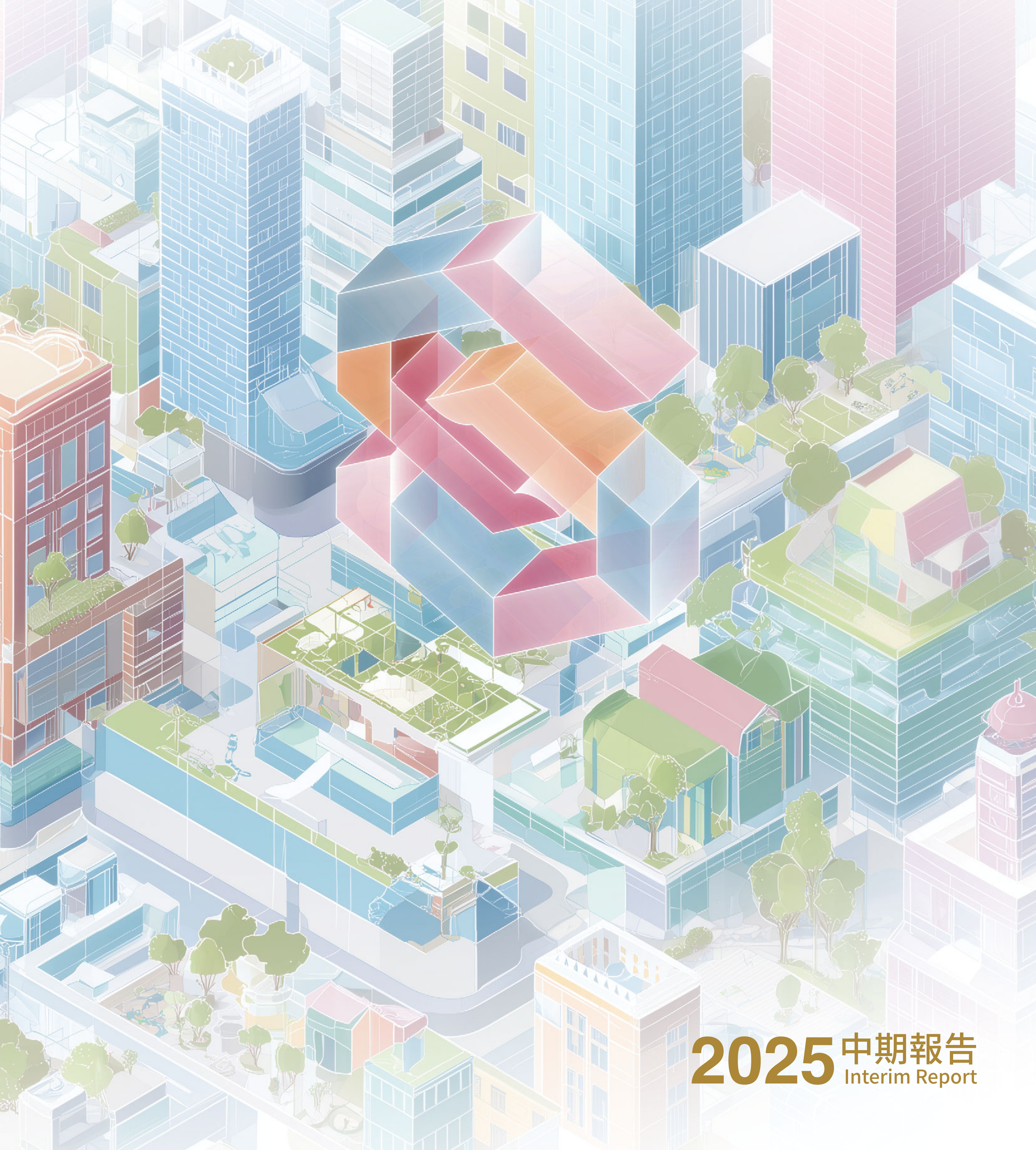
世茂服務
SHIMAO SERVICE

SHIMAO SERVICES HOLDINGS LIMITED
世茂服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)
Stock Code 股份代號 : 873



2025 中期報告
Interim Report

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Hui Sai Tan, Jason *(Chairman)*
Shao Liang *(President)*

Independent Non-executive Directors

Gu Yunchang
Zhou Xinyi
Hui Wai Man, Lawrence

Audit Committee

Hui Wai Man, Lawrence *(Committee Chairman)*
Gu Yunchang
Zhou Xinyi

Remuneration Committee

Zhou Xinyi *(Committee Chairman)*
Gu Yunchang
Hui Wai Man, Lawrence

Nomination Committee

Gu Yunchang *(Committee Chairman)*
Zhou Xinyi
Hui Wai Man, Lawrence

Company Secretary

Chan Ka Yan

Auditor

Grant Thornton Hong Kong Limited
Certified Public Accountants and Registered Public Interest Entity Auditor

CORPORATE INFORMATION

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Place of Listing

The Stock Exchange of Hong Kong Limited
Stock Code: 873

Investor and Media Relations

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CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present the interim results of Shimao Services Holdings Limited ("Shimao Services" or the "Company", together with its subsidiaries, collectively, the "Group") for the six months ended 30 June 2025.

Market and Industry

In the first half of 2025, China's real estate industry was generally persisted on adjustment trend, and sales gross floor area ("GFA") and sales of new home nationwide were still declining period-to-period. Though the decrease narrowed significantly as compared with the same period of last year, the momentum weakened in the second quarter and the pressure from destocking remained high. Divergence across cities was obvious, with positive period-to-period growth in first-tier and major second-tier cities in transactions while in third-tier and fourth-tier cities are still declining.

Against this background, on 14 July 2025, the Central Committee of the Communist Party of China convened the Central Urban Work Conference. This is the highest-level conference on urban development work held again after a decade. It emphasised that modern cities with "innovative, livable, beautiful, resilient, culturally vibrant and smart" characteristics shall be developed under the concept of "People-centered City". This signifies that China's urban development has entered a new stage of "improving the quality and efficiency of existing capacity", which plays an important role in guiding the development of the property management services industry.

The philosophy behind China's urbanisation will shift from "building new cities" to "renovating old cities", from "property development" to "urban operation", and from "scale expansion" to "people orientation". This presents a trillion-yuan worth opportunity to enjoy multi-dimensional and long-term growth for the property management services sector, where leading enterprises will have great opportunities to take advantage of it.

Under the guidance of "improving the quality and efficiency of existing capacity", such existing market is witnessing improvement in both scale and quality. Many existing urban areas, such as aging urban communities, long-established office buildings and industrial heritage sites, that have been built for years from urban development in the past would become the core targets for urban renovation. Meanwhile, local governments were advancing the renovation of infrastructures in these areas on a systematic basis via policy guidance and pecuniary support. These actions will improve the living conditions and safety of the existing properties and more importantly will boost their market value. For the property management services industry, this would mean a more potential target market and an expanded customer base, thereby stabilizing and broadening income base, and offering opportunities for continuous business growth to property management services companies.

Under the requirements of the quality and efficiency improvement, this will promote non-residential property projects to accelerate market entry, such as public buildings and ancillary facilities, and facilitate the gradual development of property management services towards marketisation and professionalisation. Leading companies will become key providers for non-residential property management services, given their extensive service experiences and standardised management systems. The expanded customer base has not only brought direct business growth, but also enhanced the service capabilities of property management services companies to deliver more diversified and customised services, such as providing professional support services for hospitals, developing intelligent public space operation for industrial parks, and building safety and convenient campus management for school.

The quality improvement of the existing properties will enhance residents' living standards and fostering vigorous development of community value-added services, providing an opportunity for property management services companies to transform themselves into "big integrated service providers of communities". With better living environment, residents' demand for community services has extended beyond basic security and cleaning services to living convenience, health and elderly care, culture and entertainment, parent-child bonding and education. By leveraging their in-depth understanding of residents and proximity to life, leading companies can integrate internal and external resources to offer more diverse community value-added services that enhance residents' well-being and build a diversified profit model.

The renovation of existing urban areas and the improvement of community functions have raised the grassroots governance standards, which requires more attention on details and people-centered needs to transform into satisfaction of residents. During this process, property management services companies, with their natural advantage being rooted in communities and close to the residents, have become an indispensable part in city governance. Their participations assist in grassroots governance and improve the overall efficiency of city governance.

Interim Results

During the interim period of 2025, the Group recorded revenue of RMB3,619.8 million, gross profit of RMB709.0 million, and gross profit margin of 19.6%. The GFA under management amounted to 222.3 million sq.m. and the contracted GFA reached 343.4 million sq.m..

Focus on Market Expansions

In the first half of 2025, Shimao Services focused on market expansion as its core mission, made solid progress, strived for advancement and achieved new breakthroughs again.

In terms of project selection, Shimao Services adhered to the principle of "rigorous vetting and high-quality outcomes". The expansion and development committee leads cross-departmental evaluations, conducting assessments of target projects across multiple dimensions at each level from hardware conditions, customer positioning, fundamental analysis and feasibility study. This ensures every new project has a high quality initiation, laying a robust foundation for efficient post-delivery operation.

In terms of market layout, Shimao Services adopted "Development in Depth" strategy. This entails concentrating human capital and resources for deeper penetration within strategic city clusters, and prioritising development in established advantageous regions. With its brand influence and the reputation of benchmark projects, Shimao Services has further increased its market share.

In terms of capability building, Shimao Services has developed itself with competitive bidding and tendering capabilities by "offering what competitors lack and outperforming what competitors have", deeply understanding of customers' painpoints, needs and expectations, so as to formulate tailored service solutions. By connecting all business segment, the Group integrated its unique resources and comprehensive capabilities to fully meet the diversified needs of customers.

In the first half of 2025, Shimao Services achieved a historical high and fruitful results on its market expansion. Additional annualised contract amount reached RMB958.4 million, representing a period-to-period increase of 54.6%; the newly-added contracted GFA was 40.1 million sq.m., representing a period-to-period increase of 126.6%. The marketing team has once again delivered remarkable results with a high amount of contract and rapid growth.

Third-party bidding expansion not only hit new highs, but also built a strong momentum for the sustainable development for higher goals amid fierce market competition.

Stable Businesses

In the first half of 2025, property management services served as the main driving force behind Shimao Services. Despite a stressed macro economy and the challenge-facing real estate industry, Shimao Services has made steady progress amid complexity and fluidity with its profound industry expertise and refined operational capabilities.

In the first half of 2025, revenue from property management services reached RMB2,812.3 million, representing a period-to-period increase of 1.9%, while gross profit margin remained stable. With precise insights into industry cycles, Shimao Services has refined management measures to turn challenges into opportunities that enhanced internal resilience.

In the first half of 2025, the proposition of non-residential properties in the project portfolio under management increased as Shimao Services actively expanded its customer base by developing customers across various non-residential property sub-segments. By mid-2025, non-residential property projects accounted for 38.4% among the Company's GFA under management, significantly diversifying its customer types and broadening its market. Among these non-residential projects, 96.6% are located in first-tier, new first-tier and second-tier cities. These cities are characterised by dense industrial clusters and high customer flow, hence promoting consumption. By capitalising on this concentrated layout, Shimao Services has extended its service offerings into such properties as office buildings, industrial parks, public facilities, and city complexes. The continued cultivation of various business, including smart energy solutions, public space operation, commercial support services and customised back-office services, has injected sustained momentum into the Company's growth.

Efficient Management

In the first half of 2025, Shimao Services enhanced management efficiency in all aspects. By replacing repetitive tasks with technology, creating premiums through differentiated services, and improving management systematically with a focus on "offering value-for-money experience", it effectively reduced the administrative expense ratio down to 9.4%.

In terms of operation and management, the Company established a health assessment model for projects, where it conducted breakdown analysis on key costs to enable precise resource allocation and reduce ineffective expenditure. In addition, costs were directly lowered through strengthening supply chain management and implementing centralised procurement and bulk purchasing negotiations. Moreover, a "daily monitoring, weekly review and monthly benchmarking" mechanism was set up to implement for more accurate control and increasing management efficiency.

In terms of technology-driven transformation, the Company advanced cost optimisation on a systematic basis by means of reducing cost through digitalisation and enhancing efficiency through intelligentisation, with the application of technology including cleaning robots. Energy-saving AIoT was further applied for better management of high-energy-consuming facilities in real time, comprehensively elevating energy efficiency and management.

Upgraded Services

In the first half of 2025, Shimao Services rolled out a new services upgrade initiative. With the principle of "putting service and quality first", the programme has focused on enhancing frontline service quality across projects.

For residential business segment, the initiative covered both "hardware" and "software" upgrades that aim to improve service quality and foster warmer communities. It also focused on prioritised compound lighting, beautification of surroundings and landscape, as well as facilities refurbishment; and developed a wide range of community activities and created a warm and welcoming neighbourhood.

For non-residential business segment, the focus was on upgrades through intelligentisation, with the launch of the new AIS platform system for smart energy management to bolster service capabilities. Meanwhile, the emphasis was placed on enhancing service transparency, intelligence, satisfaction, and innovation. By systematically optimising service models, Shimao Services has delivered better and more immersive service experiences to its customers.

