management services by type of property developer during the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
CIFI Group <sup>(1)</sup>	614,349	23.0	717,025	29.1
Third-party property developers <sup>(2)</sup>	2,054,400	77.0	1,745,458	70.9
<b>Total revenue</b>	<b>2,668,749</b>	<b>100.0</b>	<b>2,462,483</b>	<b>100.0</b>

(1) Includes properties solely developed by the CIFI Group and properties that the CIFI Group jointly developed with other property developers in which the CIFI Group held a controlling interest.

(2) Refers to properties solely developed by third-party property developers independent from the CIFI Group, as well as properties jointly developed by the CIFI Group and other property developers in which the CIFI Group did not hold a controlling interest.

The revenue from community value-added services decreased from approximately RMB399.4 million for the six months ended 30 June 2024 to approximately RMB396.4 million for the Reporting Period, representing a slight decrease of approximately 0.8%, which was mainly due to the decrease of revenue from home-living services. During the Reporting Period, we optimized the home-living services business and exited some low-margin business, which led to the decrease of revenue.

The revenue from value-added services to non-property owners decreased by approximately 24.4% from approximately RMB356.6 million for the six months ended 30 June 2024 to approximately RMB269.6 million for the Reporting Period. Such decrease was mainly due to the weakened real estate industry in the PRC leading to a decrease in demand for value-added services.

During the Reporting Period, the revenue generated from city services was approximately RMB125.5 million, representing a decrease of approximately 15.8% from approximately RMB149.0 million for the six months ended 30 June 2024, which was mainly caused by our strategy of reallocating the resources and withdrawing from some less profitable engagements during the Reporting Period to improve the efficiency.

### Cost of services

Cost of services increased by approximately 6.1% from approximately RMB2,654.3 million for the six months ended 30 June 2024 to approximately RMB2,815.4 million for the Reporting Period, primarily due to the increase of various kinds of costs during the Reporting Period as a result of the scale-up of our business. We will continuously invest in intelligent operation and conduct effective cost control measures to improve our operation efficiency.



### Gross profit

As a result of the above principal factors, the Group's gross profit decreased by approximately 10.0% from approximately RMB716.8 million for the six months ended 30 June 2024 to approximately RMB645.4 million for the Reporting Period.

Gross profit margin of the Group by business line for the periods indicated was as follows:

	For the six months ended 30 June	
	2025	2024
Property management services	18.5%	20.5%
Community value-added services	28.2%	37.1%
Value-added services to non-property owners	8.9%	12.4%
City services	12.3%	11.7%
<b>Overall</b>	<b>18.6%</b>	<b>21.3%</b>

During the Reporting Period, the gross profit margin of the Group was 18.6%, representing a decrease of 2.7 percentage point as compared with that of 21.3% for the corresponding period in 2024, which was primarily due to the decrease in gross profit margin of our property management services and value-added services.

During the Reporting Period, the gross profit margin of property management services was 18.5%, representing a decrease as compared with that of 20.5% for the corresponding period in 2024, which was mainly due to higher cost input to promote our service quality.

During the Reporting Period, the gross profit margin of community value-added services was 28.2%, representing a decrease as compared to that of 37.1% for the corresponding period in 2024, which was mainly due to the slowdown in macroeconomic and more intense price competition in the market leading to a lower profit margin.

During the Reporting Period, the gross profit margin of value-added services to non-property owners was 8.9%, representing a decrease as compared to that of 12.4% for the corresponding period in 2024, which was mainly due to the weak condition of the property development market in the PRC during the Reporting Period.

During the Reporting Period, the gross profit margin of city services was 12.3%, representing an increase as compared to that of 11.7% for the corresponding period in 2024, which was mainly due to the optimization of project portfolio during the Reporting Period pursuant to which some projects with low profit margin were terminated.





## MANAGEMENT DISCUSSION AND ANALYSIS

### Other income and other gains and losses

During the Reporting Period, the Group's other income and other gains and losses amounted to approximately RMB31.2 million, representing an increase of approximately 113.7% from approximately RMB14.6 million for the corresponding period in 2024, primarily due to decrease of loss from fair value changes of financial assets at FVTPL during the Reporting Period.

### Administrative and selling expenses

During the Reporting Period, the Group's total administrative and selling expenses amounted to approximately RMB227.6 million, representing a decrease of approximately 5.7% from approximately RMB241.3 million for the corresponding period in 2024.

### Other expenses

During the Reporting Period, the Group recorded other expenses of approximately RMB4.5 million, representing a decrease from approximately RMB6.0 million for the corresponding period in 2024.

### Profit before income tax expense

During the Reporting Period, the profit before income tax expense was approximately RMB348.1 million, representing a decrease of approximately 16.7%, as compared with that of approximately RMB417.9 million for the six months ended 30 June 2024.

### Income tax expense

During the Reporting Period, the Group's income tax expense was approximately RMB78.0 million, representing 22.4% of the profit before income tax expense, compared with that of approximately RMB92.5 million, representing 22.1% of the profit before income tax expense for the six months ended 30 June 2024.

### Profit attributable to owners of the Company

The profit attributable to owners of the Company for the six months ended 30 June 2025 was approximately RMB213.8 million, representing a decrease of approximately 19.4%, as compared with that of approximately RMB265.1 million for the six months ended 30 June 2024.

**Property, plant and equipment**

Property, plant and equipment of the Group mainly consisted of buildings, leasehold improvements, computer equipment, transportation equipment, as well as other fixed assets. As at 30 June 2025, the Group's property, plant and equipment amounted to approximately RMB88.9 million, representing a decrease from that of approximately RMB96.8 million as at 31 December 2024.

**Investment properties**

Our investment properties mainly comprised buildings, parking units and storage rooms at the properties we owned. As at 30 June 2025, the Group's investment properties amounted to approximately RMB548.7 million, representing a decrease from approximately RMB549.1 million as at 31 December 2024, which was mainly caused by the changes in fair value.

**Intangible assets**

The Group's intangible assets mainly comprised property management contracts and customer relationship attributable to acquired companies, and information technology systems. As at 30 June 2025, the Group's intangible assets amounted to approximately RMB290.3 million, representing a decrease from approximately RMB297.6 million as at 31 December 2024, which was mainly caused by the amortization of intangible assets during the Reporting Period.

**Goodwill**

As at 30 June 2025, the Group's goodwill amounted to approximately RMB1,488.2 million, remaining the same as compared with that as at 31 December 2024.

**Trade and bills receivables**

As at 30 June 2025, trade and bills receivables of the Group amounted to approximately RMB2,861.2 million, representing an increase from approximately RMB2,445.0 million as at 31 December 2024. Such increase was mainly due to the slowdown of recovery of receivables because of the downward market situation during the Reporting Period.





## MANAGEMENT DISCUSSION AND ANALYSIS

### Prepayments and other receivables

Our prepayments and other receivables mainly consisted of payments made on behalf of our residents such as payments for the utility bills and public facility maintenance fund, as well as security deposits with local authorities for providing property management services per local law requirements, bidding deposits in relation to the public biddings, deposits to secure the sales collection of parking units, storage rooms and retail shops, and prepayments to vendors. As at 30 June 2025, our prepayments and other receivables amounted to approximately RMB1,244.4 million, representing an increase from approximately RMB1,193.3 million as at 31 December 2024, which was mainly due to the increase of other receivables for third parties because of the expansion of our business during the Reporting Period.

### Cash and cash equivalents

As at 30 June 2025, the Group's cash and cash equivalents were approximately RMB2,241.3 million, representing a decrease from approximately RMB2,617.8 million as at 31 December 2024.

