**Ever Sunshine Services Group Limited**
**永 升 服 务 集 团 有 限 公 司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1995)**

# INTERIM RESULTS
# FOR THE SIX MONTHS ENDED 30 JUNE 2025


## SUMMARY

1. Revenue for the six months ended 30 June 2025 was approximately RMB3,460.8 million, representing an increase of approximately 2.7% from approximately RMB3,371.0 million for the corresponding period in 2024.

2. The gross profit of the Group for the six months ended 30 June 2025 was approximately RMB645.4 million, representing a decrease of approximately 10.0% from approximately RMB716.8 million for the corresponding period in 2024.

3. Profit for the first half of 2025 was approximately RMB270.2 million, representing a decrease of approximately 17.0%, as compared with that of approximately RMB325.4 million for the corresponding period in 2024. Meanwhile, profit attributable to owners of the Company for the first half of 2025 was approximately RMB213.8 million, representing a decrease of approximately 19.4% as compared with that of approximately RMB265.1 million for the corresponding period in 2024.

4. The Board has resolved to pay an interim dividend of HK$0.0678 per Share for the six months ended 30 June 2025 (six months ended 30 June 2024 : HK$0.0839 per Share). In addition, the Board has further resolved to pay a special dividend of HK$0.0271 per Share for the six months ended 30 June 2025 (six months ended 30 June 2024 : HK$0.0336 per Share) to reward the Shareholders for their continuous support.

The board (the "**Board**") of directors (the "**Directors**") of Ever Sunshine Services Group Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together the "**Group**", "**we**", "**our**" or "**us**") for the six months ended 30 June 2025 (the "**Period**"), together with comparative figures for the corresponding period in 2024. These unaudited consolidated results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

## 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*** | *RMB'000* |
| | | ***(Unaudited)*** | *(Unaudited)* |
| **Revenue** | 3 | **3,460,843** | 3,371,025 |
| Cost of services | | **(2,815,409)** | (2,654,268) |
| **Gross profit** | | **645,434** | 716,757 |
| Other income and other gains and losses | | **31,211** | 14,637 |
| Administrative expenses | | **(175,324)** | (193,791) |
| Selling expenses | | **(52,263)** | (47,477) |
| Expected credit loss on financial assets, net | | **(96,251)** | (64,610) |
| Share of profits and losses of associates | | **934** | — |
| Finance costs | | **(1,100)** | (1,612) |
| Other expenses | | **(4,512)** | (6,017) |
| **Profit before taxation** | 4 | **348,129** | 417,887 |
| Income tax expense | 5 | **(77,971)** | (92,528) |
| **Profit and total comprehensive income for the period** | | **270,158** | 325,359 |

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

*For the six months ended 30 June 2025*

| | Note | **For the six months ended 30 June** | |
|---|---|---|---|
| | | **2025** | 2024 |
| | | ***RMB'000*** | *RMB'000* |
| | | ***(Unaudited)*** | *(Unaudited)* |
| **Profit and total comprehensive income for the period attributable to:** | | | |
| Owners of the Company | | **213,778** | 265,053 |
| Non-controlling interests | | **56,380** | 60,306 |
| | | **270,158** | 325,359 |
| **Earnings per share (RMB)** | | | |
| Basic and diluted earnings per share | 7 | **0.12** | 0.15 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2025*

| | Note | **30 June 2025** | 31 December 2024 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| | | ***(Unaudited)*** | *(Audited)* |
| **ASSETS AND LIABILITIES** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **88,865** | 96,775 |
| Investment in associates | | **2,788** | 1,854 |
| Investment properties | | **548,715** | 549,125 |
| Intangible assets | | **290,320** | 297,557 |
| Goodwill | | **1,488,171** | 1,488,171 |
| Deferred tax assets | | **134,191** | 110,903 |
| Prepayments and other receivables | | **371,868** | 374,525 |
| Financial assets at fair value through profit or loss ("**FVTPL**") | | **274,974** | 277,046 |
| Deferred contract costs | | **36,695** | 45,719 |
| | | **3,236,587** | 3,241,675 |
| **Current assets** | | | |
| Inventories | | **1,240** | 1,540 |
| Deferred contract costs | | **22,968** | 20,493 |
| Trade and bills receivables | 8 | **2,861,187** | 2,445,015 |
| Prepayments and other receivables | | **872,538** | 818,727 |
| Financial assets at FVTPL | | **2,837** | 3,935 |
| Restricted cash | | **74,419** | 67,422 |
| Cash and cash equivalents | | **2,241,313** | 2,617,846 |
| | | **6,076,502** | 5,974,978 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**(Continued)**