Putting the customer at the center and boosting customer satisfaction. A measurable indicator system was in place to promote continuous upgrades in service processes and quality control mechanisms. The Group also established a rapid response mechanism for sensitive demands, concentrated resources in creating service characteristics and refining operations to shape industry reputation and increase market influence, which created sustainable core competitive advantages.

Future Outlook

"Service is essence" is the development direction of Shimao Services. From the perspective of product itself, the core delivery for property management services companies is the enduring experience that customers perceive. The value of services has based on professionalism and matchability, which is enhanced through human connections. Shimao Services will continue to deepen its presence in the non-residential, residential, and urban services sectors through high-quality services and products and keep improving project service capabilities, with a view to increase customer satisfaction and strengthen customer loyalty.

Developing elderly-friendly services by focusing on the needs of the silver-haired to become the guardian of community humanistic care. Shimao Services will improve both hardware facilities and software services to provide comprehensive and heartfelt elderly-friendly services for senior residents in the compound. In terms of hardware facilities, it will provide elderly-friendly renovations for homeowners, such as installing emergency call systems, to improve the convenience of home life for the elderly. In terms of software services, it will provide feature services by setting up activity rooms for the elderly and organising a variety of cultural and recreational activities to enrich their spiritual and cultural life.

Developing non-residential public space operations by focusing on business synergy to become a creator of diverse value. From the market perspective, non-residential projects require more professional services and have distinct industry characteristics where service barriers are more difficult to replicate. Shimao Services will continue to build up its service capabilities, gain a profound understanding of the operational characteristics of specific industries, integrate cross-sector resources, and establish long-term and stable relationship with customers, enabling itself to upgrade from a basic service provider to a business synergy partner and creating greater value.

Developing community commerce by focusing on integration to become a builder of the community consumption ecosystem. Shimao Services will grasp the core scenarios of residents' lives, and open the traffic gateway for community commerce by offering highly reliable and loyal services. It will reasonably renovate and utilise public spaces in the compound, introducing services that are closely related to residents' lives to meet their consumption needs. It will build a community business ecosystem, integrate commercial resources, and organise special business activities, with an aim to create flourishing community commerce.

Developing smart empowerment and upgrades by focusing on technology applications to become an industrial leader. It will strengthen safety defences, deepen the application of IoT technology and AI, and intelligentise the management of public facilities and security systems in compounds. It will improve operational efficiency by promoting sensors, collecting operational data in real time, connecting to intelligent management platforms, with an aim to enhance management precision. It will also enhance residents' experiences to bring them more personalised and convenient services.

Last but not least, as the real estate industry enters a high-quality development stage, competition among property management services companies will gradually shift towards the value of services, and the underlying philosophy always lies in the core understanding that "Service is essence". In the future, Shimao Services will transform service professionalism into a business barrier, human connections into ecosystem development momentum, and public space operations into value creation, in a bid to truly achieve the transformation from property manager to integrated services provider, and secure a leading position in the industry development.

Social Responsibility

Shimao Services has always deeply embedded social responsibility into all aspects of its business development. While pursuing its own development, it remains committed to sharing fruitful development with its employees, customers, shareholders, investors and society, demonstrating its corporate responsibility through concrete actions.

In terms of sustainable development, Shimao Services continues to reduce the environmental impact of its operations and create environmentally friendly projects. Shimao Services has established a systematic energy-saving and consumption-reduction management system to achieve refined control over the entire lifecycle of energy use, and collaborated with customers to build eco-friendly and livable communities. At the same time, it focused on the waste recycling, the promotion of renewable energy, and integrated environmental sanitation services to support the circular economy in cities, thereby injecting momentum into the development of green industries.

In 2025, Shimao Services was awarded the "AAA-grade Property Service Enterprise in Zhejiang Province" (浙江省物業服務信用AAA級企業) and "Leading Property Company in Low-carbon Operation in China for 2025" (2025中國物業低碳運營領先企業) awards.

Acknowledgement

In 2025, the international economic and trade environment is complex and ever-changing, whereas the domestic economy is in a phase of transition and upgrading from traditional growth drivers to new quality productive forces, resulting in market fluctuations. On behalf of the Board, I would like to extend my heartfelt gratitude and deepest respect to our shareholders, business partners, local governments, property owners, customers, and the dedicated staff of Shimao Services for their immense supports. Your understanding and support in joining hands with us are very much appreciated.

We believe "responsibility" and "collaborative breakthrough" will help us "secure the fruitful results".

Amid the ever-changing landscape of the industry, Shimao Services will adapt to these changes and leverage its strengths as a competitive advantage. With practical action as our oar and innovation as our sail, we will navigate through challenges and seize opportunities to continuously create greater value for our shareholders.

Hui Sai Tan, Jason
Chairman

Hong Kong, 27 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Business Overview

The Group aims to become a leading comprehensive property management services provider in China, providing property owners with high quality property management services and diversified value-added services tailored to the needs of customers. Currently, the Group has four major business segments: (1) property management services; (2) community value-added services; (3) value-added services to non-property owners; and (4) city services.

As at 30 June 2025, the Group had businesses presence in 123 cities and provided a wide variety of services for 1,466 projects, covering various types of customers, including residential, public buildings, universities and colleges, industrial parks and hospitals, etc. The GFA under management amounted to 222.3 million sq.m. and contracted GFA was 343.4 million sq.m..

The following table sets out the number of cities covered by the Group's businesses and the number of projects under management as at 30 June 2025 and 30 June 2024, respectively:

	As at 30 June		
	2025 number (unit)	2024 number (unit)	Change (%)
Cities covered by businesses	**123**	121	1.7%
Projects under management	**1,466**	1,491	-1.7%

The following table sets forth the Group's GFA under management and contracted GFA as at 30 June 2025 and 30 June 2024, respectively:

	As at 30 June		
	2025 Area (sq.m. in million)	2024 Area (sq.m. in million)	Change (%)
GFA under management	**222.3**	246.9	-10.0%
Contracted GFA	**343.4**	332.6	3.2%

As of 30 June 2025, the Group recorded revenue of RMB3,619.8 million, gross profit of RMB709.0 million, and gross profit margin of 19.6%.

The following table sets forth the Group's revenue by business segments for the six months ended 30 June 2025 and 30 June 2024, respectively:

	For the six months ended 30 June					
	2025		2024			
	Revenue (RMB million)	**Percentage (%)**	Revenue (RMB million)	Percentage (%)	**Change in revenue (%)**	**Change in percentage** (percentage point)
Property management services	**2,812.3**	**77.7%**	2,761.0	68.5%	1.9%	increase by 9.2 percentage points
Community value-added services	**538.9**	**14.9%**	586.7	14.5%	-8.1%	increase by 0.4 percentage point
Value-added services to non-property owners	**61.2**	**1.7%**	80.9	2.0%	-24.4%	decrease by 0.3 percentage point
City services	**207.4**	**5.7%**	603.2	15.0%	-65.6%	decrease by 9.3 percentage points
Total	**3,619.8**	**100%**	4,031.8	100%	-10.2%	N/A

Analysis on Business Segments

➢ Property Management Services

- ***Representing 77.7% of total revenue and 79.4% of total gross profit***

  In the first half of 2025, the Group's property management services recorded higher revenue with stable gross profit margins.

  As of 30 June 2025, the Group's revenue from property management services amounted to RMB2,812.3 million, representing a period-to-period increase of 1.9% as compared to RMB2,761.0 million for the same period of 2024. The increase in revenue was mainly attributable to (1) the Group's proactive market expansion in third-party bidding with increase in GFA under management; (2) the capability of the Group's marketing team has strengthened and the quality of newly-added projects under management improved over the existing ones; and (3) an increase in the GFA under management delivered by Shimao Group Holdings Limited ("Shimao Group Holdings", together with its subsidiaries, collectively, the "Shimao Group") and its co-developers, which directly contributed to the revenue.

  As of 30 June 2025, gross profit from property management services of the Group was RMB562.7 million, representing a period-to-period increase of 1.7% as compared to RMB553.1 million for the same period of 2024; the gross profit margin was 20.0%, which remained stable as compared to 20.0% for the same period of 2024. The increase in gross profit was mainly attributable to (1) the Group's focus on the upgrade of its management to continuously enhance the operational capability; (2) enhancement of frontline efficiency by refining the operation; and (3) implementation of energy conservation reforms and multi-pronged approaches to control energy consumption expenditure, thereby achieving cost reduction and efficiency enhancement, which facilitated a growth in gross profit of property management.

- ***Increase in management scale***

  In the first half of 2025, the Group's management scale expanded, with both the GFA under management and contracted GFA increased as compared to the full year of 2024, while the overall structure of projects under management was further enhanced.

  As at 30 June 2025, the Group's GFA under management amounted to 222.3 million sq.m., representing a period-to-period decline of 10.0% as compared to 246.9 million sq.m. for the same period of 2024; the Group's contracted GFA was 343.4 million sq.m., representing a period-to-period increase of 3.2% as compared to 332.6 million sq.m. for the same period of 2024.

  As at 30 June 2025, the GFA under management from independent third-party developers was 160.1 million sq.m., representing a period-to-period decline of 13.7% as compared to 185.6 million sq.m. for the same period of 2024, accounting for 72.0%, representing a period-to-period decline of 3.2 percentage points as compared to 75.2% for the same period of 2024. The contracted GFA from independent third-party developers was 268.0 million sq.m., representing a period-to-period increase of 4.4% as compared to 256.8 million sq.m. for the same period of 2024, accounting for 78.0%, representing a period-to-period increase of 0.8 percentage point as compared to 77.2% for the same period of 2024. The increase in contracted GFA from independent third-party developers was mainly attributable to the continuous enhancement of the Group's market expansion capabilities, which have consistently contributed to the newly-added contracted GFA. Third-party bidding expansion became the most important source of the Group's contracted GFA, fuelling the Group's business development.

  The following table sets forth the Group's GFA under management and contracted GFA which were categorised by property developer type as at 30 June 2025 and 30 June 2024, respectively:

	As at 30 June					
	2025		2024			
	Area (sq.m. in million)	**Percentage (%)**	Area (sq.m. in million)	Percentage (%)	**Change in area** (%)	**Change in percentage** (percentage point)
GFA under management	**222.3**	**100%**	246.9	100%	-10.0%	N/A
Among which:						
From Shimao Group and its co-developers	**62.2**	**28.0%**	61.3	24.8%	1.5%	increase by 3.2 percentage points
From independent third-party developers	**160.1**	**72.0%**	185.6	75.2%	-13.7%	decrease by 3.2 percentage points
Contracted GFA	**343.4**	**100%**	332.6	100%	3.2%	N/A
Among which:						
From Shimao Group and its co-developers	**75.4**	**22.0%**	75.8	22.8%	-0.5%	decrease by 0.8 percentage point
From independent third-party developers	**268.0**	**78.0%**	256.8	77.2%	4.4%	increase by 0.8 percentage point

As at 30 June 2025, the Group's GFA under management of non-residential properties was 85.4 million sq.m., representing a period-to-period decrease of 16.6% as compared to 102.4 million sq.m. for the same period of 2024, accounting for 38.4%, representing a period-to-period decrease of 3.1 percentage points as compared to 41.5% for the same period of 2024. Contracted GFA of non-residential properties was 147.8 million sq.m., representing a period-to-period increase of 5.0% as compared to 140.8 million sq.m. for the same period of 2024, accounting for 43.0%, representing a period-to-period increase of 0.7 percentage point as compared to 42.3% for the same period of 2024. The change was mainly attributable to (1) the Group's active development of non-residential property management services business; and (2) the increased efforts in expanding non-residential property projects by the Group's marketing team, which resulted in an increase in the GFA under management and contracted GFA of non-residential projects.

As at 30 June 2025, among the Group's GFA under management, 86.0% of the property projects was in first-tier, new first-tier and second-tier cities in China. With its high-quality project portfolio and robust management scale, the Group has ensured the continuous growth of its revenue from property management services as well as building a foundation for the development and expansion of a wide range of diversified value-added services.

The following table sets forth the Group's GFA under management and contracted GFA which were categorised by property type as at 30 June 2025 and 30 June 2024, respectively:

	As at 30 June					
	2025		2024			
	Area (sq.m. in million)	**Percentage (%)**	Area (sq.m. in million)	Percentage (%)	**Change in area** (%)	**Change in percentage** (percentage point)
GFA under management	**222.3**	**100%**	246.9	100%	-10.0%	N/A
Among which:						
Residential properties	**136.9**	**61.6%**	144.5	58.5%	-5.3%	increase by 3.1 percentage points
Non-residential properties	**85.4**	**38.4%**	102.4	41.5%	-16.6%	decrease by 3.1 percentage points
Contracted GFA	**343.4**	**100%**	332.6	100%	3.2%	N/A
Among which:						
Residential properties	**195.6**	**57.0%**	191.8	57.7%	2.0%	decrease by 0.7 percentage point
Non-residential properties	**147.8**	**43.0%**	140.8	42.3%	5.0%	increase by 0.7 percentage point

As of 30 June 2025, the Group's terminated GFA under management amounted to 11.1 million sq.m., representing a period-to-period decrease of 36.6% as compared to 17.5 million sq.m. for the same period of 2024; and the Group's terminated contracted GFA amounted to 11.1 million sq.m., representing a period-to-period decrease of 36.6% as compared to 17.5 million sq.m. for the same period of 2024. The change was mainly attributable to the fact that the Group (1) proactively launched the service quality enhancement initiative to improve the service quality and enhance customer satisfaction, which in turn increased the overall project retention rate; and (2) focused on operational efficiency and analysed all projects under management on a systematic basis, and through benchmarking research and project evaluation, it aligned the adjustment strategies according to the development potential and operational contribution of each project, thereby unleashing more vitality for development.