### Trade and bills payables

As at 30 June 2025, trade and bills payables of the Group amounted to approximately RMB1,518.9 million, representing an increase from approximately RMB1,307.5 million as at 31 December 2024, which was mainly a result of the expansion of our business during the Reporting Period.

### Accruals and other payables

As at 30 June 2025, our accruals and other payables were approximately RMB1,289.5 million, representing a decrease from approximately RMB1,324.0 million as at 31 December 2024.

### Contract liabilities

Contract liabilities of the Group were property management fees paid by customers in advance for the services which had not yet been provided and not been recognized as revenue. As at 30 June 2025, our contract liabilities amounted to approximately RMB732.2 million, representing a decrease from approximately RMB940.1 million as at 31 December 2024.

### Cash flows

During the Reporting Period, net cash outflow from operating activities of the Group amounted to approximately RMB229.9 million, while that was net cash inflow of approximately RMB101.6 million for the corresponding period in 2024. The net cash outflow was mainly caused by the increase in trade and bills receivables.

During the six months ended 30 June 2025, net cash outflow from investing activities amounted to RMB17.3 million, while that was net cash inflow of approximately RMB22.4 million for the corresponding period in 2024, which was mainly caused by the decrease in proceeds from disposal of financial assets at FVTPL.

Net cash outflow from financing activities amounted to approximately RMB128.3 million for the six months ended 30 June 2025, representing a decrease from that of approximately RMB204.8 million for the corresponding period in 2024. The lower cash outflow from financing activities was mainly due to the decrease in dividends payment during the Reporting Period.

### Gearing ratio and the basis of calculation

As at 30 June 2025, the gearing ratio of the Group was 0.85% (31 December 2024: 0.66%). The gearing ratio is equal to the sum of long-term and short-term interest-bearing borrowings divided by total equity.

### Capital structure

As at 30 June 2025, the Group's cash and bank balances were held in Renminbi, Hong Kong dollars and US dollars, and all of the Group's borrowings were denominated in Renminbi with fixed interest rate.

As at 30 June 2025, equity attributable to owners of the Company amounted to approximately RMB5,108.4 million, compared to approximately RMB5,001.1 million as at 31 December 2024.

Financial position of the Group remained stable. As at 30 June 2025, the Group's net current assets were approximately RMB2,372.4 million, compared to approximately RMB2,222.4 million as at 31 December 2024.





## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity and financial resources

During the Reporting Period, the Group's principal use of cash was working capital, which was mainly funded from cash flow from operations. In the foreseeable future, we expect that cash flow from operations will continue to be our principal source of liquidity and we may use a portion of the proceeds from our fundraising activities conducted to finance some of our capital expenditures.

As at 30 June 2025, the Group's borrowings amounted to RMB46.8 million (31 December 2024: RMB35.5 million). Except as disclosed herein and apart from intra-group liabilities, we did not have any outstanding loan capital, bank overdrafts and liabilities, or other similar indebtedness, debentures, mortgages, charges or loans as at 30 June 2025.

### Pledging of assets

As at 30 June 2025, the Group had pledged property, plant and equipment with carrying amounts of approximately RMB14.9 million (31 December 2024: approximately RMB12.2 million) to secure the balance of borrowings of approximately RMB13.9 million.

### Contingent liabilities

As at 30 June 2025, the Group had no material contingent liabilities which have not been properly accrued for. The Group is involved in certain legal claims that have arisen during our usual and ordinary course of business. Having considered relevant legal advice and made the best estimation in respect of the liability, the Group expects that the claims will not incur any material adverse effect on our business, financial condition or operating results.

### Interest rate risk

As the Group has no significant interest-bearing assets and liabilities other than bank deposits and borrowings, the Group's exposure to the interest rate risk is limited to the market risk for changes in interest rates which relates primarily to bank balances that bear floating interest rates. Our management monitors the interest rate risk and takes prudent measures to reduce the interest rate risk.

### Foreign exchange risk

The principal activities of the Group are conducted in China, and a majority of the Group's income and expenses are denominated in Renminbi. Certain bank balances are denominated in Hong Kong dollars and US dollars. Currently, the Group has not entered into contracts to hedge its exposure to foreign exchange risk, but the management will continue to monitor the foreign exchange exposure, and takes prudent measures to reduce the foreign exchange risk.

### Employment and remuneration policy

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to staff is fixed by reference to the duties and the prevailing market rates in the region. Discretionary performance bonus after assessment is paid to the employees to reward their contribution. In compliance with the applicable statutory requirements in China and existing requirements of the local government, the Group has participated in different social welfare plans for the employees.

As at 30 June 2025, the Group had 22,072 employees (31 December 2024: 25,734 employees).

### Use of proceeds raised from IPO

On 17 December 2018, the Shares were successfully listed on the Stock Exchange. Our IPO was well received by investors in both the international offering and the Hong Kong public offering. The Company raised net proceeds of (i) approximately HK\$619.8 million from the IPO, and (ii) approximately HK\$63.2 million from partial exercise of an over-allotment option on 4 January 2019 (collectively, the "Net Proceeds").

As stated in the Prospectus, we intended to use (i) approximately 55%, or approximately HK\$375.6 million for strategic acquisition and investment opportunities; (ii) approximately 26%, or approximately HK\$177.6 million for building up a smart community and using the most updated internet and information technologies which would improve service quality for our customers; (iii) approximately 9%, or approximately HK\$61.5 million for the development of a one-stop service community platform and our "Joy Life" (悦生活) online service platform; and (iv) approximately 10%, or approximately HK\$68.3 million for our general corporate purposes and working capital.

Further, as stated in the announcement of the Company dated 18 June 2019, the Board resolved to change the proposed use of the Net Proceeds. The unutilised Net Proceeds originally allocated for (i) acquiring property management services providers that provide community products and services complementary to our own, and (ii) for investing in property management industry funds jointly with business parties will be used for acquiring or investment in quality property management service providers that operate on a regional scale. For further details of the change in the proposed use of the Net Proceeds, please refer to the announcement of the Company dated 18 June 2019.





## MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2025, our planned use and actual use of the Net Proceeds was as follows:

	Net Proceeds						Expected timeline for the unutilised Net Proceeds
	Percentage of Net Proceeds	Allocation of Net Proceeds	Unutilised (as at 1 January 2025)	Utilised during the Reporting Period	Utilised (up to 30 June 2025)	Unutilised (as at 30 June 2025)	
		(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	
To pursue strategic acquisition and investment opportunities	55%	375.6	—	—	375.6	—	N/A
To leverage the most updated internet and information technologies and build a smart community	26%	177.6	—	—	177.6	—	N/A
To develop a one-stop service community platform and our "Joy Life" (悦生活) online service platform	9%	61.5	31.0	17.8	48.3	13.2	By 31 December 2025
For general corporate purposes and working capital	10%	68.3	—	—	68.3	—	N/A
	100%	683.0	31.0	17.8	669.8	13.2	

The remaining Net Proceeds which had not been utilized were deposited with licensed financial institution in Hong Kong and mainland China. The Company will continue to evaluate and adopt a prudent and flexible approach for utilising the net proceeds effectively and efficiently for the long-term benefit and development of the Group. The expected timeline for the unutilised Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group's business and the market conditions.

### 2020 Placing and 2020 Subscription

On 4 June 2020, the Company, Elite Force Development (a controlling shareholder of the Company) and three placing agents entered into a placing and subscription agreement (the "2020 Placing and Subscription Agreement"), pursuant to which, (a) Elite Force Development has agreed to appoint these placing agents, and these placing agents have agreed to act as agents of Elite Force Development on a several basis to procure purchasers, on a best effort basis, to purchase a total of 134,000,000 existing Shares at the placing price of HK\$11.78 per Share (the "2020 Placing Price") (the "2020 Placing"); and (b) Elite Force Development has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Elite Force Development, a total of 134,000,000 new Shares at the subscription price of HK\$11.78 per Share (being the same as the 2020 Placing Price) (the "2020 Subscription").