*As at 30 June 2025*

| | Note | **30 June 2025** *RMB'000* *(Unaudited)* | 31 December 2024 *RMB'000* *(Audited)* |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade and bills payables | 9 | **1,518,921** | 1,307,537 |
| Accruals and other payables | | **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 |
| | | **3,704,140** | 3,752,531 |
| **Net current assets** | | **2,372,362** | 2,222,447 |
| **Total assets less current liabilities** | | **5,608,949** | 5,464,122 |
| **Non-current liabilities** | | | |
| Borrowings | | **12,764** | 305 |
| Lease liabilities | | **1,715** | 2,572 |
| Deferred tax liabilities | | **72,216** | 75,204 |
| | | **86,695** | 78,081 |
| **Net assets** | | **5,522,254** | 5,386,041 |
| **EQUITY** | | | |
| Share capital | | **15,291** | 15,291 |
| Reserves | | **5,093,068** | 4,985,835 |
| **Equity attributable to owners of the Company** | | **5,108,359** | 5,001,126 |
| **Non-controlling interests** | | **413,895** | 384,915 |
| **Total equity** | | **5,522,254** | 5,386,041 |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 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.

## 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*** | *RMB'000* |
| | ***(Unaudited)*** | *(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 |
| | **3,460,235** | 3,367,515 |
| Others | **608** | 3,510 |
| Total | **3,460,843** | 3,371,025 |

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | ***(Unaudited)*** | *(Unaudited)* |
| Timing of revenue recognition | | |
| A point in time | **146,934** | 156,326 |
| Over time | **3,313,301** | 3,211,189 |
| Total | **3,460,235** | 3,367,515 |

## 4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging the followings:

| | Six month ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | ***(Unaudited)*** | *(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 |

## 5. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | ***(Unaudited)*** | *(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 |

## 6. 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).

## 7. 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*** | *RMB'000* |
| | ***(Unaudited)*** | *(Unaudited)* |
| Earnings | | |
| Profit attributable to the equity owners of the Company | **213,778** | 265,053 |

| | Six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***'000*** | *'000* |
| | ***(Unaudited)*** | *(Unaudited)* |
| Number of shares | | |
| Weighted average number of ordinary shares | **1,728,554** | 1,737,452 |

## 8. TRADE AND BILLS RECEIVABLES

| | **30 June** | 31 December |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | ***(Unaudited)*** | *(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 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*** | *RMB'000* |
| | ***(Unaudited)*** | *(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 |

**9. TRADE AND BILLS PAYABLES**

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | ***(Unaudited)*** | *(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*** | *RMB'000* |
| | ***(Unaudited)*** | *(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 |

## 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.

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 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** | **GFA under management** | Contracted GFA | GFA under management |
| | ***(sq.m. '000)*** | ***(sq.m. '000)*** | *(sq.m. '000)* | *(sq.m. '000)* |
| As at the beginning of the period | **350,935** | **250,642** | 308,265 | 221,408 |
| Additions [(1)] | **20,756** | **18,778** | 37,588 | 24,464 |
| Terminations [(2)] | **(16,837)** | **(15,679)** | (16,323) | (9,526) |
| **As at the end of the period** | **354,854** | **253,741** | 329,530 | 236,346 |

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** | **Revenue** | | GFA | Revenue | |
| | ***sq.m. '000*** | ***RMB'000*** | ***%*** | *sq.m. '000* | *RMB'000* | *%* |
| Eastern region [1] | **142,492** | **1,568,920** | **58.8** | 127,334 | 1,530,833 | 62.2 |
| Northern region [2] | **35,244** | **359,743** | **13.5** | 27,073 | 232,409 | 9.4 |
| Central Southern region [3] | **37,429** | **337,362** | **12.6** | 37,556 | 284,104 | 11.5 |
| Western region [4] | **28,448** | **302,813** | **11.4** | 36,401 | 325,098 | 13.2 |
| Northeastern region [5] | **10,128** | **99,911** | **3.7** | 7,982 | 90,039 | 3.7 |
| **Total** | **253,741** | **2,668,749** | **100.0** | 236,346 | 2,462,483 | 100.0 |

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, Lüliang, 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.

***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 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 (the "**Listing**") of the Company's ordinary shares (the "**Shares**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") , 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.

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** | | GFA | |
| | ***sq.m. ’000*** | ***%*** | *sq.m. ’000* | *%* |
| CIFI Group [1] | **58,857** | **23.2** | 60,477 | 25.6 |
| Third-party property developers [2] | **194,884** | **76.8** | 175,869 | 74.4 |
| **Total** | **253,741** | **100.0** | 236,346 | 100.0 |

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.