The following table sets forth the Group's terminated GFA under management and terminated contracted GFA which were categorised by property type for the six months ended 30 June 2025 and 30 June 2024, respectively:

	For the six months ended 30 June					
	2025		2024			
	Area (sq.m. in million)	**Percentage (%)**	Area (sq.m. in million)	Percentage (%)	**Change in area (%)**	**Change in percentage** (percentage point)
Terminated GFA under management	**11.1**	**100%**	17.5	100%	-36.6%	N/A
Among which:						
Residential properties	**4.1**	**36.9%**	5.5	31.4%	-25.5%	increase by 5.5 percentage points
Non-residential properties	**7.0**	**63.1%**	12.0	68.6%	-41.7%	decrease by 5.5 percentage points
Terminated contracted GFA	**11.1**	**100%**	17.5	100%	-36.6%	N/A
Among which:						
Residential properties	**4.1**	**36.9%**	5.5	31.4%	-25.5%	increase by 5.5 percentage points
Non-residential properties	**7.0**	**63.1%**	12.0	68.6%	-41.7%	decrease by 5.5 percentage points

- ***High quality projects from third-party bidding expansion***

  In the first half of 2025, riding on the momentum, the Group focused on third-party bidding expansion to scale new heights. The Group's third-party bidding expansion performance has once again reached a new historical high. As of 30 June 2025, the Group's annualised contract amount of new projects from third-party bidding expansion recorded RMB958.4 million, representing a period-to-period increase of 54.6% as compared to RMB620.1 million for the same period of 2024; the newly-added contracted GFA was 40.1 million sq.m., representing a period-to-period increase of 126.6% as compared to 17.7 million sq.m. for the same period of 2024; and the newly-added GFA under management was 3.7 million sq.m., representing a period-to-period decrease of 62.2% as compared to 9.8 million sq.m. for the same period of 2024.

  The newly-added contracted GFA of non-residential properties from third-party bidding expansion was 33.4 million sq.m., representing a period-to-period increase of 237.4% as compared to 9.9 million sq.m. for the same period of 2024; accounting for 83.3%, representing a period-to-period increase of 27.4 percentage points as compared to 55.9% for the same period of 2024. The increase was mainly attributable to (1) the Group's proactive efforts to expand its customer base and various types of non-residential properties projects; and (2) the capability of the Group's marketing team continued to strengthen, leading to a rapid rise in successful bids of new non-residential property project.

The following table sets forth the Group's newly-added annualised contract amount from third-party bidding expansion which were categorised by property type for the six months ended 30 June 2025 and 30 June 2024, respectively:

	For the six months ended 30 June					
	2025		2024			
	Contract amount (RMB in million)	**Percentage (%)**	Contract amount (RMB in million)	Percentage (%)	**Change in amount (%)**	**Change in percentage (percentage point)**
Newly-added annualised contract amount	**958.4**	**100%**	620.1	100%	54.6%	N/A
Among which:						
Residential properties	**232.0**	**24.2%**	165.1	26.6%	40.5%	decrease by 2.4 percentage points
Non-residential properties	**726.4**	**75.8%**	455.0	73.4%	59.6%	increase by 2.4 percentage points

The following table sets forth the Group's newly-added GFA under management and newly-added contracted GFA from third-party bidding expansion which were categorised by property type for the six months ended 30 June 2025 and 30 June 2024, respectively:

	For the six months ended 30 June					
	2025		2024			
	Area (sq.m. in million)	**Percentage (%)**	Area (sq.m. in million)	Percentage (%)	**Change in area (%)**	**Change in percentage (percentage point)**
Newly-added GFA under management	**3.7**	**100%**	9.8	100%	-62.2%	N/A
Among which:						
Residential properties	**1.8**	**48.6%**	3.5	35.7%	-48.6%	increase by 12.9 percentage points
Non-residential properties	**1.9**	**51.4%**	6.3	64.3%	-69.8%	decrease by 12.9 percentage points
Newly-added contracted GFA	**40.1**	**100%**	17.7	100%	126.6%	N/A
Among which:						
Residential properties	**6.7**	**16.7%**	7.8	44.1%	-14.1%	decrease by 27.4 percentage points
Non-residential properties	**33.4**	**83.3%**	9.9	55.9%	237.4%	increase by 27.4 percentage points

Community Value-Added Services

- ***Representing 14.9% of total revenue and 16.4% of total gross profit***
  As of 30 June 2025, the Group's revenue from community value-added services amounted to RMB538.9 million, representing a period-to-period decrease of 8.1% as compared to RMB586.7 million for the same period of 2024; gross profit was RMB116.6 million, representing a period-to-period decrease of 26.3% as compared to RMB158.2 million for the same period of 2024; and gross profit margin was 21.6%, representing a period-to-period decrease of 5.4 percentage points as compared to 27.0% for the same period of 2024. The decrease in revenue, gross profit and gross profit margin was mainly attributable to (1) the shifts in the overall consumption sentiment due to domestic economic conditions changed; and (2) the fact that property owners became more prudent in spending.

  In the first half of 2025, the Group optimised and adjusted its development strategy for the community value-added services. It has developed a brand new retail business that focuses on the businesses relating to the daily lives of residents, and created a convenient and efficient "15-minute living circle", so as to provide customers with more caring and immediate services.

  The following table sets forth the Group's revenue from community value-added services by category for the six months ended 30 June 2025 and 30 June 2024, respectively:

	For the six months ended 30 June					
	2025		2024			
	Revenue (RMB million)	**Percentage (%)**	Revenue (RMB million)	Percentage (%)	**Change in revenue** (%)	**Change in percentage** (percentage point)
Community asset management services	**123.4**	**22.9%**	113.7	19.4%	8.5%	increase by 3.5 percentage points
Smart scenario solutions	**4.0**	**0.7%**	47.3	8.1%	-91.5%	decrease by 7.4 percentage points
Carpark asset operation services	**113.6**	**21.1%**	125.6	21.4%	-9.6%	decrease by 0.3 percentage point
Home decoration services	**38.6**	**7.2%**	38.6	6.5%	remained stable	increase by 0.7 percentage point
Campus value-added services	**154.0**	**28.6%**	175.8	30.0%	-12.4%	decrease by 1.4 percentage points
Elderly care services	**105.3**	**19.5%**	85.7	14.6%	22.9%	increase by 4.9 percentage points
Total of community value-added services	**538.9**	**100%**	586.7	100%	-8.1%	N/A

- ***Community asset management services***
  In the first half of 2025, revenue from community asset management services was RMB123.4 million, representing a period-to-period increase of 8.5% as compared to RMB113.7 million for the same period of 2024. The increase in revenue was mainly due to (1) the fact that the Group actively improved frontline operation capabilities by vigorously exploring common spaces for commercial use and enhancing the value of the common spaces; and (2) increased efforts in developing property leasing and sales business within communities and hence achieving revenue growth.

- ***Smart scenario solutions***
  In the first half of 2025, revenue from smart scenario solutions was RMB4.0 million, representing a period-to-period decrease of 91.5% as compared to RMB47.3 million for the same period of 2024. The decrease in revenue was mainly due to (1) the changes in domestic economic conditions; and (2) the fact that customers became more prudent in spending.

- ***Carpark asset operation services***
  In the first half of 2025, revenue from carpark asset operation services was RMB113.6 million, representing a period-to-period decrease of 9.6% as compared to RMB125.6 million for the same period of 2024. The decrease in revenue was mainly due to (1) the changes in domestic economic conditions; and (2) the fact that customers became more prudent in spending, resulting in a slight period-to-period decrease in revenue from parking management services.

- ***Home decoration services***
  In the first half of 2025, revenue from home decoration services was RMB38.6 million, which remained stable as compared to RMB38.6 million for the same period of 2024, which was mainly due to the fact that (1) the Group actively developed its new retail business, achieving significant results; and (2) the property owners became more prudent in spending, resulting in a contraction in home decoration business scale.

- ***Campus value-added services***
  In the first half of 2025, revenue from campus value-added services was RMB154.0 million, representing a period-to-period decrease of 12.4% as compared to RMB175.8 million for the same period of 2024. The decrease in revenue was mainly due to the impact of changes in the overall economic conditions, and as a result, some public institutions downsized their service demand, which affected revenue.

- ***Elderly care services***
  In the first half of 2025, revenue from elderly care services was RMB105.3 million, representing a period-to-period increase of 22.9% as compared to RMB85.7 million for the same period of 2024. The increase in revenue was mainly due to the fact that (1) Shanghai Chunqiji Elderly Care Services Co., Ltd. (上海椿祺集養老服務有限公司) ("Healthtop") actively cooperated with Shimao Services to jointly develop the market; and (2) Healthtop and Shimao Services shared customer resources and established an efficient business model to provide customers with high-quality services and thus achieving revenue growth.

➢ Value-Added Services to Non-Property Owners

- ***Representing 1.7% of total revenue and 1.3% of total gross profit***
  As of 30 June 2025, the Group's revenue from value-added services to non-property owners amounted to RMB61.2 million, representing a period-to-period decrease of 24.4% as compared to RMB80.9 million for the same period of 2024. The decrease in revenue, gross profit and gross profit margin was due to a drop in the number of newly-started houses, resulting in a contraction of the show room services business, weighing on revenue sources.

➢ City Services

- ***Representing 5.7% of total revenue and 2.9% of total gross profit***
  As of 30 June 2025, the Group's revenue from city services amounted to RMB207.4 million, representing a period-to-period decrease of 65.6% as compared to RMB603.2 million for the same period of 2024. The decrease in revenue was mainly due to the decrease in consolidated revenue following the Group's disposal of the 60% of the equity interests in Wuxi Jinshatian Technology Co., Ltd. ("Jinshatian") in September 2024. For details of the disposal of Jinshatian, please refer to the announcements of the Company dated 24 September 2024 and 8 November 2024.

Share Award Scheme

A Share Award Scheme of the Company (the "Share Award Scheme") was adopted by the board of directors of the Company (the "Board") on 28 June 2021 (the "Adoption Date"). The purpose of the Share Award Scheme is to recognise the contributions by certain selected employees of the Group and to provide them with incentives so as to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Share Award Scheme shall be valid and effective for a term of ten years commencing from the Adoption Date. The maximum number of shares which can be awarded under the Share Award Scheme is 3% of the total number of issued shares of the Company as at the Adoption Date (i.e. 70,919,190 shares). During the six months ended 30 June 2025, no award share was granted by the Company under the Share Award Scheme. Further details of the Share Award Scheme are set out in the section headed "Corporate Governance and Other Information" in this report.

Employees and Compensation Policy

As at 30 June 2025, the Group had a total of 34,592 employees, representing a period-to-period decrease of 21.4% as compared to 44,011 employees for the same period of 2024. Total staff costs amounted to RMB1,517.7 million, representing a period-to-period decrease of 16.4% as compared to RMB1,815.3 million for the same period of 2024. The decrease in both staff number and staff costs was mainly due to the fact that the Group (1) disposed of its subsidiaries, such as Jinshatian; (2) rationalised the resource allocation structure; and (3) focused on the enhancement of operational and management capabilities, explored more potential for cost reductions, and enhanced the efficiency of internal operations.

The salary paid to the employees by the Group was determined according to their duties, market levels as well as performance and contribution, and bonuses were also paid to employees based on their work performance. In addition, the Group offered its employees a variety of training and personal development schemes together with employee benefits, including pension fund, medical insurance and provident fund, etc.

Proceeds from the Listing

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30 October 2020. Excluding underwriting fees and related expenses, the net proceeds from the listing amounted to HK$5,917.4 million (equivalent to approximately RMB5,126 million). Details of the actual or intended use of proceeds from the listing are as follows:

Intended use of net proceeds	Proceeds available for utilisation (RMB million)	Allocation percentage %	Utilised amount as of 30 June 2025 (RMB million)	Unutilised amount as of 30 June 2025 (RMB million)	Expected timeline for utilising the remaining unutilised amount
(1) To continue to expand business scale through multiple channels	3,332	65%	3,332	–	
(2) To diversify people-oriented and property-oriented value-added service offerings	769	15%	303	466	2025
(3) To improve the information technology system and smart technologies	256	5%	256	–	
(4) To attract and nurture talent	256	5%	74	182	2025
(5) For working capital and other general corporate purposes	513	10%	213	300	2025
Total	5,126	100%	4,178	948	

The proceeds set out above have not been utilised, mainly because the Group did not successfully acquire previous potential target projects. The Group will continue to identify suitable acquisition and investment targets, and the management will also continue to take both prudent and proactive approach into consideration for facilitating the utilisation of the proceeds to achieve healthy development of business and long-term benefit of shareholders.