The 2020 Placing Price was HK\$11.78 per Share and represented (i) a discount of approximately 6.95% to the closing price of HK\$12.66 per Share as quoted on the Stock Exchange on 3 June 2020, being the last trading day prior to the signing of the 2020 Placing and Subscription Agreement (the “2020 Last Trading Date”); (ii) a discount of approximately 3.63% to the average closing price of HK\$12.22 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the 2020 Last Trading Day; and (iii) a discount of approximately 0.61% to the average closing price of HK\$11.85 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the 2020 Last Trading Day.

Completion of the 2020 Placing and the 2020 Subscription took place on 8 June 2020 and 16 June 2020, respectively. A total of 134,000,000 existing Shares have been successfully placed at the 2020 Placing Price of HK\$11.78 per Share to no less than six (6) independent placees, and a total of 134,000,000 new Shares (equal to the number of the existing Shares successfully placed under the 2020 Placing) were subscribed by Elite Force Development at the subscription price of HK\$11.78 per Share.

The Company received net proceeds from the 2020 Subscription (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) of approximately HK\$1,564,476,000 and intended to use the net proceeds from the 2020 Subscription for possible business development or investments in the future when opportunities arise and as working capital and general corporate purposes. Details of the planned use and actual use of net proceeds from the 2020 Subscription were as follows:

	Net proceeds from the 2020 Subscription						Expected timeline for the unutilised net proceeds
	Percentage of net proceeds	Allocation of net proceeds	Unutilised (as at 1 January 2025)	Utilised during the Reporting Period	Utilised (up to 30 June 2025)	Unutilised (as at 30 June 2025)	
		(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	(HK\$ million)	
Strategic acquisition and investment opportunities	80%	1,251.6	—	—	1,251.6	—	N/A
Information technology related development	5%	78.2	36.8	0.9	42.3	35.9	By 31 December 2025
Working capital and general corporate purposes	15%	234.7	—	—	234.7	—	N/A
	100%	1,564.5	36.8	0.9	1,528.6	35.9	



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. During the Reporting Period, the Company has adopted and applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the CG Code. The Company will continue to review and enhance its corporate governance practices, and identify and formalize appropriate measures and policies, to ensure compliance with the CG Code.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company. Having made specific enquiries of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during the Reporting Period.

The Board has also adopted the Model Code to regulate all dealings by relevant employees, including any employee of the Company or director or employee of a subsidiary or holding company, who, because of his office or employment in the Company or a subsidiary, are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of Part 2 of the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees has been noted during the Reporting Period after making reasonable enquiry.

### INTERIM DIVIDEND AND SPECIAL DIVIDEND

The Board has resolved to pay an interim dividend of HK\$0.0678 per Share for the six months ended 30 June 2025, and a special dividend of HK\$0.0271 per Share to reward the Shareholders for their continuous support, totalling approximately HK\$117.2 million and approximately HK\$46.8 million, respectively. The interim dividend and special dividend are expected to be paid on 15 September 2025 to the Shareholders whose names appear on the register of members of the Company after the close of business on 8 September 2025.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 4 September 2025 to 8 September 2025, both days inclusive, during which period no transfer of the Shares will be effected, for the purpose of ascertaining Shareholders' entitlement to the interim dividend and special dividend. In order to establish entitlements to the interim dividend and special dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 3 September 2025.

## INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at 30 June 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### Interest in Shares or Underlying Shares of our Company

Name of Director	Nature of Interest	Number of ordinary shares interested <sup>(1)</sup>	Approximate percentage in the Company's issued share capital
Mr. Lin Zhong <sup>(2)(3)(4)(5)</sup>	Interest in a controlled corporation and co-founder of a discretionary trust	681,500,000 (L)	39.43%
Mr. Zhou Hongbin	Beneficial owner	63,060,750 (L)	3.65%
Mr. Zhou Di	Beneficial owner	2,368,800 (L)	0.14%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Elite Force Development is owned as to 50% by Mr. Lin Zhong, 25% by Mr. Lin Feng and 25% by Mr. Lin Wei. Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei signed an acting in concert deed on 6 August 2018. Elite Force Development entrusted Spectron to exercise voting rights of shares directly held by Elite Force Development since 30 June 2020, while Elite Force Development continues to beneficially own the said shares and have rights to the dividends and distributions etc. attaching thereto. For details, please see "History, Reorganization and Corporate Structure" in the Prospectus dated 4 December 2018 and the announcements of the Company dated 29 May 2020 and 28 June 2020. By virtue of the SFO and based on the public information available, Mr. Lin Zhong is deemed to be interested in the Shares held by Elite Force Development.
- (3) Spectron is indirectly wholly owned by CIFI Holdings. Mr. Lin Zhong, Mr. Lin Feng, Mr. Lin Wei signed an acting in concert deed on 6 August 2018. For details, please see "History, Reorganization and Corporate Structure" in the Prospectus dated 4 December 2018. By virtue of the SFO, Mr. Lin Zhong is deemed to be interested in the Shares held by Spectron.
- (4) Rosy Fortune Investments Limited ("Rosy Fortune") is wholly owned by Gentle Beauty Assets Limited, the entire issued share capital of which is in turn held by Standard Chartered Trust (Singapore) Limited ("Standard Chartered Trust") as the trustee of the Lin's Family Trust via SCTS Capital Pte. Ltd. ("SCTS Capital"). The Lin's Family Trust is a discretionary trust set up jointly by our Ultimate Controlling Shareholders as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Lin's Family Trust include certain family members of Mr. Lin Zhong. By virtue of the SFO, Mr. Lin Zhong is deemed to be interested in the Shares held by Rosy Fortune.
- (5) Sun-Mountain Trust is a discretionary trust set up by Mr. Lin Feng as settlor and the beneficiary objects of the Sun-Mountain Trust include certain family members of Mr. Lin Feng. By virtue of the SFO, Mr. Lin Zhong is deemed to be interested in the 500,000 Shares held by Sun-Mountain Trust.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Interest in Shares or Underlying Shares of Associated Corporation

Name of Director	Associated Corporation	Capacity/nature of interest	Number of Shares	Approximate percentage of shareholding interest
Mr. LIN Zhong <sup>(1)(2)</sup>	CIFI Holdings	Founder of a discretionary trust, co-founder of a discretionary trust, beneficial owner and interest of his spouse	4,111,527,727	39.12%
Mr. Zhou Hongbin	CIFI Holdings	Beneficial owner	630,000	0.006%
Mr. Zhou Di	CIFI Holdings	Beneficial owner	80,000	0.001%
Ms. Cui Xiaoqing	CIFI Holdings	Beneficial owner	489,216	0.005%
Mr. Lin Zubo	CIFI Holdings	Beneficial owner	918,275	0.009%
Mr. LIN Zhong <sup>(3)</sup>	Xu Sheng	Interested in a controlled corporation	1	100%
Mr. LIN Zhong <sup>(4)</sup>	Spectron	Interested in a controlled corporation	1	100%
Mr. LIN Zhong <sup>(5)</sup>	Elite Force Development	Beneficial owner	100	100%