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** | **Revenue** | | GFA | Revenue | |
| | ***sq.m. '000*** | ***RMB'000*** | *%* | *sq.m. '000* | *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 |
| **Total** | **253,741** | **2,668,749** | **100.0** | 236,346 | 2,462,483 | 100.0 |

***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** | **Revenue** | | GFA | Revenue | |
| | ***sq.m. '000*** | ***RMB'000*** | ***%*** | *sq.m. '000* | *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 |
| **Total** | **253,741** | **2,668,749** | **100.0** | 236,346 | 2,462,483 | 100.0 |

**Community Value-Added Services**

During the 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 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 enrichment 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 [1] | **207,433** | **52.3** | 221,493 | 55.4 |
| Parking unit management and leasing services [2] | **72,576** | **18.3** | 76,153 | 19.1 |
| Property agency services [3] | **67,662** | **17.1** | 62,270 | 15.6 |
| Common area value-added services [4] | **48,732** | **12.3** | 39,482 | 9.9 |
| **Total** | **396,403** | **100.0** | 399,398 | 100.0 |

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 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.

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 |
| **Total** | **269,609** | **100.0** | 356,613 | 100.0 |

**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.

**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 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 |
| **Total revenue** | **3,460,843** | **100.0** | 3,371,025 | 100.0 |

The property management services business is our largest source of income. During the 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.

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 [(1)] | **614,349** | **23.0** | 717,025 | 29.1 |
| Third-party property developers [(2)] | **2,054,400** | **77.0** | 1,745,458 | 70.9 |
| **Total revenue** | **2,668,749** | **100.0** | 2,462,483 | 100.0 |

(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 Period, representing a slight decrease of approximately 0.8%, which was mainly due to the decrease of revenue from home-living services. During the 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 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 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 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 Period, primarily due to the increase of various kinds of costs during the 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 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% |
| **Overall** | **18.6%** | 21.3% |

During the 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 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 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 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 Period.

During the 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 Period pursuant to which some projects with low profit margin were terminated.

**Other income and other gains and losses**

During the 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 Period.

**Administrative and selling expenses**

During the 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 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 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 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 Period.

**Goodwill**

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

**Trade and bill 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 Period.

**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 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 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 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 proceed 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 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 was approximately RMB2,372.4 million, compared to approximately RMB2,222.4 million as at 31 December 2024.

**Liquidity and financial resources**

During the 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 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 cause of business. Having considered relevant legal advice and made 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.

## Significant investments held

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

## Material acquisitions 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 six months ended 30 June 2025.

## 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.

**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 take 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 take 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. The initial public offering of the Company (the "**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 of the Company dated 4 December 2018, 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" 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.

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

| | Net Proceeds | | | | | | |
|---|---|---|---|---|---|---|---|
| | Percentage of Net Proceeds | Allocation of Net Proceeds *(HK$ million)* | Unutilised (as at 1 January 2025) *(HK$ million)* | Utilised during the Period *(HK$ million)* | Utilised (up to 30 June 2025) *(HK$ million)* | Unutilised (as at 30 June 2025) *(HK$ million)* | Expected timeline for the unutilised Net Proceeds |
| 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 Limited ("**Elite Force Developmen**t") (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 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Percentage of net proceeds | Allocation of net proceeds *(HK$ million)* | Unutilised (as at 1 January 2025) *(HK$ million)* | Utilised during the Period *(HK$ million)* | Utilised (up to 30 June 2025) *(HK$ million)* | Unutilised (as at 30 June 2025) *(HK$ million)* | Expected timeline for the unutilised net proceeds |
| 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 | |

## 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 of the Company (the "**Shareholder(s)**") for their continuous support, totalling approximately HK$117.2 million and 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.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has applied the principles of good corporate governance and complied with the code provisions as set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the Period.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the Period.

## AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee consists of three independent non-executive Directors, namely Mr. Yu Tiecheng, Mr. Ma Yongyi 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 Board has not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor. The Audit Committee has also reviewed the unaudited interim results for the six months ended 30 June 2025. In addition, the Company's auditor, Prism Hong Kong Limited, has reviewed the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2025. There are proper arrangements for employees to raise concerns, in confidence, about possible improprieties in financial reporting, internal control and other matters. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

## 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 Period. As at 30 June 2025, the Company does not hold any treasury shares.

## EVENTS AFTER THE PERIOD

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

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim report of the Company for the six months ended 30 June 2025, containing all the information required under the Listing Rules, will be despatched to the Shareholders (if requested) and published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.ysservice.com.cn in due course. This announcement can also be accessed on these websites.

## APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and Shareholders for their continuous support to the Group. I would also like to extend my gratitude and appreciation to all management and staff for their hard work and dedication throughout the Period.

By order of the Board
**Ever Sunshine Services Group Limited**
**LIN Zhong**
*Chairman*

Hong Kong, 21 August 2025

*As at the date of this announcement, the executive Directors are Mr. LIN Zhong, Mr. ZHOU Hongbin and Mr. ZHOU Di; the non-executive Directors are Ms. CUI Xiaoqing and Mr. LIN Zhubo; and the independent non-executive Directors are Mr. MA Yongyi, Mr. YU Tiecheng and Mr. CHEUNG Wai Chung.*

* *For identification purposes only*