Equity Fund Raising Activities and Use of Proceeds

Placing of Existing Shares and Top-up Subscription of New Shares under the General Mandate (the "Top-Up Placing")

On 19 October 2021, the Company entered into a placing and subscription agreement (the "2021 Placing and Subscription Agreement") with Morgan Stanley & Co. International plc (the "Placing Agent"), Shimao Group Holdings and the vendor, Best Cosmos Limited ("Best Cosmos"), pursuant to which the Placing Agent conditionally agreed to place to not less than six independent professional, institutional and/or individual investors, on a fully underwritten basis, 115,000,000 existing ordinary shares of the Company at the placing price of HK$15.18 per share, and Best Cosmos conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue to Best Cosmos new ordinary shares, which were the same number as the placing shares that have been placed by the Placing Agent, at the placing price. The subscription shares have a nominal value of HK$1.15 million and a market value of HK$1,934.3 million, based on the closing price of HK$16.82 per share as quoted on the Stock Exchange on the last full trading day immediately before the time at which the 2021 Placing and Subscription Agreement was signed. The net price per subscription share is HK$15.09. The completion of placing of existing shares took place on 22 October 2021, and the Company allotted and issued 115,000,000 ordinary shares to Best Cosmos on 2 November 2021 under the general mandate granted to the Directors pursuant to an ordinary resolution passed at the 2021 annual general meeting of the Company (the "General Mandate").

The net proceeds received by the Company after deducting related fees and expenses were approximately HK$1,735 million. The Company intends to apply such net proceeds for potential mergers and acquisitions ("M&A"), business expansion, general working capital and general corporate uses. The Directors consider that the placing and subscription represent an opportunity to raise capital for the Company while broadening its shareholders and capital base, and it would strengthen the financial position of the Group and provide working capital to the Group. For further details, please refer to the announcements of the Company dated 20 October 2021 and 2 November 2021.

Details of the intended and actual use of the aggregate net proceeds of approximately HK$1,735 million (equivalent to approximately RMB1,426 million) from the above equity fund raising activities are as follows:

Intended use of net proceeds	**Net proceeds from Top-Up Placing available for utilisation** (RMB million)	**Allocation percentage** %	**Utilised net proceeds as of 30 June 2025** (RMB million)	**Unutilised net proceeds as of 30 June 2025** (RMB million)	**Expected timeline for utilising the remaining unutilised net proceeds**
(1) Potential M&A	1,140	80%	810	330	2025
(2) Business expansion	143	10%	–	143	2025
(3) General working capital and general corporate uses	143	10%	143	–	
Total	1,426	100%	953	473	

The core reason for the net proceeds set out above remaining unutilised was due to the contemplated project acquisitions have yet to materialise. The Group will continue to identify high-quality M&A targets and the management will adhere to a prudent and proactive philosophy to ensure reasonable capital deployment, thereby safeguarding steady business growth and fostering shareholders' value in the long term.

Events during the Period

Acquisition of the Remaining Equity Interests in a Subsidiary

On 3 January 2025, Shimao Tiancheng Property Services Group Co., Ltd. and Shanghai Xumaorui Enterprise Management Co., Ltd. ("Shanghai Xumaorui", as the purchaser), both indirect wholly-owned subsidiaries of the Company, entered into an equity transfer agreement and a settlement agreement with Shenzhen Jiaxiong Investment Development Co., Ltd. (the "Vendor") and original shareholders, under which the Vendor agreed to sell and Shanghai Xumaorui agreed to purchase 33% of the equity interests in Shenzhen Shi Lu Yuan Environmental Co., Ltd. (the "Target Company") at the consideration of RMB83,159,000. The consideration will be utilised to partially settle the net contingent consideration receivables amounted to RMB138,703,000 (the "Acquisition"). For further details, please refer to the announcement of the Company dated 3 January 2025.

The Target Company is principally engaged in the provision of urban and rural environmental sanitation integrated services in the People's Republic of China (the "PRC"). Prior to the completion of the Acquisition, it was a 67% held non-wholly owned subsidiary of the Group. During the reporting period, the Acquisition and the settlement were completed in January 2025, and the Target Company is now an indirect wholly-owned subsidiary of the Company.

Formation of the Partnership

On 19 June 2025, Shanghai Shimao Tianjing Property Services Co., Ltd. (上海世茂天鏡物業服務有限公司) ("Shanghai Shimao Tianjing") (as a limited partner), an indirect wholly-owned subsidiary of the Company, entered into a partnership agreement with Wuxi Xinghe Investment Consultation Partnership (Limited Partnership) (無錫星河投資諮詢合夥企業(有限合夥)) ("Wuxi Xinghe") (as the general partner) under which the two parties agreed to establish the partnership to invest and operate a cold chain logistics project in the Huludao area, Liaoning Province, the PRC.

Pursuant to the terms of the partnership agreement, the total capital contribution amount to be paid by all partners of the partnership shall be RMB240,000,000, of which RMB237,600,000 shall be contributed by Shanghai Shimao Tianjing and RMB2,400,000 shall be contributed by Wuxi Xinghe. For further details, please refer to the announcement of the Company dated 19 June 2025. Subsequent to the reporting period, Shanghai Shimao Tianjing and Wuxi Xinghe jointly completed capital contribution and established the partnership, namely, Nanjing Maoxing Project Management Partnership (Limited Partnership) (南京茂星項目管理合夥企業(有限合夥)) in July 2025.

Acquisitions and Future Outlook

Acquisitions

When making acquisitions, the Group focuses on the alignment between the target company and the Group, while it also takes into account the development demands, including scale growth, the deployment of new business lines and the new building capabilities. For potential acquisition targets, the Group will comprehensively consider the following factors: (1) being within the Group's existing management radius; (2) being a leading company in the region or sub-sector; (3) not touching red-line issues, such as safety issues, etc.; (4) being able to accept the Group's integration requirements; and (5) having a customer base that is from local middle-income and high-income class. Through the above assessment criteria, the Group can ensure the effective operation and management of the target company and promote its sustainable development after the completion of the M&A.

In the first half of 2025, the downturn in the real estate industry persisted, the Group therefore was unable to acquire any targets successfully. Looking ahead, the Group will remain prudent and continue to look for suitable acquisition targets in the market. In view of the prevailing industry situation, the Group will further strengthen its pre-acquisition due diligence by conducting in-depth analysis of the targets in terms of their performance in market position, business model, financial conditions and service quality, with particular attention to their risk resilience and growth potential in the complex market environment. At the same time, the Group will fully consider its own strategic planning and integration capabilities, so as to ensure the acquisitions not only can facilitate the expansion of its scale, but also deeply integrate into the Group's existing business structure, thereby achieving synergistic development and promoting the Group's continuous enhancement of its competitiveness in the property management services industry.

Future Outlook

As artificial intelligence ("AI") and big data boom, the property management services sector is standing at the critical point for transformation, and the road ahead is full of possibilities. On the one hand, algorithms are taking over processes, self-checks and the self-routing of work orders by automated equipment to lower costs and raise efficiency. By analysing and applying big data, services are evolving from "one-size-fits-all" approach to "hyper-personalisation", which increases customer satisfaction and the sense of belonging amongst users. On the other hand, property management services providers closely operate around communities and office space, enabling them to rapidly enter emerging businesses such as community elderly care and pet care, which allow the transformation of their traditional business into diversified revenue-generating streams. Meanwhile, the old labour-intensive operational model is yielding to a technology-intensive new model, featuring lower labour cost and higher service quality. Consequently, new competitive advantages are taking shape.

Beyond embracing technology, Shimao Services has further included "return to quality" into its strategy. By refining its services through a multi-dimensional approach and leveraging its brand reputation to drive scale, the Company is ushering in a new chapter of sustainable growth.

FINANCIAL REVIEW

During the period, the Group realised:

Revenue

Revenue was RMB3,619.8 million, representing a decrease of 10.2% as compared to RMB4,031.8 million for the same period of 2024. The Group generated revenue from four business segments: (i) property management services; (ii) community value-added services; (iii) value-added services to non-property owners; and (iv) city services. During the period, (i) property management services remained the largest source of revenue and profit to the Group, with revenue amounted to RMB2,812.3 million, accounting for 77.7% of the total revenue and representing a period-to-period increase of 1.9% as compared to RMB2,761.0 million for the same period of 2024; (ii) revenue from community value-added services amounted to RMB538.9 million, accounting for 14.9% of the total revenue and representing a period-to-period decrease of 8.1% as compared to RMB586.7 million for the same period of 2024; (iii) revenue from value-added services to non-property owners amounted to RMB61.2 million, accounting for 1.7% of the total revenue and representing a period-to-period decrease of 24.4% as compared to RMB80.9 million for the same period of 2024; and (iv) revenue from city services amounted to RMB207.4 million, accounting for 5.7% of the total revenue and representing a period-to-period decrease of 65.6% as compared to RMB603.2 million for the same period of 2024.

Cost of Sales and Services

Cost of sales and services of the Group primarily included staff costs, subcontracting costs, utilities and facility operating costs, cost of selling carpark spaces, cost of smart community solutions and others. During the period, cost of sales and services was RMB2,910.8 million, representing a period-to-period decrease of 9.6% as compared to RMB3,220.3 million for the same period of 2024. Such decrease was mainly due to (1) the optimisation of the Group's team structure to enhance labour productivity during the period; (2) focusing on the improvement of project quality; and (3) the disposal of subsidiaries by the Group between July and December 2024.

Gross Profit and Gross Profit Margin

During the period, gross profit amounted to RMB709.0 million, representing a period-to-period decrease of 12.6% as compared to RMB811.5 million for the same period of 2024. Gross profit margin was 19.6%, representing a decrease of 0.5 percentage point as compared to 20.1% for the same period of 2024. Gross profit margins for the four business segments were 20.0% for property management services, 21.6% for community value-added services, 15.0% for value-added services to non-property owners and 9.9% for city services, respectively. Gross profit margins for those business segments for the same period of 2024 were 20.0%, 27.0%, 16.9% and 14.3%, respectively.

Gross profit margin for property management services was 20.0%, which remained stable as compared to 20.0% for the same period of 2024.

Gross profit margin for community value-added services was 21.6%, representing a decrease of 5.4 percentage points as compared to 27.0% for the same period of 2024. It was mainly due to the impact of changes in the real estate industry and the economic conditions, which led to a decline in gross profit for the segment businesses, such as the carpark asset operation services and the community asset management services.

Gross profit margin for value-added services to non-property owners was 15.0%, representing a decrease of 1.9 percentage points as compared to 16.9% for the same period of 2024. It was mainly due to the continued adjustment of the real estate market and the slowdown in developers' property launch schedules, which led to a decline in gross profits from property sales office services and preliminary fees.

Gross profit margin for the city services business was 9.9%, representing a decrease of 4.4 percentage points as compared to 14.3% for the same period of 2024. Such decrease was mainly due to the fact that the government reduced relevant budgets, while the Group maintained its cost expenditure at the same level as the corresponding period to ensure the quality of services, which resulted in a decrease in gross profit.

Selling and Marketing Expenses

Selling and marketing expenses for the period were RMB56.3 million, representing a period-to-period decrease of 5.5% as compared to RMB59.6 million for the same period of 2024. Selling and marketing expenses as a percentage of revenue was 1.6%, which remained stable as compared to 1.5% for the same period of 2024.

Administrative Expenses

Administrative expenses for the period were RMB339.8 million, representing a period-to-period decrease of 18.9% as compared to RMB418.9 million for the same period of 2024. Administrative expenses as a percentage of revenue was 9.4%, representing a decrease of 1.0 percentage point as compared to 10.4% for the same period of 2024, which was mainly due to (1) the improvement in efficiency of the management of the Group's organisational structure, resulting in lower labour costs and management expenses; and (2) a decrease in amortisation of customer relationships arising from the valuation of the appreciation as a result of the disposal of acquired subsidiaries by the Group.

Operating Profit

Operating profit for the period was RMB40.2 million, representing a period-to-period decrease of 84.0% as compared to RMB252.0 million for the same period of 2024. Operating profit margin was 1.1%, representing a decrease of 5.2 percentage points as compared to 6.3% for the same period of 2024.

Finance Costs/Income – Net

Finance costs – net for the period were RMB2.1 million, as compared to finance income – net of RMB2.9 million for the same period of 2024. It was primarily due to the recognition of amortisation of unrecognised finance charges from discount on consideration for the acquired companies during the period.

Profit before Income Tax

Profit before income tax for the period amounted to RMB29.5 million, representing a period-to-period decrease of RMB232.5 million or a decrease of 88.7% as compared to RMB262.0 million for the same period of 2024. It was primarily due to the provision of significant credit impairment losses and impairment losses on goodwill during the period.

Income Tax Expense

Income tax expense for the period amounted to RMB7.3 million, representing a period-to-period decrease of 85.7% as compared to RMB51.2 million for the same period of 2024. It was primarily due to the dramatic decrease in profit before income tax for the period.