#### Notes:

- (1) 1,363,754,301 shares of CIFI Holdings are held by Ding Chang Limited ("Ding Chang"). The entire issued share capital of Ding Chang is wholly owned by Eternally Success International Limited, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Sun Success Trust via SCTS Capital. The Sun Success Trust is a discretionary trust set up by Mr. Lin Zhong as settlor and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Sun Success Trust include certain family members of Mr. Lin Zhong. Mr. Lin Zhong as founder of the Sun Success Trust is taken to be interested in the 1,363,754,301 shares of CIFI Holdings held by Ding Chang pursuant to Part XV of the SFO.
- (2) 2,737,372,105 shares of CIFI Holdings are held by Rosy Fortune. The entire issued share capital of Rosy Fortune is wholly owned by Gentle Beauty Assets Limited, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Lin's Family Trust via SCTS Capital. The Lin's Family Trust is a discretionary trust set up jointly by our Ultimate Controlling Shareholders as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Lin's Family Trust include certain family members of Mr. Lin Zhong. Mr. Lin Zhong as a co-founder of the Lin's Family Trust is taken to be interested in the 2,737,372,105 shares of CIFI Holdings held by Rosy Fortune pursuant to Part XV of the SFO.
- (3) Xu Sheng is wholly owned by CIFI Holdings. By virtue of the SFO, Mr. Lin Zhong is deemed to be interested in the shares of Xu Sheng held by CIFI Holdings.
- (4) Spectron is wholly owned by Xu Sheng, which is a wholly-owned subsidiary of CIFI Holdings. By virtue of the SFO, Mr. Lin Zhong is deemed to be interested in the shares of Spectron held by CIFI Holdings.
- (5) The entire issued share capital of Elite Force Development is owned as to 50% by Mr. Lin Zhong, 25% by Mr. Lin Feng and 25% by Mr. Lin Wei. Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei have entered into an acting in concert deed on 6 August 2018. For details, please see "History, Reorganization and Corporate Structure" in the Prospectus dated 4 December 2018. Mr. Lin Zhong is taken to be interested in the shares of Elite Force Development pursuant to Part XV of the SFO.

## Interest in Debentures of Associated Corporation

Name of Director	Associated Corporation	Capacity/nature of interest	Principal amount of relevant debentures held	Approximate percentage of aggregate principal amount of the relevant debenture issued
Mr. LIN Zhong <sup>(1)(2)(3)(4)</sup>	CIFI Holdings	Co-founder of a discretionary trust	US\$1 million	0.18%
		Co-founder of a discretionary trust	US\$1 million	0.24%
		Co-founder of a discretionary trust	US\$1 million	0.67%

## Notes:

- (1) The 6% senior notes (securities stock code: 40120) due 2025 with the aggregate principal amount of US\$567 million were issued by CIFI Holdings in January 2020, which are listed on the Stock Exchange (the "6% Senior Notes"). For details of the 6% Senior Notes, please refer to the announcements of CIFI Holdings dated 8 January 2020 and 10 January 2020 respectively.
- (2) The 4.375% senior notes due 2027 with the aggregate principal amount of US\$419 million were issued by CIFI Holdings in January 2021, which are listed on the Stock Exchange (the "4.375% Senior Notes").
- (3) The 4.8% senior notes due 2028 with the aggregate principal amount of US\$150 million were issued by CIFI Holdings in May 2021, which are listed on the Stock Exchange (the "4.8% Senior Notes").
- (4) The principal amounts of US\$1 million of each of the 6% Senior Notes, 4.375% Senior Notes and 4.8% Senior Notes are held by Rosy Fortune. The entire issued share capital of Rosy Fortune is wholly owned by Gentle Beauty Assets Limited, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Lin's Family Trust via SCTS Capital. The Lin's Family Trust is a discretionary trust set up jointly by our Ultimate Controlling Shareholders as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Lin's Family Trust include certain family members of Mr. Lin Zhong. Mr. Lin Zhong as a co-founder of the Lin's Family Trust is taken to be interested in the principal amount of such senior notes held by Rosy Fortune pursuant to Part XV of the SFO.

Save as disclosed above and to the best knowledge of the Directors, as at 30 June 2025, none of the Directors or the chief executive of the Company has any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

So far as our Directors are aware, as at 30 June 2025, the following persons (other than the Directors or chief executive) had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of ordinary shares interested <sup>(1)</sup>	Approximate percentage in the Company's issued share capital
Mr. LIN Wei <sup>(2)(3)(4)(5)</sup>	Interest in a controlled corporation and co-founder of a discretionary trust	681,500,000 (L)	39.43%
Mr. LIN Feng <sup>(2)(3)(4)(5)</sup>	Interest in a controlled corporation and co-founder of a discretionary trust	681,500,000 (L)	39.43%
Elite Force Development <sup>(2)</sup>	Beneficial owner	273,180,000 (L)	15.80%
Spectron	Beneficial owner	406,820,000 (L)	23.54%
Xu Sheng <sup>(3)</sup>	Interest in a controlled corporation	406,820,000 (L)	23.54%
CIFI Holdings <sup>(4)</sup>	Interest in a controlled corporation	406,820,000 (L)	23.54%
Best Legend <sup>(6)</sup>	Beneficial owner	92,661,650 (L)	5.36%
Mr. YU Chieh Jet <sup>(6)</sup>	Interest in a controlled corporation	92,661,650 (L)	5.36%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Elite Force Development is owned as to 50% by Mr. Lin Zhong, 25% by Mr. Lin Feng and 25% by Mr. Lin Wei. Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei signed an acting in concert deed on 6 August 2018. Elite Force Development entrusted Spectron to exercise voting rights of shares directly held by Elite Force Development since 30 June 2020, while Elite Force Development continues to beneficially own the said shares and have rights to the dividends and distributions etc. attaching thereto. For details, please see "History, Reorganization and Corporate Structure" in the Prospectus dated 4 December 2018 and the announcements dated 29 May 2020 and 28 June 2020. By virtue of the SFO and based on the public information available, each of Mr. Lin Wei and Mr. Lin Feng is deemed to be interested in the Shares held by Elite Force Development.
- (3) Spectron is wholly owned by Xu Sheng. By virtue of the SFO, Xu Sheng is deemed to be interested in Shares held by Spectron.

- (4) Xu Sheng is wholly owned by CIFI Holdings. By virtue of the SFO, CIFI Holdings is deemed to be interested in Shares held by Xu Sheng.
- (5) Rosy Fortune is wholly owned by Gentle Beauty Assets Limited, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Lin's Family Trust via SCTS Capital. The Lin's Family Trust is a discretionary trust set up jointly by our Ultimate Controlling Shareholders as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Lin's Family Trust include certain family members of Mr. Lin Feng and Mr. Lin Wei. By virtue of the SFO, each of Mr. Lin Wei and Mr. Lin Feng is deemed to be interested in the Shares held by Rosy Fortune.
- (6) Best Legend is wholly owned by Mr. Yu Chieh Jet (an employee of the Company who is not a connected person of the Company) to administer the share award scheme adopted by Best Legend on 18 June 2019.
- (7) Mr. Lin Zhong, an executive Director, is also a director of Elite Force Development, Xu Sheng and CIFI Holdings. Mr. Zhou Hongbin and Mr. Zhou Di, each of them being an executive director, is also a director of Best Legend respectively. Save as disclosed, there is no other Director who is also a director or employee of any company mentioned in the above table.

Save as disclosed herein, as at 30 June 2025, our Directors are not aware of any persons (other than the Directors or chief executive) who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, Mr. Lin Zhong, being an executive Director, was a substantial shareholder of and held directorship in CIFI Holdings. In 2021, CIFI Group commenced operation of its own property management business in some projects, which was considered to be competing business for the Group. Therefore, Mr. Lin Zhong was considered to have interests in competing business for the Group which were required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules.

Save as disclosed above, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

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

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including sale or transfer of treasury shares) of the Company during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

### SIGNIFICANT INVESTMENTS HELD

As at 30 June 2025, the Group did not hold any significant investment.







## CORPORATE GOVERNANCE AND OTHER INFORMATION

### MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisition and disposal of subsidiaries, associates or joint ventures during the Reporting Period.

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2025, the Group did not have any immediate plans for material investments and capital assets.

### AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely Mr. Ma Yongyi, Mr. Yu Tiecheng and Mr. Cheung Wai Chung. Mr. Cheung Wai Chung, who holds the appropriate professional qualifications as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules, serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee include examining independently the financial positions of the Company, overseeing the Company's financial reporting system, risk management and internal control system, the audit process and proposals of internal management, communicating independently with, monitoring and verifying the work of internal audit and external auditors.

The Audit Committee has in conjunction with management reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim report for the six months ended 30 June 2025. In addition, the Company's auditor Prism Hong Kong Limited has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025.

### MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the six months ended 30 June 2025.

### INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO RULE 13.51B OF THE LISTING RULES

As at the date of this interim report, the Directors confirmed that no information was required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### OTHER CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

### EVENTS AFTER THE REPORTING PERIOD

No material event has taken place subsequent to 30 June 2025 and up to the date of this interim report that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

### SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, the Company has maintained the public float as required under the Listing Rules throughout the Reporting Period and up to the date of this interim report.

By order of the Board

**LIN Zhong**

*Chairman*

Hong Kong, 21 August 2025





# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF  
EVER SUNSHINE SERVICES GROUP LIMITED  
(Incorporated in the Cayman Islands with limited liability)

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Ever Sunshine Services Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 47 to 72, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statement. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Prism Hong Kong Limited  
*Certified Public Accountants*

Lee Kwok Lun  
Practising Certificate Number: P06294

Hong Kong  
21 August 2025

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

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	For the six months ended 30 June	
		2025	2024
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	3	3,460,843	3,371,025
Cost of services		(2,815,409)	(2,654,268)
<b>Gross profit</b>		<b>645,434</b>	<b>716,757</b>
Other income and other gains and losses	4	31,211	14,637
Administrative expenses		(175,324)	(193,791)
Selling expenses		(52,263)	(47,477)
Expected credit loss on financial assets, net	14	(96,251)	(64,610)
Share of profits and losses of associates		934	—
Finance costs		(1,100)	(1,612)
Other expenses		(4,512)	(6,017)
<b>Profit before taxation</b>	5	<b>348,129</b>	<b>417,887</b>
Income tax expense	6	(77,971)	(92,528)
<b>Profit and total comprehensive income for the period</b>		<b>270,158</b>	<b>325,359</b>
<b>Profit and total comprehensive income for the period attributable to:</b>			
Owners of the Company		213,778	265,053
Non-controlling interests		56,380	60,306
		<b>270,158</b>	<b>325,359</b>
Earnings per share (RMB)			
Basic and diluted earnings per share	8	0.12	0.15



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	Note	30 June 2025	31 December 2024
		RMB'000 (Unaudited)	RMB'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	88,865	96,775
Investment in associates		2,788	1,854
Investment properties	10	548,715	549,125
Intangible assets		290,320	297,557
Goodwill		1,488,171	1,488,171
Deferred tax assets	17	134,191	110,903
Prepayments and other receivables	13	371,868	374,525
Financial assets at fair value through profit or loss ("FVTPL")	11	274,974	277,046
Deferred contract costs		36,695	45,719
		<u>3,236,587</u>	<u>3,241,675</u>
<b>Current assets</b>			
Inventories		1,240	1,540
Deferred contract costs		22,968	20,493
Trade and bills receivables	12	2,861,187	2,445,015
Prepayments and other receivables	13	872,538	818,727
Financial assets at FVTPL	11	2,837	3,935
Restricted cash		74,419	67,422
Cash and cash equivalents		2,241,313	2,617,846
		<u>6,076,502</u>	<u>5,974,978</u>
<b>Current liabilities</b>			
Trade and bills payables	15	1,518,921	1,307,537
Accruals and other payables	16	1,289,499	1,323,951
Borrowings		34,001	35,243
Contract liabilities		732,224	940,075
Lease liabilities		2,964	7,698
Provision for taxation		126,531	138,027
		<u>3,704,140</u>	<u>3,752,531</u>
<b>Net current assets</b>		<u>2,372,362</u>	<u>2,222,447</u>
<b>Total assets less current liabilities</b>		<u>5,608,949</u>	<u>5,464,122</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	Note	30 June 2025	31 December 2024
		RMB'000 (Unaudited)	RMB'000 (Audited)
<b>Non-current liabilities</b>			
Borrowings		12,764	305
Lease liabilities		1,715	2,572
Deferred tax liabilities	17	72,216	75,204
		<u>86,695</u>	<u>78,081</u>
<b>Net assets</b>		<u>5,522,254</u>	<u>5,386,041</u>
<b>EQUITY</b>			
Share capital	18	15,291	15,291
Reserves		<u>5,093,068</u>	<u>4,985,835</u>
<b>Equity attributable to owners of the Company</b>		<u>5,108,359</u>	<u>5,001,126</u>
<b>Non-controlling interests</b>		<u>413,895</u>	<u>384,915</u>
<b>Total equity</b>		<u>5,522,254</u>	<u>5,386,041</u>



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Reserves							Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Capital reserve	Other reserve	Statutory reserve	Retained earnings			
	RMB'000 Note 18	RMB'000	RMB'000 note (a)	RMB'000	RMB'000 note(b)	RMB'000 (note c)	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023 and 1 January 2024 (Audited)	15,480	(6,143)	2,647,026	26,799	(137,802)	237,819	2,089,887	4,873,066	340,568	5,213,634
Profit and total comprehensive income for the period	—	—	—	—	—	—	265,053	265,053	60,306	325,359
Transfer to statutory reserve	—	—	—	—	—	28,818	(28,818)	—	—	—
Repurchase of shares (Note d)	—	(20,180)	—	—	—	—	—	(20,180)	—	(20,180)
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	1,000	1,000
Dividends recognised as distribution (Note 7)	—	—	(143,621)	—	—	—	—	(143,621)	—	(143,621)
Dividends recognised as distribution to non-controlling shareholders	—	—	—	—	—	—	—	—	(27,536)	(27,536)
Disposal of a subsidiary (Note 19)	—	—	—	—	—	—	—	—	(2,208)	(2,208)
At 30 June 2024 (Unaudited)	<u>15,480</u>	<u>(26,323)</u>	<u>2,503,405</u>	<u>26,799</u>	<u>(137,802)</u>	<u>266,637</u>	<u>2,326,122</u>	<u>4,974,318</u>	<u>372,130</u>	<u>5,346,448</u>
At 31 December 2024 and 1 January 2025 (Audited)	15,291	—	2,291,136	26,799	(137,802)	287,654	2,518,048	5,001,126	384,915	5,386,041
Profit and total comprehensive income for the period	—	—	—	—	—	—	213,778	213,778	56,380	270,158
Transfer to statutory reserve	—	—	—	—	—	28,320	(28,320)	—	—	—
Capital reduction from non-controlling shareholders	—	—	—	—	—	—	—	—	(30)	(30)
Dividends recognised as distribution (Note 7)	—	—	(106,545)	—	—	—	—	(106,545)	—	(106,545)
Dividends recognised as distribution to non-controlling shareholders	—	—	—	—	—	—	—	—	(26,270)	(26,270)
Disposal of a subsidiary (Note 19)	—	—	—	—	—	—	—	—	(1,100)	(1,100)
At 30 June 2025 (Unaudited)	<u>15,291</u>	<u>—</u>	<u>2,184,591</u>	<u>26,799</u>	<u>(137,802)</u>	<u>315,974</u>	<u>2,703,506</u>	<u>5,108,359</u>	<u>413,895</u>	<u>5,522,254</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### Notes:

- (a) Share premium account of the Company represents the excess of the proceeds received over the nominal value of the Company's share issued.
- (b) Other reserve represents (i) the difference between the nominal amount of the share capital of Shanghai Yongsheng Property Management Co. Ltd. and nominal amount of the share capital issued by the Company pursuant to a group reorganisation completed on 6 July 2018; and (ii) the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from changes in the Group's ownership interests in subsidiaries that do not result in change in control over those subsidiaries.
- (c) Statutory reserve represents the amount transferred from net profit for the year of the subsidiaries established in the People's Republic of China (the "PRC") (based on the subsidiaries PRC statutory financial statements) in accordance with the relevant PRC laws until the statutory reserve reaches 50% of the registered capital of the subsidiaries. The statutory reserve cannot be reduced except either in setting off the accumulated losses or increasing capital.
- (d) During the six months ended 30 June 2024, the Company had repurchased 15,024,000 ordinary Shares with an aggregate consideration of RMB20,180,000.





# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Profit before taxation	348,129	417,887
Adjustments for:		
Depreciation of property, plant and equipment	18,377	26,061
Amortisation of intangible asset	18,331	23,084
Recognition on expected credit loss of trade and bills receivables	92,907	67,977
Recognition on (reversal of) expected credit loss of deposits and other receivables	3,344	(3,367)
Bank interest income	(9,210)	(9,687)
Dividend income from financial assets at FVTPL	—	(4,266)
Share of profit of associates	(934)	—
Loss on disposal of financial assets at FVTPL	—	3,112
Interest on other payable	313	398
Interest on borrowings	641	886
Interest on lease liabilities	146	328
Loss (gain) from fair value changes of investment properties	410	(4,300)
Gain on disposal of property, plant and equipment	(94)	(12)
Loss on disposal of a subsidiary	1,392	348
Loss from fair value changes of financial assets at FVTPL	3,170	11,595
Exchange loss, net	1,042	4,110
Operating profit before working capital changes	477,964	534,154
Decrease (increase) in inventories	300	(80)
Decrease (increase) in deferred contract costs	6,549	(4,149)
Increase in trade and bills receivables	(516,928)	(247,800)
(Increase) decrease in prepayments and other receivables	(54,700)	42,047
(Increase) decrease in restricted cash	(6,997)	1,630
Increase in trade and bills payables	214,943	131,298
Decrease in accruals and other payables	(30,814)	(146,802)
Decrease in contract liabilities	(203,703)	(106,884)
Cash (used in) generated from operations	(113,386)	203,414
Income tax paid	(116,483)	(101,820)
<i>Net cash (used in) generated from operating activities</i>	<i>(229,869)</i>	<i>101,594</i>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<b>Cash flows from investing activities</b>		
Purchases of intangible assets	(11,094)	(13,247)
Purchases of property, plant and equipment	(11,285)	(9,996)
Disposal of a subsidiary, net of cash paid	(3,192)	(917)
Payment for consideration payables	(1,000)	—
Investment in associates	—	(980)
Proceed from disposal of property, plant and equipment	45	18
Bank interest income received	9,210	9,687
Dividend income from financial assets at FVTPL	—	4,266
Purchase of financial assets at FVTPL	(85,200)	(70,000)
Proceed from disposal of financial assets at FVTPL	85,200	103,537
<i>Net cash (used in) generated from investing activities</i>	<u>(17,316)</u>	<u>22,368</u>
<b>Cash flows from financing activities</b>		
Capital contribution from non-controlling shareholders	—	1,000
Capital reduction from non-controlling shareholders	(30)	—
Repayment of borrowings	(25,661)	(21,691)
Payments on repurchase of shares	—	(20,180)
New borrowings raised	36,878	15,000
Interest on borrowings paid	(641)	(886)
Interest on lease liabilities paid	(146)	(328)
Payment of lease liabilities	(5,891)	(7,151)
Dividends paid	(106,545)	(143,621)
Dividends paid to non-controlling shareholders	(26,270)	(26,944)
<i>Net cash used in financing activities</i>	<u>(128,306)</u>	<u>(204,801)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(375,491)</b>	<b>(80,839)</b>
Effect of exchange rate changes on cash and cash equivalents	(1,042)	(4,110)
<b>Cash and cash equivalents at beginning of the period</b>	<b>2,617,846</b>	<b>2,341,510</b>
<b>Cash and cash equivalents at end of the period</b>	<b>2,241,313</b>	<b>2,256,561</b>





# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies and methods of computation used in the preparation of those condensed consolidated financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 December 2024.

## 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which is mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

The application of these amendments to a HKFRS Accounting Standard did not result in significant changes to the Group's accounting policies, presentation of the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents income from property management services, community value-added services, value-added services to non-property owners and city services. Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions.

The principal operating entities of the Group are domiciled in the People's Republic of China ("PRC"). Accordingly, the Group's revenue was derived in the PRC for the six months ended 30 June 2025 and 2024.

An analysis of the Group's revenue by category was as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue from contracts with customers:		
– Property management services	2,668,749	2,462,483
– Community value-added services	396,403	399,398
– Value-added services to non-property owners	269,609	356,613
– City services	125,474	149,021
	<u>3,460,235</u>	<u>3,367,515</u>
Others	608	3,510
Total	<u>3,460,843</u>	<u>3,371,025</u>
Timing of revenue recognition		
A point in time	146,934	156,326
Over time	<u>3,313,301</u>	<u>3,211,189</u>
Total	<u>3,460,235</u>	<u>3,367,515</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 4. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Other income		
– Bank interest income	9,210	9,687
– Government grants (note)	5,697	13,233
	<u>14,907</u>	<u>22,920</u>
Other gains and losses, net		
– Net foreign exchange loss	(1,042)	(4,110)
– Gain on disposal of property, plant and equipment	94	12
– Loss on disposal of financial assets at FVTPL	—	(3,112)
– Loss on disposal of a subsidiary	(1,392)	(348)
– (Loss) gain from fair value changes of investment properties	(410)	4,300
– Loss from fair value changes of financial assets at FVTPL	(3,170)	(11,595)
– Income from fine	17,006	564
– Dividend income from financial assets at FVTPL	—	4,266
– Others	5,218	1,740
	<u>16,304</u>	<u>(8,283)</u>
	<u>31,211</u>	<u>14,637</u>

Note: Government grants represented unconditional cash payments granted by government authorities.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging the followings:

	Six month ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Depreciation of property, plant and equipment	18,377	26,061
Amortisation of intangible assets	18,331	23,084
Expense relating to short-term leases		
Rented premises	3,448	3,495
Expense relating to leases of low-value assets		
Plant and machinery	741	703
Staff costs (including directors' emoluments):		
Salaries, wages and other benefits	1,041,538	1,065,460
Bonus	70,431	78,301
Retirement scheme contribution	156,696	158,210

### 6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
PRC Enterprise Income Tax:		
Current tax	105,304	114,070
Under-provision in respect of prior period	478	582
	105,782	114,652
Deferred tax:		
Credited to profit or loss for the period	(27,811)	(22,124)
	77,971	92,528



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 7. DIVIDENDS

During the current interim period, a final dividend of HK\$0.0668 per share in respect of the year ended 31 December 2024 (six months ended 30 June 2024: HK\$0.0914 per share) was declared and paid to owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to approximately HK\$115,549,000 (six months ended 30 June 2024: HK\$158,361,000).