Tibet Shimao Tiancheng Property enjoyed tax benefits for being headquartered in Tibet; while Chengdu Xinyi, Xi'an Fangrui and the newly established "second headquarters" enjoyed the preferential tax policy for the "Western Region Development".

Pursuant to the regulations of the Cayman Islands, the Group is not required to pay income tax of the Cayman Islands.

The tax rate applicable to the Group's entities incorporated in Hong Kong was 16.5%. However, no provision was made for the relevant tax, as the Group did not derive any income subject to Hong Kong profits tax over the period from 1 January to 30 June 2025.

Unless otherwise specified, the corporate income tax rate applicable to the Group's subsidiaries in the PRC was 25%.

Profit for the Period

Profit for the period was RMB22.3 million, representing a period-to-period decrease of 89.4% as compared to RMB210.8 million for the same period of 2024. Profit attributable to equity holders of the Company was RMB8.5 million, representing a period-to-period decrease of 95.4% as compared to RMB184.0 million for the same period of 2024.

Profit margin for the period was 0.6%, representing a decrease of 4.6 percentage point as compared to 5.2% for the same period of 2024.

Core Net Profit (Non-HKFRS Measure)

To supplement the consolidated financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS"), the Company have also adopted core net profit (a non-HKFRS measure) as an additional financial measure, which is not required or presented under HKFRS, and believed that by excluding the potential impact of certain items irrelevant to the Company's daily business operations and management, the presentation of core net profit (a non-HKFRS measure) provides investors and management with useful information regarding the consolidated results of the Group's core business for each period. Core net profit (a non-HKFRS measure) is defined as net profit attributable to equity holders of the Company, adjusted by deducting the provisions for bad debts attributable to the parent, share-based compensation expenses, amortisation of intangible assets – customer relationships, loss on disposal of subsidiaries, impairment losses on goodwill and customer relationships, amortisation of unrecognised financing charges from discount on acquisition consideration, and the impact of related deferred tax.

During the period, core net profit attributable to equity holders of the Company (a non-HKFRS measure, adjusted by deducting (i) the provisions for bad debts attributable to the parent of RMB228.9 million; (ii) share-based compensation expenses of RMB0.5 million; (iii) amortisation of intangible assets – customer relationships of RMB50.3 million; (iv) loss on disposal of subsidiaries of RMB0.3 million; (v) impairment losses on goodwill and customer relationships of RMB34.7 million; (vi) amortisation of unrecognised financing charges from discount on acquisition consideration of RMB12.6 million; and (vii) the impact of related deferred tax of RMB74.7 million) was RMB261.0 million, representing a period-to-period decrease of 11.3% as compared to RMB294.4 million for the same period of 2024.

Investment Properties, Property, Plant and Equipment

As of 30 June 2025, net book value of investment properties, property, plant and equipment was RMB501.0 million, representing an increase of 40.8% as compared to RMB355.9 million as at 31 December 2024, which was mainly due to the investment in new intelligent equipment for projects during the period to enhance the quality of the projects and property owners' satisfaction.

Intangible Assets

As of 30 June 2025, the carrying amount of the Group's intangible assets was RMB2,154.2 million, representing an increase of 2.5% as compared to RMB2,101.2 million as at 31 December 2024. The Group's intangible assets primarily included: (i) goodwill amounted to RMB1,273.0 million arising from the acquired companies; (ii) customer relationships amounted to RMB420.3 million arising from the acquired companies; (iii) software developed and procured by the Group amounted to RMB460.8 million. Customer relationships and software have definite useful lives and are measured at cost less accumulated amortisation.

As of 30 June 2025, the Group's goodwill was RMB1,273.0 million, mainly derived from the expected future development of the acquired companies, the improvement of market coverage, the expansion of service scope, the integration of value-added services and the enhancement of management efficiency.

As of 30 June 2025, the Group's management had made a provision of impairment losses on goodwill amounted to RMB34.7 million for certain acquired companies, including Zhejiang Yefeng, Yantai Kangqiao, Tianjin Rongwei and Zhejiang Xindadi.

Trade Receivables

As at 30 June 2025, trade receivables amounted to RMB3,635.3 million, representing an increase of 7.6% as compared to RMB3,378.3 million as at 31 December 2024, which was primarily due to the tightening cash flows of customers as a result of the macroeconomic downturn, which led to lower-than-expected recovery, as well as the increase in balances with related parties. As at the date of this report, subsequent recovery of receivables accounted for approximately 3.5% of the closing balance.

In respect of long aged trade receivables, the management of the Company has formulated specific plans for recovery based on the residential and non-residential businesses respectively.

The recovery for the residential business was made mainly through (1) differentiating services to enhance the perception of owners and facilitate the recovery; (2) increasing the means of collection, including the transfer of credits, project-specific collection actions and third-party collection, to enhance the efficiency of the recovery; (3) strengthening the management of internal control and deepening the "online payment lifecycle system" to further enhance the standardisation process of payment procedures; and (4) designating the functional management team to respective business units to assist in projects with a low collection rate.

The recovery for the non-residential business was mainly focused on major customer projects and multi-owner projects, among which, (1) for major customer business, it focused on the governmental customers of Hexing, Kangqiao and Fangrui, set up an early-warning ledger for recovery, carried out special assessment of accounts receivable in excess of RMB1 million, and actively procured the signing of agreements on recovery in line with the local government's specialised financial policies; and (2) for multi-owner business, it strengthened the foundation with isolated set of files per each household for the purpose of enhancing collection efforts by means of inspections, supervision and review, and devoting more efforts in the management of non-residential frontline collection work.

Trade Payables

As of 30 June 2025, trade payables amounted to RMB1,996.7 million, representing an increase of 41.4% as compared to RMB1,412.3 million as at 31 December 2024, which was due to the gradual increase in trade payables after the Group properly rescheduled its payment with suppliers as a result of the slowdown in payment collection under the impact of market conditions.

Liquidity, Reserves and Capital Structure

The Group maintained a strong financial position during the period. Current assets amounted to RMB9,819.1 million as of 30 June 2025, representing an increase of 1.8% as compared to RMB9,648.9 million as at 31 December 2024. Cash and cash equivalents, including time deposits with maturity over three months, amounted to RMB4,807.4 million, representing an increase of 27.7% as compared to RMB3,764.2 million as at 31 December 2024, which was mainly due to the recovery of the security deposit upon the expiry of the carpark asset agency service contract with Shanghai Quzhi Investment Management Consulting Co., Ltd.

The Group's net current assets amounted to RMB4,551.5 million as of 30 June 2025, with a current ratio of 1.86, which still stood at a robust level as compared to the net current assets of RMB4,880.9 million as at 31 December 2024.

Capital Expenditure Commitments

As of 30 June 2025, the capital commitments that the Group had contracted but not provided for amounted to RMB237.6 million.

Foreign Exchange Risk

The Group principally operates in the PRC, and the majority of its businesses are conducted in RMB with limited exposure to the foreign exchange risk. However, any depreciation or appreciation in HKD and adjustment in the interest rates will affect the performance of the Group. Therefore, the Group will closely monitor its exchange rate risk and interest rate risk exposure, actively explore foreign exchange hedging plans with major banks and use financial instruments to hedge against such risks when necessary.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Directors and Senior Management Profiles

Executive Directors

Hui Sai Tan, Jason (Chairman)

Mr. Hui Sai Tan, Jason, aged 48, has been the Chairman of the Board and an Executive Director of the Company since 1 June 2020 and is primarily responsible for the overall strategic planning and business management of the Group. Mr. Jason Hui obtained a Master of Science Degree in Real Estate from the University of Greenwich, the United Kingdom in 2001 and a Master's Degree in Business Administration from the University of South Australia in 2004. He has more than 26 years' experience in property development and management. He is a member of Shanghai Committee of the Chinese People's Political Consultative Conference and the president of New Home Association, Hong Kong. Mr. Jason Hui is currently an executive director, the president and the chairman of the board of Shimao Group Holdings Limited ("Shimao Group Holdings", together with its subsidiaries, the "Shimao Group"), the ultimate holding company of the Company listed on the main board of The Stock Exchange of Hong Kong Limited (the "HKEx"). Mr. Jason Hui is also a director of Best Cosmos Limited, a wholly-owned subsidiary of Shimao Group Holdings and a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and Shanghai Shimao Co., Ltd., a subsidiary of Shimao Group Holdings delisted on the Shanghai Stock Exchange in June 2024). Mr. Jason Hui is the son of Mr. Hui Wing Mau, the ultimate controlling shareholder (as defined in the Rules Governing the Listing of Securities (the "Listing Rules") on the HKEx) of the Company, and the brother of Ms. Hui Mei Mei, Carol, a non-executive director of Shimao Group Holdings.

Shao Liang (President)

Mr. Shao Liang, aged 47, was appointed as an Executive Director and the President of the Company on 26 April 2024 and is primarily responsible for the overall strategic planning and operations of the Group. Mr. Shao is currently a non-executive director of Shimao Group Holdings and is also the group vice president and head of production and operation management center of the Shimao Group, responsible for the overall management of the Shimao Group's production operation. Mr. Shao obtained a Bachelor's Degree in Economic Management in 2001 and joined the Shimao Group in the same year, and successively served as an assistant president, the head of sales management center and controller of the regional sales of the Shimao Group, accumulating over 24 years of extensive experience in sales and operation management.

Independent Non-executive Directors

Gu Yunchang

Mr. Gu Yunchang, formerly known as Gu Yongchuang, aged 81, was appointed as an Independent Non-executive Director of the Company on 13 October 2020 and is responsible for providing independent advice on the operations and management of the Group. Mr. Gu acted as the general secretary of China Real Estate Associate (中國房地產業協會) in 1998, the vice chairman of China Real Estate and Housing Association (中國房地產及住宅研究會) in 2005 and the vice chairman of the Fifth Council Committee of China Real Estate Research Association (中國房地產研究會) in 2009. He formerly held various positions of the Ministry of Urban and Rural Construction and Environmental Protection of the PRC (中華人民共和國城鄉建設環境保護部), including the deputy division head of the General Office of Urban Housing Bureau (城市住宅局綜合處) in 1982 and division head of the General Office of Housing Bureau (住宅局綜合處) in 1985 respectively, and the deputy director of the Policy Research Centre of Ministry of Construction of the PRC (中華人民共和國建設部政策研究中心) from 1988 to 1998. Mr. Gu is currently an independent non-executive director of Sunshine 100 China Holdings Ltd, a company listed on the main board of the HKEx. He was formerly an independent non-executive director of CIFI Holdings (Group) Co. Ltd., a company listed on the main board of the HKEx, from October 2012 to December 2021, and an independent non-executive director of Jiayuan International Group Limited, a company delisted on the main board of the HKEx in October 2024, from February 2016 to October 2024. Mr. Gu graduated from Tongji University (同濟大學) in the PRC and specialized in Urban Planning in July 1966. In the 1980s, he participated in the policy research and formulation of city and village residential construction techniques in China, leading the project "2000 China", and won the First Class National Science Technology Advance Award in China in April 1988 and December 1989 respectively.

Directors and Senior Management Profiles *(CONTINUED)*

Independent Non-executive Directors (Continued)

Zhou Xinyi

Ms. Zhou Xinyi, formerly known as Zhou Xiaorong, aged 62, was appointed as an Independent Non-executive Director of the Company on 13 October 2020 and is responsible for providing independent advice on the operations and management of the Group. Ms. Zhou is the chairman and president of The Qianhai Chamberlain Institute (Shenzhen) Co., Ltd. (前海勤博教育科技（深圳）有限公司). Ms. Zhou served as the dean of Shenzhen Property Management and Advanced Training College Co., Ltd. (深圳房地產和物業管理進修學院有限公司) from August 1996 to October 2017 and a deputy general manager of Shenzhen Shentou Education Co., Ltd. (深圳市深投教育有限公司), an educational institution engaged in providing educational and vocational training services, from March 2017 to January 2018. Ms. Zhou was an honorary vice president of the Fifth Council Committee of China Property Management Association (中國物業管理協會). Ms. Zhou obtained a Bachelor's Degree in English Languages and Literature from Nanjing University (南京大學) in the PRC in July 1984 and a Master's Degree in Educational Psychology from Stanford University in the United States in June 1989.

Hui Wai Man, Lawrence

Mr. Hui Wai Man, Lawrence, aged 68, was appointed as an Independent Non-executive Director of the Company on 24 August 2022. Mr. Lawrence Hui obtained a Bachelor's Degree in Arts from Manchester Polytechnic, the United Kingdom (now known as Manchester Metropolitan University) in 1982 and has over 42 years' experience in corporate finance, project finance, taxation, accounting and audit. Mr. Lawrence Hui worked in a number of companies, including as an executive director and chief financial officer of several companies including Guangdong Tannery Limited (now known as Namyue Holdings Limited), Guangnan (Holdings) Limited (now known as GDH Guangnan (Holdings) Limited) and Kingway Brewery Holdings Limited (now known as Guangdong Land Holdings Limited), finance manager of Cheung Kong (Holdings) Limited (now reorganized as CK Hutchison Holdings Limited), general manager (corporate finance, leasing and property sales) of Sino Land Company Limited and group financial controller of Lai Fung Company Limited. Mr. Lawrence Hui has been the vice president and chief financial officer of Shimao Group Holdings, the ultimate holding company of the Company, from November 2005 to April 2013. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Association of Chartered Certified Accountants and The Institute of Chartered Accountants in England and Wales.

Senior Management

The Executive Directors of the Company are members of senior management of the Group.

Change in Information of Director

The change in the information of the Director of the Company since the publication of the 2024 annual report of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Name of Director	Details of Change
Mr. Cao Shiyang	Resigned as an Executive Director of the Company on 31 August 2025

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The updated biographical details of the Directors of the Company are set out in the preceding section headed "Directors and Senior Management Profiles".

Share Award Scheme

A share award scheme of the Company (the "Share Award Scheme") was adopted by the Board on 28 June 2021 (the "Adoption Date"). The purpose of the Share Award Scheme is to recognise the contributions by certain selected employees of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The Share Award Scheme shall be valid and effective for a term of ten years commencing on the Adoption Date. The maximum number of shares which can be awarded under the Share Award Scheme is 3% (i.e. 70,919,190 shares) of the total number of issued shares of the Company as at the Adoption Date.

The number of award shares granted is determined based on the grantee's position, experience, years of service, performance and contribution to the Group. The maximum number of shares which may be subject to an award or awards to a selected employee under the Share Award Scheme must not exceed 3% of the total number of issued shares of the Company as at the Adoption Date. The award shares granted will automatically lapse if the grantee, among other things, terminate his/her service or employment relationship with the Group and other circumstances as provided in accordance with the rules of the Share Award Scheme. No acceptance price of award shares will be payable on the acceptance of the award and no purchase price is payable by the selected employees upon acceptance of awards granted under the Share Award Scheme. Pursuant to the terms of the rules and trust deed of the Share Award Scheme, the trustee shall purchase shares from the market to satisfy the allocation of the awarded shares and shall hold such shares upon trust until they are vested.

During the six months ended 30 June 2025, no award share was granted under the Share Award Scheme. Details of the movement of the award shares during the period are as follows:

		Number of awarded shares				
Name of grantees	**Date of grant**	**Outstanding as at 1 January 2025**	**Granted during the period**	**Vested during the period**	**Lapsed/ cancelled during the period**	**Outstanding as at 30 June 2025**
Executive Director						
Mr. Cao Shiyang	16 November 2022 (Note 1)	96,945	–	–	–	96,945
(resigned on 31 August 2025)	19 June 2023 (Note 2)	127,907	–	–	–	127,907
Sub-total		224,852	–	–	–	224,852
Other selected employees	16 November 2022 (Note 1)	1,247,511	–	–	–	1,247,511
of the Group	19 June 2023 (Note 2)	2,153,356	–	–	(55,390)	2,097,966
Sub-total		3,400,867	–	–	(55,390)	3,345,477
Total		**3,625,719**	**–**	**–**	**(55,390)** (Note 3)	**3,570,329**

Notes:

1. Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, 60% of award shares will be vested after 6 months from the date of grant and 40% of award shares will be vested after 18 months from the date of grant. The closing price of the Company's shares immediately before the date on which the awards were granted was HK$2.65 per share. The fair value of the awards at the date of grant was HK$2.29 per share based on the closing price of the Company's shares on that date.

2. Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, 60% of award shares will be vested after 12 months from the date of grant and 40% of award shares will be vested after 24 months from the date of grant. The closing price of the Company's shares immediately before the date on which the awards were granted was HK$1.74 per share. The fair value of the awards at the date of grant was HK$1.68 per share based on the closing price of the Company's shares on that date.

3. These unvested award shares were lapsed during the period.

Share Award Scheme *(CONTINUED)*

Since the Adoption Date and up to the date of this report, a total of 7,542,551 award shares had been granted under the Share Award Scheme, representing approximately 0.32% of the total number of issued shares of the Company on the Adoption Date. The total number of shares available for future grant under the Share Award Scheme is 63,376,639 shares, representing approximately 2.57% of the total number of issued shares of the Company as at the date of this report. Further details of the Share Award Scheme are set out in note 28 to the interim condensed consolidated financial statements.

Disclosure of Interests in Securities

Directors' and Chief Executive's Interests and Short Position in the Company and the Associated Corporation

As at 30 June 2025, the interests and short position of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise to be notified to the Company and the HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Appendix C3 to the Listing Rules were as follows:

(i) Long position in the shares of the Company

Name of Directors	Capacity/ Nature of interests	Number of ordinary shares held	Approximate percentage of issued share capital
Hui Sai Tan, Jason	Beneficial owner	57,129	0.002%
Shao Liang	Beneficial owner	35,016	0.001%
Cao Shiyang *(resigned on 31 August 2025)*	Beneficial owner/ Interest of spouse	829,967 (Note)	0.034%

Note:

These interests disclosed include deemed interests in 224,852 shares granted which had not vested pursuant to the Share Award Scheme of the Company, and 22,000 shares held by the spouse of Mr. Cao Shiyang.

(ii) Long position in the shares of the Associated Corporation – Shimao Group Holdings

Name of Directors	Capacity/ Nature of interests	Number of ordinary shares held	Approximate percentage of issued share capital
Hui Sai Tan, Jason	Beneficial owner	3,682,198 (Note 1)	0.097%
Shao Liang	Beneficial owner	61,388 (Note 2)	0.002%
Cao Shiyang *(resigned on 31 August 2025)*	Beneficial owner	93,202 (Note 3)	0.002%

Notes:

1. These interests disclosed include deemed interests in 119,493 shares granted which had not vested pursuant to a share award scheme adopted by Shimao Group Holdings on 30 December 2011 (the "2011 Shimao Group Share Award Scheme").

2. These interests disclosed represent deemed interests in shares granted which had not vested pursuant to the 2011 Shimao Group Share Award Scheme.

3. These interests disclosed include deemed interests in 7,984 shares granted which had not vested pursuant to the 2011 Shimao Group Share Award Scheme.

Disclosure of Interests in Securities *(CONTINUED)*

Directors' and Chief Executive's Interests and Short Position in the Company and the Associated Corporation (Continued)

Save as disclosed above, no other interests or short position in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) were recorded in the register.

Directors' Right to Acquire Shares or Debentures

Save as disclosed above, at no time during the six months ended 30 June 2025 was the Company, any of its subsidiaries, or its holding company a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Interests of Substantial Shareholders

As at 30 June 2025, the interests and short position of substantial shareholders in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long/short position in the shares or underlying shares of the Company

Name	Nature of interests	Number of shares or underlying shares held	Approximate percentage of issued share capital
Long Position			
Best Cosmos Limited ("Best Cosmos")	Note 1	1,441,776,591	58.41%
Shimao Group Holdings	Note 1	1,441,776,591	58.41%
Overseas Investment Group International Limited ("Overseas Investment")	Note 2	1,441,776,591	58.41%
Gemfair Investments Limited ("Gemfair")	Note 3	1,473,710,750	59.71%
Mr. Hui Wing Mau	Note 4	1,484,567,092	60.15%

Notes:

1. These interests disclosed comprise (i) 1,440,486,179 shares held by Best Cosmos (a company which is directly wholly-owned by Shimao Group Holdings, which is owned as to approximately 53.87% by Gemfair, a company which is directly wholly-owned by Mr. Hui Wing Mau); and (ii) 1,290,412 shares held by Best Cosmos as the trustee to hold such awarded shares upon trust until they are vested under a share award scheme adopted by Shimao Group Holdings on 3 May 2021 (the "2021 Shimao Group Share Award Scheme").

2. These interests disclosed represent the right of Overseas Investment to vote on behalf of Gemfair as a shareholder at general meetings of Shimao Group Holdings, pursuant to a deed dated 12 June 2006 between Gemfair and Overseas Investment, as long as Mr. Hui Wing Mau or his associates (directly or indirectly) holds not less than a 30% interest in Shimao Group Holdings.

3. These interests comprise (i) 31,934,159 shares held directly by Gemfair; (ii) 1,440,486,179 shares held by Gemfair's controlled corporations; and (iii) 1,290,412 shares held by Best Cosmos as the trustee under the 2021 Shimao Group Share Award Scheme.

4. These interests comprise (i) 10,856,342 shares held directly by Shiying Finance Limited, a company which is directly wholly-owned by Mr. Hui Wing Mau; (ii) 31,934,159 shares held by Gemfair; (iii) 1,440,486,179 shares held by Gemfair's controlled corporations; and (iv) 1,290,412 shares held by Best Cosmos as the trustee under the 2021 Shimao Group Share Award Scheme.

Save as disclosed above, no other interests and short position in the shares and underlying shares of the Company were recorded in the register.

Corporate Governance

The Company is committed to maintaining high standards of business ethics and corporate governance. The Company believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, formulate business strategies and policies, and enhance corporate value, transparency and accountability.

The Board

The Board currently consists of five Directors, comprising two Executive Directors and three Independent Non-executive Directors who all possess appropriate academic and professional qualifications or related financial management expertise and have brought a wide range of business and financial experience to the Board.

Brief biographical particulars of all Directors, together with information relating to the relationship among them, are set out in the "Directors and Senior Management Profiles" section under this interim report. Their diverse range of business and professional expertise ensures that the Board has a balance of skills and experience appropriate to the business needs of the Group.

The Board has the collective responsibility for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Board is also responsible for promoting the success of the Company by directing and supervising its affairs and formulating business strategies and policies of the Group. The management is delegated with the authority and responsibilities by the Board for the day-to-day management and operation of the Group and the Board makes decisions objectively in the best interests of the Company and its shareholders as a whole.

The Board is also responsible for performing the corporate governance duties set out in the code provision A.2.1 of the Corporate Governance Code (the "Code") as contained in Appendix C1 to the Listing Rules.

Audit Committee

The audit committee of the Company (the "Audit Committee") comprises all three Independent Non-executive Directors, namely, Mr. Hui Wai Man, Lawrence (as the chairman of the Audit Committee), Mr. Gu Yunchang and Ms. Zhou Xinyi.

The primary duties of the Audit Committee are to assist the Board to review the financial reporting process, internal control and risk management systems of the Company, nominate and monitor external auditor and provide advice and comments to the Directors.

The Audit Committee meets the external auditor at least twice a year to discuss any significant items during the audits and considers any matters raised by the Company's staff responsible for the accounting and financial reporting function or auditor. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been reviewed by the Audit Committee.

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") comprises all three Independent Non-executive Directors, namely, Ms. Zhou Xinyi (as the chairman of the Remuneration Committee), Mr. Gu Yunchang and Mr. Hui Wai Man, Lawrence.

The primary functions of the Remuneration Committee include, but not limited to evaluate the performance and make recommendations to the Board on the remuneration package of the Directors and senior management and to evaluate as well as make recommendations on the Company's Share Award Scheme.

Nomination Committee

The nomination committee of the Company (the "Nomination Committee") comprises all three Independent Non-executive Directors, namely, Mr. Gu Yunchang (as the chairman of the Nomination Committee), Ms. Zhou Xinyi and Mr. Hui Wai Man, Lawrence.

The primary function of the Nomination Committee is to identify and nominate suitable candidates, for the Board's consideration and recommendation to stand for election by shareholders at annual general meeting, or when necessary, make recommendations to the Board to fill Board vacancies when they arise.

Company Secretary

Ms. Chan Ka Yan is a full-time employee of the Company with professional qualifications and extensive experience to discharge the functions of Company Secretary of the Company. The Company Secretary plays an important role in supporting the Board by ensuring efficient information flow within the Board and that Board procedures, and all applicable law, rules and regulations are followed. The Company Secretary reports to the Board through the Chairman whilst all Directors have access to the advice and services of the Company Secretary.

Directors' Securities Transactions

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Before the Group's interim and annual results are announced, notifications are sent to the Directors to remind them not to deal in the securities of the Company during the blackout periods. The Company has made specific enquiry of all Directors and all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

Corporate Governance Code

The Company has complied with all applicable code provisions set out in the Code as contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025, except for the following deviation:

The Chairman of the Board was unable to attend the annual general meeting of the Company held on 10 June 2025 as required by the code provision F.1.3 of the Code due to other commitment.

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Interim Dividend

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

Choice of Language or Means of Receipt of Corporate Communications

This interim report is now available in printed form and on the websites of the Company (www.shimaofuwu.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). If shareholders who have received or chosen (or are deemed to have chosen) to receive this interim report by electronic means but (i) wish to receive a printed copy; or (ii) for any reason have difficulty in receiving or gaining access to this report on the Company's website, they may obtain a printed copy free of charge by sending a request to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited ("Tricor Investor") by email at 873-ecom@vistra.com or by post to 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Shareholders are encouraged to access the Company's corporate communications electronically via the Company's website to help protect the environment. For shareholders who wish to change their choice of language or means of receipt of the Company's future corporate communications, free of charge, they could at any time notify Tricor Investor by email or by post.