Subsequent to the end of the current interim period, the board of the Company have determined that an interim dividend of HK\$0.0678 per share in respect of the six months ended 30 June 2025 and special dividend of HK\$0.0271 per share (six months ended 30 June 2024: interim dividend of HK\$0.0839 per share and special dividend of HK\$0.0336 per share).

### 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity owners of the Company is based on:

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<b>Earnings</b>		
Profit attributable to the equity owners of the Company	213,778	265,053
	'000	'000
	(Unaudited)	(Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares	1,728,554	1,737,452

### 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid RMB11,285,000 (six months ended 30 June 2024: RMB9,996,000) for acquisition of property, plant and equipment and disposed of certain plant and machinery with an aggregate carrying amount of RMB796,000 (six months ended 30 June 2024: RMB470,000) resulting in a gain on disposal of RMB94,000 (six months ended 30 June 2024: gain on disposal of RMB12,000).

During the current interim period, the Group entered into several new lease agreements with lease terms ranged from 13 months to 36 months (six months ended 30 June 2024: from 13 months to 36 months). On lease commencement, the Group recognised right-of-use assets of RMB155,000 (six months ended 30 June 2024: RMB1,750,000) and lease liabilities of RMB155,000 (six months ended 30 June 2024: RMB1,750,000).

At 30 June 2025, the Group has pledged owned properties and equipment with carrying amounts of RMB14,941,000 (31 December 2024: RMB12,198,000) to secure borrowings granted to the Group.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 10. INVESTMENT PROPERTIES

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
At 1 January	549,125	558,480
Additions	—	4,375
Changes in fair value	(410)	(13,730)
As at period/year ended	<u>548,715</u>	<u>549,125</u>

### 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Listed securities held for trading:		
– Equity securities listed in Hong Kong	2,837	3,935
Unlisted equity funds (note)	<u>274,974</u>	<u>277,046</u>
	277,811	280,981
Less: Financial assets at FVTPL presented as non-current assets	<u>(274,974)</u>	<u>(277,046)</u>
Financial assets at FVTPL presented as current assets	<u>2,837</u>	<u>3,935</u>

Note: The Group invested in several close-ended funds. Unlisted equity funds are classified as non-current assets as the management does not expect to dispose of these financial assets within twelve months from the reporting period.

The fair value of these funds was determined based on net asset value of unlisted equity funds, further details were disclosed in Note 21.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 12. TRADE AND BILLS RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Trade receivables		
– Related parties	942,710	878,789
– Third parties	2,343,629	1,907,086
	3,286,339	2,785,875
Bills receivables	6,633	4,093
	3,292,972	2,789,968
Less: allowance for credit losses	(431,785)	(344,953)
	2,861,187	2,445,015

The movement in the allowance for credit losses of trade and bills receivables is set out below:

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
At the beginning of the period/year	344,953	269,279
Expected credit losses recognised on trade and bills receivables	92,907	75,674
Disposal of a subsidiary	(6,075)	—
At the end of the period/year	431,785	344,953

The ageing analysis of the trade and bills receivables net of loss allowance and presented based on invoice date is as follows:

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Within 1 year	1,782,741	1,589,620
1 to 2 years	542,219	510,796
2 to 3 years	332,292	229,695
3 to 4 years	136,330	76,949
4 to 5 years	67,605	37,955
	2,861,187	2,445,015

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 13. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Deposits for exclusive sales representative agreements (note)		
– Related parties	744,627	750,125
– Third parties	4,508	6,266
Other deposits and other receivables		
– Third parties	376,522	337,334
	1,125,657	1,093,725
Less: allowance for credit losses of deposits and other receivables	(62,819)	(59,475)
	1,062,838	1,034,250
Prepayments	181,568	159,002
	1,244,406	1,193,252
Less: Prepayments of property, plant and equipment	(1,682)	(3,249)
Deposits for exclusive sales representative agreements (note)	(370,186)	(371,276)
	(371,868)	(374,525)
Prepayments and other receivables presented as current assets	872,538	818,727

Note: Deposits for exclusive sales representative agreements represent refundable deposits to secure the sales collection of car parks, storage units and retail shops from the buyers. The deposits will be refunded when the car parks, storage units and retail shops are sold out.

### 14. EXPECTED CREDIT LOSS ON FINANCIAL ASSETS, NET

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Expected credit loss recognised (reversal) in respect of		
– Trade and bills receivables	92,907	67,977
– Prepayments and other receivable	3,344	(3,367)
	96,251	64,610

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 15. TRADE AND BILLS PAYABLES

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Trade payables		
– Related parties	31,728	25,132
– Third parties	1,469,920	1,257,593
	1,501,648	1,282,725
Bills payables	17,273	24,812
	1,518,921	1,307,537

The ageing analysis of trade and bills payables based on invoice date, is as follows:

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Within 1 year	1,163,372	959,602
1 to 2 years	156,309	180,289
2 to 3 years	104,797	121,511
3 to 4 years	50,937	44,644
4 to 5 years	43,506	1,491
	1,518,921	1,307,537

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 16. ACCRUALS AND OTHER PAYABLES

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Accruals and other payables		
– Related parties (note a)	138,062	138,062
– Third parties	714,879	689,364
	852,941	827,426
Amount due to a director (note a)	83	84
Provision for legal dispute (note b)	2,378	1,848
Consideration payables for acquisition of subsidiaries (note c)	14,260	15,190
Salaries payables	248,086	313,141
Other tax payables	171,751	166,262
	1,289,499	1,323,951

Notes:

- (a) The balance is unsecured, interest-free and repayable on demand.
- (b) The Group is currently involved in a number of legal disputes. The amount provided represents the directors' best estimate of the Group's liability having taken legal advice. Uncertainties relate to whether claims will be settled out of court or if not whether the Group is successful in defending any action.
- (c) The amount represents the consideration payables for acquisition of subsidiaries.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 17. DEFERRED TAX

Details of the deferred tax assets and liabilities recognised and movements for the six months ended 30 June 2025 and 2024 are as follows:

#### Deferred tax assets

	Expected credit loss on trade and bills receivables	Expected credit loss on other receivables	Provision for legal dispute	Fair value adjustment for financial assets at FVTPL	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023 and 1 January 2024 (Audited)	75,075	15,590	460	5,444	96,569
Credited (charged) to profit or loss for the period	16,994	(842)	94	3,128	19,374
At 30 June 2024 (Unaudited)	92,069	14,748	554	8,572	115,943
At 31 December 2024 and 1 January 2025 (Audited)	93,994	15,209	580	11,036	120,819
Disposal of a subsidiary	(1,535)	—	—	—	(1,535)
Credited to profit or loss for the period	23,226	836	133	518	24,713
At 30 June 2025 (Unaudited)	115,685	16,045	713	11,554	143,997

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 17. DEFERRED TAX (CONTINUED)

#### Deferred tax liabilities

	Withholding tax of Undistributed profits	Fair value adjustment of management contracts & customers relationship	Fair value adjustment of revalued property, plant and equipment	Fair value adjustment for investment properties	Lease	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023 and 1 January 2024 (Audited)	(11,926)	(69,130)	(1,398)	(13,243)	—	(95,697)
Credited (charged) to profit or loss for the period	—	3,651	174	(1,075)	—	2,750
At 30 June 2024 (Unaudited)	(11,926)	(65,479)	(1,224)	(14,318)	—	(92,947)
At 31 December 2024 and 1 January 2025 (Audited)	(11,926)	(62,211)	(1,067)	(9,810)	(106)	(85,120)
Credited to profit or loss for the period	—	2,821	167	103	7	3,098
At 30 June 2025 (Unaudited)	(11,926)	(59,390)	(900)	(9,707)	(99)	(82,022)