INTERIM 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 RMB'000 (Unaudited)	 2024 RMB'000 (Unaudited)
Revenue	7	**3,619,813**	4,031,765
Cost of sales and services	7	**(2,910,819)**	(3,220,257)
Gross profit		**708,994**	811,508
Selling and marketing expenses		**(56,261)**	(59,551)
Administrative expenses		**(339,805)**	(418,856)
Impairment losses on financial assets – net	8	**(235,938)**	(86,516)
Impairment losses on intangible assets	17	**(34,742)**	–
Other income	9	**5,497**	5,971
Other gains and losses – net	10	**(4,581)**	(51)
Other operating expenses	11	**(2,970)**	(473)
Operating profit		**40,194**	252,032
Finance income		**12,720**	22,115
Finance costs		**(14,772)**	(19,171)
Finance (cost)/income – net	12	**(2,052)**	2,944
Share of results of associates	15	**(8,632)**	7,050
Profit before income tax	8	**29,510**	262,026
Income tax expense	13	**(7,253)**	(51,189)
Profit for the period		**22,257**	210,837
Profit attributable to:			
– Equity holders of the Company		**8,519**	183,965
– Non-controlling interests		**13,738**	26,872
		22,257	210,837
Other comprehensive income for the period, net of tax			
Items that may be reclassified to profit or loss			
– Exchange differences on translation of foreign operations		**(1,526)**	13,503
Total comprehensive income for the period		**20,731**	224,340
Total comprehensive income attributable to:			
– Equity holders of the Company		**6,993**	197,468
– Non-controlling interests		**13,738**	26,872
		20,731	224,340
Earnings per share			
– Basic (RMB)	14	**0.003**	0.075
– Diluted (RMB)		**0.003**	0.074

The notes on pages 39 to 64 form an integral part of this interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	16	484,138	338,593
Right-of-use assets	25	33,134	43,484
Investment properties	16	16,908	17,337
Intangible assets	17	2,154,173	2,101,162
Deferred tax assets	26	322,642	280,898
Interests in associates	15	482,783	502,204
Financial assets at fair value through profit or loss		6,501	5,619
Prepayments, deposits and other receivables	20	38,315	49,247
Total non-current assets		3,538,594	3,338,544
Current assets			
Inventories	18	166,956	174,346
Trade receivables	19	3,635,253	3,378,267
Financial assets at fair value through profit or loss		–	138,703
Prepayments, deposits and other receivables	20	1,166,557	2,119,426
Restricted bank balances	21	42,934	37,489
Time deposits with maturity over three months	21	500,000	1,600,129
Cash and cash equivalents	21	4,307,361	2,164,112
		9,819,061	9,612,472
Assets classified as held for sale		–	36,462
Total current assets		9,819,061	9,648,934
Current liabilities			
Trade payables	24	1,996,655	1,412,288
Deposits received, accruals and other payables	24	1,673,790	1,602,571
Contract liabilities		1,200,855	1,287,690
Income tax liabilities		383,065	416,177
Lease liabilities	25	13,199	20,138
		5,267,564	4,738,864
Liabilities directly associated with assets classified as held for sale		–	29,203
Total current liabilities		5,267,564	4,768,067
Net current assets		4,551,497	4,880,867
Total assets less current liabilities		8,090,091	8,219,411

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities	25	**20,755**	23,628
Deferred tax liabilities	26	**127,622**	132,124
Provisions for other liabilities and charges	23	**22,688**	22,688
Other payables	24	**1,913**	1,928
Total non-current liabilities		**172,978**	180,368
Net assets		**7,917,113**	8,039,043
Equity			
Share capital	22	**21,358**	21,358
Reserves		**7,605,916**	7,637,394
Equity attributable to equity holders of the Company		**7,627,274**	7,658,752
Non-controlling interests		**289,839**	380,291
Total equity		**7,917,113**	8,039,043

The notes on pages 39 to 64 form an integral part of this interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

		Unaudited								
		Attributable to equity holders of the Company								
	Notes	Share capital RMB'000 (Note 22)	Share premium RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Treasury stock RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025		21,358	8,416,063	272,633	(1,694,014)	(7,461)	650,173	7,658,752	380,291	8,039,043
Comprehensive income										
Profit for the period		–	–	–	–	–	8,519	8,519	13,738	22,257
Other comprehensive income		–	–	–	(1,526)	–	–	(1,526)	–	(1,526)
Total comprehensive income for the period		–	–	–	(1,526)	–	8,519	6,993	13,738	20,731
Transactions with owners in their capacity as owners										
Equity-settled share-based payment – share award scheme	8	–	–	–	486	–	–	486	–	486
Lapse of shares under equity-settled share-based payment – share award scheme		–	–	–	(654)	–	654	–	–	–
Dividend paid to non-controlling interest		–	–	–	–	–	–	–	(1,570)	(1,570)
Disposal of subsidiaries		–	–	–	–	–	–	–	(3,193)	(3,193)
Acquisition of equity interests of subsidiaries from non-controlling interests	29(a)	–	–	–	(38,957)	–	–	(38,957)	(103,277)	(142,234)
Capital injection from non-controlling interests of subsidiaries		–	–	–	–	–	–	–	3,850	3,850
Appropriation to statutory reserves		–	–	17,518	–	–	(17,518)	–	–	–
Balance at 30 June 2025		21,358	8,416,063	290,151	(1,734,665)	(7,461)	641,828	7,627,274	289,839	7,917,113

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2025

		Unaudited								
		Attributable to equity holders of the Company								
	Notes	Share capital RMB'000 (Note 22)	Share premium RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Treasury stock RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024		21,358	8,416,063	249,499	(1,706,786)	(7,461)	943,767	7,916,440	729,713	8,646,153
Comprehensive income										
Profit for the period		–	–	–	–	–	183,965	183,965	26,872	210,837
Other comprehensive income		–	–	–	13,503	–	–	13,503	–	13,503
Total comprehensive income for the period		–	–	–	13,503	–	183,965	197,468	26,872	224,340
Transactions with owners in their capacity as owners										
Acquisition of equity interests of subsidiaries from non-controlling interests	29(a)	–	–	–	57,107	–	–	57,107	(57,107)	–
Capital injection from non-controlling interests of subsidiaries		–	–	–	–	–	–	–	2,000	2,000
Dividend paid to non-controlling interest		–	–	–	–	–	–	–	(39,517)	(39,517)
Equity-settled share-based payment – share award scheme	8	–	–	–	651	–	–	651	–	651
Lapse of shares under equity-settled share-based payment-share award scheme		–	–	–	(1,760)	–	1,760	–	–	–
Balance at 30 June 2024		21,358	8,416,063	249,499	(1,637,285)	(7,461)	1,129,492	8,171,666	661,961	8,833,627

The notes on pages 39 to 64 form an integral part of this interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from/(used in) operating activities			
Cash generated from operations		1,387,892	1,825
Interest received on bank deposits		12,720	22,115
Income tax paid		(86,611)	(69,741)
Net cash generated from/(used in) operating activities		1,314,001	(45,801)
Cash flows from investing activities			
Capital injection in associates		(1,489)	–
Payments for acquisition of subsidiaries, net of cash acquired		(12,114)	(100,908)
Net cash outflow from disposal of a subsidiary		(16,727)	–
Payments for property, plant and equipment		(103,922)	(65,491)
Proceeds from disposal of property, plant and equipment		2,493	11,818
Payments of acquisition of intangible assets		(159,840)	(4,368)
Gain on early termination on leases		(12)	–
Dividend from associates		12,278	9,500
Decrease in time deposits with maturity over three months		1,100,129	1,000,000
Net cash generated from investing activities		820,796	850,551
Cash flows from financing activities			
Capital injection from non-controlling interests of subsidiaries		3,850	2,000
Payments for acquisition from non-controlling interests		–	(57,107)
Dividend paid to non-controlling interests		(1,570)	(39,517)
Proceeds from bank borrowings		–	27,000
Interest paid on bank borrowings		–	(14,005)
Repayments of bank borrowings		–	(40,465)
Payments for lease liabilities	25(c)	(10,853)	(15,387)
Repayments of other borrowings		–	(40,406)
Interest paid on other borrowings		–	(3,506)
Interest paid on lease liabilities	25(c)	(976)	(1,660)
Net cash used in financing activities		(9,549)	(183,053)
Net increase in cash and cash equivalents		2,125,248	621,697
Cash and cash equivalents at beginning of the period		2,183,639	3,788,300
Effects of exchange rate changes on cash and cash equivalents		(1,526)	13
Cash and cash equivalents at end of the period		4,307,361	4,410,010

The notes on pages 39 to 64 form an integral part of this interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. General information

Shimao Services Holdings Limited (the "Company") was incorporated on 3 December 2019 under the laws of the Cayman Islands with limited liability. The address of the Company's registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box. 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business is located at Unit 3820, 38th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong. The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30 October 2020.

The Company is an investment holding company. The Company and its subsidiaries (the "Group") are principally engaged in the provisions of property management services, community value-added services, value-added services to non-property owners and city services in the People's Republic of China (the "PRC").

The Company's immediate holding company is Best Cosmos Limited ("Best Cosmos"), a company incorporated in the British Virgin Islands (the "BVI") and intermediate holding company is Shimao Group Holdings Limited ("Shimao Group") whose shares are listed on the Main Board of the Stock Exchange since 5 July 2006. The Company's ultimate holding company is Gemfair Investments Limited, a company incorporated in the BVI which is wholly-owned by Mr. Hui Wing Mau (the "Ultimate Controlling Shareholder").

2. Basis of preparation

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

The interim condensed consolidated financial statements is presented in thousands of Renminbi ("RMB'000"), unless otherwise stated.

The interim condensed consolidated financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2024.

3. Adoption of new and amended HKFRS accounting standards

Amended HKFRS accounting standards that are effective for annual periods beginning on 1 January 2025

The interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the Amendments to HKAS 21 "Lack of Exchangeability" which became effective on 1 January 2025.

The adoption of these amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

3. Adoption of new and amended HKFRS accounting standards *(CONTINUED)*

Issued but not yet effective HKFRS accounting standards

As at the date of authorisation of this interim condensed consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[1]
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[4]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 Effective date not yet determined
4 The references in the amendments to Hong Kong Interpretation 5 have been updated to reflect the requirements of HKFRS 18, which is effective for annual periods beginning on or after 1 January 2027

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policies for the first reporting period beginning on or after their effective dates. The Group is currently assessing the expected impact of these developments during the period of initial application. Based on its preliminary conclusions, the adoption of these pronouncements is not expected to have a significant impact on the Group's interim condensed consolidated financial statements.

4. Estimates

The preparation of the interim condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's annual financial statements for the year ended 31 December 2024.

5. Financial risk management objectives and policies

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

There have been no significant changes in any risk management policies since the year end.

5.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for capital management since the year end.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total debt less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the interim condensed consolidated statement of financial position plus net debt.

The Group is at a net cash position and there is no gearing as of 30 June 2025 (31 December 2024: Same).

5. Financial risk management objectives and policies *(CONTINUED)*

5.3 Fair value estimation

(i) ***Financial instruments not measured at fair value***

Except for the below, the directors of the Company consider that the carrying amounts of the Group's financial assets and financial liabilities carried at amortised cost in the interim condensed consolidated statement of financial position approximate to their fair values.

(ii) ***Financial instruments measured at fair value***

Financial assets measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

– Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and

– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the interim condensed consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	Level 1 RMB'000	**Level 2** RMB'000	**Level 3** RMB'000	**Total** RMB'000
As at 30 June 2025 (Unaudited)				
Financial assets at fair value through profit or loss ("FVPL")	**–**	**–**	**6,501**	**6,501**
As at 31 December 2024 (Audited)				
Financial assets at FVPL	–	–	144,322	144,322

The following table presents the changes in Level 3 instruments for the reporting period.

	Financial assets at FVPL RMB'000
As at 1 January 2024	124,178
Change in fair value recognised in the profit or loss	20,144
As at 31 December 2024 (Audited) and 1 January 2025	**144,322**
Non-cash transaction	**(137,821)**
As at 30 June 2025 (Unaudited)	**6,501**

There were no transfers between the three levels during the reporting periods. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The Group manages the valuation of Level 3 instruments for financial reporting purpose on a case-by-case basis. At least once every reporting year, the Group would assess the fair value of the Group's Level 3 instruments by using valuation techniques.

6. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The CODM considers business from a product perspective and has identified the following two operating segments:

– Property management and related services, which include property management services, community value-added services, and value-added services to non-property owners; and

– City services, which includes sanitation, cleaning and sewage and waste treatment business.

The CODM assesses the performance of the operating segments based on a measure of operating results, adjusted by excluding finance income, finance costs, other gains and losses – net, shares of results of associates and certain unallocated expenses.

All assets are allocated to operating segment assets other than deferred tax assets, interests in associates, assets classified as held for sale and other corporate assets. All liabilities are allocated to operating segment liabilities other than deferred tax liabilities, income tax liabilities and liabilities directly associated with assets classified as held for sale.

Sales between segments are carried out on terms agreed upon by the respective segments' management.