For the purpose of presentation in the condensed consolidated financial statements, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balance for financial reporting purposes:

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Deferred tax assets	134,191	110,903
Deferred tax liabilities	(72,216)	(75,204)
	61,975	35,699



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 18. SHARE CAPITAL

	30 June 2025		31 December 2024	
	Number	Amount	Number	Amount
	'000	RMB'000	'000	RMB'000
Ordinary shares of HK\$0.01 each				
Authorised:				
As at 1 January and 30 June/31 December	<u>4,000,000</u>	<u>35,462</u>	<u>4,000,000</u>	<u>35,462</u>
<hr/>				
	30 June 2025		31 December 2024	
	Number	Amount	Number	Amount
	'000	RMB'000	'000	RMB'000
Issued and fully paid:				
As at 1 January	1,728,554	15,291	1,749,220	15,480
Cancellation of repurchased shares (note)	<u>—</u>	<u>—</u>	<u>(20,666)</u>	<u>(189)</u>
As at 30 June/31 December	<u>1,728,554</u>	<u>15,291</u>	<u>1,728,554</u>	<u>15,291</u>

Note: During the six months ended 30 June 2025, no ordinary share was repurchased and cancelled by the Company (During the year ended 31 December 2024: the Company had repurchased 15,324,000 ordinary shares in consideration of RMB20,631,000 and cancelled 20,666,000 ordinary shares).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 19. DISPOSAL OF A SUBSIDIARY

For the six months ended 30 June 2025

Name of subsidiary	Place of incorporation/ establishment	Equity interest held by the Group before disposal	Equity interest held by the Group after disposal	Total consideration
RMB'000				
Tangshan Yongsheng Yujing Property Management Co., Ltd.	PRC	65%	NIL	650

For the six months ended 30 June 2024

Name of subsidiary	Place of incorporation/ establishment	Equity interest held by the Group before disposal	Equity interest held by the Group after disposal	Total consideration
RMB'000				
Jieshou Chengtou Xuhui Yongsheng Life Service Company Limited	PRC	51%	NIL	1,950





## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 19. DISPOSAL OF A SUBSIDIARY (CONTINUED)

Details of the net assets disposed of in respect of the above transaction are summarised below:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Analysis of assets and liabilities over which control was lost:		
Property, plant and equipment	24	20
Trade and bills receivables	7,849	8,248
Prepayments and other receivables	202	151
Cash and cash equivalents	3,842	2,867
Deferred tax assets	1,535	—
Trade and bills payables	(3,562)	(5,764)
Contract liabilities	(4,148)	(151)
Accruals and other payables	(2,280)	(470)
Provision for taxation	(320)	(395)
Net assets disposed of	<u>3,142</u>	<u>4,506</u>
Loss on disposal of a subsidiary:		
Cash consideration	650	1,950
Non-controlling interests	1,100	2,208
Net assets disposed of	<u>(3,142)</u>	<u>(4,506)</u>
	<u>(1,392)</u>	<u>(348)</u>

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents disposed of	(3,842)	(2,867)
Cash consideration received	<u>650</u>	<u>1,950</u>
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	<u>(3,192)</u>	<u>(917)</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 20. MATERIAL RELATED PARTIES TRANSACTIONS

During the period, the Group entered into the following transactions with related parties:

#### (a) Related parties transactions

	Six month ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<b>Property management services</b>		
Fellow subsidiaries (note i)	15,461	15,155
Associates and joint ventures of the ultimate holding company (note ii)	9,924	7,000
Subsidiaries of Red Star Macalline Group Corporation Ltd. ("Red Star Macalline") (note iii)	307,403	304,653
<b>Total</b>	<b>332,788</b>	<b>326,808</b>
<b>Community value-added services</b>		
Fellow subsidiaries (note i)	965	6,440
Associates and joint ventures of the ultimate holding company (note ii)	3,979	3,876
<b>Total</b>	<b>4,944</b>	<b>10,316</b>
<b>Value-added services to non-property owners</b>		
Fellow subsidiaries (note i)	69,030	140,407
Associates and joint ventures of the ultimate holding company (note ii)	52,829	123,390
	121,859	263,797
<b>Purchase of services</b>		
Fellow subsidiaries (note i)	4,353	3,947
Subsidiaries of Red Star Macalline (note iii)	27,951	79,152
<b>Total</b>	<b>32,304</b>	<b>83,099</b>

Notes:

- (i) Represented the subsidiaries of CIFI Holdings (Group) Co. Ltd.
- (ii) Represented associates and joint ventures of CIFI Holdings (Group) Co. Ltd.
- (iii) Represented the subsidiaries of Red Star Macalline, Red Star Macalline is a non-controlling shareholder having a significant influence over Shanghai Macalline Property Management Services Co., Ltd, which is a subsidiary of the Group.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 20. MATERIAL RELATED PARTIES TRANSACTIONS (CONTINUED)

#### (b) Related parties balances

	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
<b>Trade and bills receivables</b>		
Fellow subsidiaries (note i)	576,676	533,186
Associates and joint ventures of the ultimate holding company (note i)	363,467	337,364
Subsidiaries of Red Star Macalline (note i)	2,567	8,239
Total	942,710	878,789
<b>Deposits and other receivables</b>		
Fellow subsidiaries (note ii)	668,116	673,533
Associates and joint ventures of the ultimate holding company (note ii)	76,511	76,592
Total	744,627	750,125
<b>Trade and bills payables</b>		
Subsidiaries of Red Star Macalline (note iii)	31,728	25,132
<b>Other payables</b>		
Fellow subsidiaries (note iv)	138,062	138,062
<b>Contract liabilities</b>		
Fellow subsidiaries (note v)	47,514	52,146
Associates and joint ventures of the ultimate holding company (note v)	9,210	7,943
Subsidiaries of Red Star Macalline (note v)	3,080	1,101
Total	59,804	61,190

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 20. MATERIAL RELATED PARTIES TRANSACTIONS (CONTINUED)

#### (b) Related parties balances (continued)

Notes:

- (i) The balances were represented provision of property management services, community-value added services and value-added services to non-property owners and city services in accordance with the terms of the relevant services agreements which charged by the square meter of the service area and actual cost incurred. The amounts were due for payment upon the issuance of demand note.
- (ii) The deposits were represented with deposit for exclusive sales representative agreements of refundable deposits to secure the sales collective of car parks, storage units and retail shops and amount will be refunded when the car park, storage units and retail shops are sold out. The other receivables were unsecured, interest free and receivable on demand.
- (iii) The balances were represented purchases of services charged based on service agreement mutually agreed by contracted parties.
- (iv) The other payables are unsecured, interest-free and payables on demand.
- (v) The balances were represented advance payments from contracted parties in accordance with the terms of the relevant services agreements which were charged by the square meter of the service area and actual cost incurred while the property management services or valued added services are yet to be provided.

### 21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined, as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).





## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

### 21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

**Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)**

Financial instrument	Fair values as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2025	31 December 2024		
Equity instruments classified as financial assets at FVTPL - equity securities listed in Hong Kong	RMB2,837,000	RMB3,935,000	Level 1	Quoted bid prices in an active market
Unlisted equity securities funds classified as financial assets at FVTPL	RMB274,974,000	RMB277,046,000	Level 3	Fund net asset value

There were no transfers between Level 1 and 2 during the period.

**Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis**

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial statements approximate their fair values.