The principal operating entity of the Group is domiciled in the PRC. For the purpose of segment information disclosure under HKFRS 8, the Group regarded the PRC as its place of domicile. The Group's revenue from external customers is classified based on the geographical locations of the customers. Accordingly, all of the Group's revenue were derived in the PRC during the six months ended 30 June 2025 and 2024.

As at 30 June 2025 and 31 December 2024, all of the non-current assets of the Group were located in the PRC.

The segment revenue and results are as follows:

	Property management and related services RMB'000	**City services** RMB'000	**Total** RMB'000
Six months ended 30 June 2025 (Unaudited)			
Reportable segment revenue	**3,412,372**	**207,441**	**3,619,813**
Reportable segment results	**47,611**	**1,047**	**48,658**
Amounts included in the measure of segment results:			
Impairment losses on financial assets – net	**(233,218)**	**(2,720)**	**(235,938)**
Impairment losses on intangible assets	**(34,742)**	**–**	**(34,742)**
Depreciation of property, plant and equipment, right-of-use assets and investment properties	**(63,750)**	**(10,622)**	**(74,372)**
Amortisation of intangible assets	**(72,030)**	**(57)**	**(72,087)**
Six months ended 30 June 2024 (Unaudited)			
Reportable segment revenue	3,428,574	603,191	4,031,765
Reportable segment results	218,580	35,910	254,490
Amounts included in the measure of segment results:			
Impairment losses on financial assets – net	(75,496)	(11,020)	(86,516)
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(57,842)	(44,564)	(102,406)
Amortisation of intangible assets	(62,487)	(12,471)	(74,958)

6. Segment information *(CONTINUED)*

A reconciliation of segment results to profit before income tax is provided as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Segment results	**48,658**	254,490
Other gains and losses – net	**(4,581)**	(51)
Share of results of associates	**(8,632)**	7,050
Finance costs	**(14,772)**	(19,171)
Finance income	**12,720**	22,115
Unallocated expenses	**(3,883)**	(2,407)
Profit before income tax	**29,510**	262,026

The segment assets and liabilities are as follows:

	Property management and related services RMB'000	**City services** RMB'000	**Total** RMB'000
As at 30 June 2025 (unaudited)			
Segment assets	**9,884,688**	**382,910**	**10,267,598**
Segment liabilities	**4,687,530**	**242,324**	**4,929,854**
As at 31 December 2024 (audited)			
Segment assets	10,909,791	342,799	11,252,590
Segment liabilities	4,229,441	141,490	4,370,931

Reconciliation of segment assets to total assets and segment liabilities to total liabilities provided as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Segment assets	**10,267,598**	11,252,590
Deferred tax assets	**322,642**	280,898
Interests in associates	**482,783**	502,204
Other corporate assets	**2,284,632**	915,324
Assets classified as held for sale	**–**	36,462
Total assets	**13,357,655**	12,987,478
Segment liabilities	**4,929,855**	4,370,931
Deferred tax liabilities	**127,622**	132,124
Income tax liabilities	**383,065**	416,177
Liabilities directly associated with assets classified as held for sale	**–**	29,203
Total liabilities	**5,440,542**	4,948,435

7. Revenue and cost of sales and services

Revenue mainly comprises of proceeds from property management services, value-added services and city services rendered to customers, net of value added tax and surcharges, and allowances for discounts. An analysis of the Group's revenue and cost of sales and services by category for the reporting period is as follows:

	For the six months ended 30 June			
	2025		2024	
	Revenue RMB'000 (Unaudited)	Cost of sales and services RMB'000 (Unaudited)	Revenue RMB'000 (Unaudited)	Cost of sales and services RMB'000 (Unaudited)
Revenue from customer and recognised over time:				
Property management services	2,812,286	2,249,644	2,760,965	2,207,873
Community value-added services	212,233	145,852	212,348	139,398
Value-added services to non-property owners	61,232	52,036	80,870	67,212
City services	207,441	186,921	603,191	516,675
	3,293,192	2,634,453	3,657,374	2,931,158
Revenue from customer and recognised at a point in time:				
Community value-added services	326,621	276,366	374,391	289,099
	3,619,813	2,910,819	4,031,765	3,220,257
Gross basis	3,513,064	2,845,426	3,929,817	3,173,927
Net basis	106,749	65,393	101,948	46,330
	3,619,813	2,910,819	4,031,765	3,220,257

For the six months ended 30 June 2025, revenue from entities controlled by the Ultimate Controlling Shareholder and joint ventures and associates of the Ultimate Controlling Shareholder contributed to approximately 3.67% (six months ended 30 June 2024: 2.90%) of the Group's revenue. Other than entities controlled by the Ultimate Controlling Shareholder and joint ventures and associates of the Ultimate Controlling Shareholder, the Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue during the six months ended 30 June 2025 and 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 30 June 2025

8. Profit before income tax

The Group's profit before income tax is calculated after deducting the following expenses:

	Notes	For the six months ended 30 June 2025 RMB'000 (Unaudited)	 2024 RMB'000 (Unaudited)
Employee benefit expenses (excluding directors' and chief executive's remuneration)		**1,517,663**	1,815,305
Equity-settled share-based payment	28		
– Employees other than directors		**369**	394
– Directors		**117**	257
		486	651
Impairment losses on financial assets – net:			
– Third parties			
Impairment losses on trade receivables	19	**262,216**	100,677
Reversal of impairment losses on other financial assets included in deposits and other receivables	20	**(66,890)**	(93)
– Related parties			
Impairment losses on trade receivables	19	**35,225**	216
Provision for/(Reversal of) impairment losses on other financial assets included in deposits and other receivables	20	**5,387**	(14,284)
Total impairment losses on financial assets – net		**235,938**	86,516
Depreciation and amortisation:			
Depreciation of property, plant and equipment	16	**59,310**	83,079
Depreciation of right-of-use assets, included in administrative expenses	25(b)	**14,633**	18,860
Depreciation of investment properties	16	**429**	467
Amortisation of intangible assets	17	**72,087**	74,958
		146,459	177,364
Auditors' remuneration			
– Non-audit services		**500**	500
Cost of inventories sold		**108,671**	83,811
Cost of selling parking lots		**14,968**	3,356
Raw materials used in catering services		**51,401**	56,445

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 30 June 2025

9. Other income

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Government grants (Note)	**5,497**	5,971

Note:

Government grants consisted mainly of financial subsidies granted by the local government. There are no unfulfilled conditions or other conditions attached to the government grant recognised during the six months ended 30 June 2025 and 2024.

10. Other gains and losses – net

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net gain on disposal of property, plant and equipment	**348**	3,689
Net foreign exchange (loss)/gain	**(52)**	13
Others	**(4,877)**	(3,753)
	(4,581)	(51)

11. Other operating expenses

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Depreciation of investment properties (Note 16)	**429**	467
Compensation expenses	**2,460**	6
Others	**81**	–
	2,970	473

12. Finance (cost)/income – net

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Finance income		
Interest income on bank deposits	**12,720**	22,115
Finance costs		
Interest and finance charges paid/payable for lease liabilities and others	**(14,772)**	(19,171)
Finance (cost)/income – net	**(2,052)**	2,944

13. Income tax expense

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax – PRC – Corporate income tax	**(53,499)**	(75,590)
Deferred income tax credit (Note 26)		
– PRC corporate income tax	**46,246**	24,401
	(7,253)	(51,189)

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) BVI income tax

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI.

(c) Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the year. No provision for Hong Kong profits tax was made as the Group did not derive any income subject to Hong Kong profits tax for the six months ended 30 June 2025 and 2024.

(d) PRC enterprise income tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 25% for the six months ended 30 June 2025 and 2024.

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Group located in the western region of the PRC are engaged in the encouraged businesses. Also, certain PRC subsidiaries of the Group obtained the High and New Technology Enterprises qualification. Accordingly, they enjoyed a preferential income tax rate of 15% for the six months ended 30 June 2025 and 2024.

The corporate income tax rate applicable to the entities located in Mainland China out of Tibet Autonomous Region is 25% according to the Enterprise Income Tax Law of the PRC (2024: 25%).

(e) PRC withholding income tax

According to the new Enterprise Income Tax Law of the PRC, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

Gain on disposal of an investment in the PRC by overseas holding companies and intra-group charges to the PRC subsidiaries by overseas subsidiaries may also be subject to withholding tax of 10%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 30 June 2025

14. Earnings per share

Basic earnings per share

	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to equity holders of the Company (RMB'000)	**8,519**	183,965
Weighted average number of equity shares (in thousands)	**2,456,741**	2,467,624
Basic earnings per share (expressed in RMB per share)	**0.003**	0.075

Diluted earnings per share

	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit for the period, attributable to owners of the Company for diluted earnings per share (RMB'000)	**8,519**	183,965
Weighted average number of equity shares for basic earnings per share (in thousands)	**2,456,741**	2,467,624
Adjustments: share award scheme (in thousands)	**–**	8,768
Weighted average number of ordinary shares for dilutive earnings per share (in thousands)	**2,456,741**	2,476,392
Diluted earnings per share (expressed in RMB per share)	**0.003**	0.074

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has potential ordinary shares arising from the share award schemes.

Diluted earnings per share is the same as the basic earnings per share for the six months ended 30 June 2025. The potential shares arising from the share award schemes would increase the earnings per share attributable to equity holders of the Company and was not taken into account as they had anti-dilutive effect.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 30 June 2025

15. Interests in associates

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
At the beginning of the period/year	**502,204**	61,019
Addition	**1,489**	441,479
Share of results	**(8,632)**	9,348
Dividends	**(12,278)**	(9,642)
At the end of the period/year	**482,783**	502,204

The following list contains only the particulars of associates, all of which are unlisted corporate entities whose quoted market prices are not available, which in the opinion of the directors principally affected the results or net assets of the Group as at 30 June 2025 and 31 December 2024.

		Ownership interest held by the Group		
Name of entity	**Place of business/ country of incorporation**	**As at 30 June 2025 (Unaudited)**	As at 31 December 2024 (Audited)	**Principal activities**
Kunming Ruixin City Operation Management Co., Ltd	The PRC	33%	33%	Property management services
Zhejiang Xinyu Commercial Group Co., Ltd. ("Zhejiang Xinyu Commercial") (Formerly named as Zhejiang Xinyu Trade Co., Ltd)	The PRC	40%	40%	School supermarket operation
Zhejiang Xinyu Education Logistics Management Co., Ltd.	The PRC	30%	30%	School logistics servers
Suzhou Maoyou Charge New Energy Technology Co. Ltd.	The PRC	49%	49%	Operation of electric vehicles charging stations and related businesses in the PRC
Hunan Lingmei Network Technology Co., Ltd.	The PRC	40%	40%	Development and sales of property management systems
Hunan Public Construction Urban Services Co., Ltd.	The PRC	49%	49%	Property management services
Shanghai Shigeyi Intelligent Information System Co., Ltd.	The PRC	49%	49%	Technology development and technical supporting services

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

16. Property, plant and equipment and investment properties

	Property, plant and equipment RMB'000	Investment properties RMB'000	Total RMB'000
As at 1 January 2024 (Audited)			
Cost	932,613	22,131	954,744
Accumulated depreciation	(354,227)	(3,860)	(358,087)
Impairment loss	(6,457)	–	(6,457)
Carrying amounts	571,929	18,271	590,200
Six months ended 30 June 2024			
Opening carrying amounts	571,929	18,271	590,200
Additions	63,521	–	63,521
Depreciation charge (Note 8)	(83,079)	(467)	(83,546)
Disposals	(8,129)	–	(8,129)
Closing carrying amounts	544,242	17,804	562,046
As at 30 June 2024 (Unaudited)			
Cost	988,005	22,131	1,010,136
Accumulated depreciation	(437,306)	(4,327)	(441,633)
Impairment loss	(6,457)	–	(6,457)
Carrying amounts	544,242	17,804	562,046
As at 1 January 2025 (Audited)			
Cost	**835,498**	**22,131**	**857,629**
Accumulated depreciation	**(482,278)**	**(4,794)**	**(487,072)**
Impairment loss	**(14,627)**	**–**	**(14,627)**
Carrying amounts	**338,593**	**17,337**	**355,930**
Six months ended 30 June 2025			
Opening carrying amounts	**338,593**	**17,337**	**355,930**
Additions	**207,000**	**–**	**207,000**
Depreciation charge (Note 8)	**(59,310)**	**(429)**	**(59,739)**
Disposals	**(2,145)**	**–**	**(2,145)**
Closing carrying amounts	**484,138**	**16,908**	**501,046**
As at 30 June 2025 (Unaudited)			
Cost	**1,040,353**	**22,131**	**1,062,484**
Accumulated depreciation	**(541,588)**	**(5,223)**	**(546,811)**
Impairment loss	**(14,627)**	**–**	**(14,627)**
Carrying amounts	**484,138**	**16,908**	**501,046**

16. Property, plant and equipment and investment properties *(CONTINUED)*

As at 30 June 2025 and 31 December 2024, no buildings and investment properties were pledged to secure borrowings granted to the Group.

Depreciation expenses were charged to the following categories in the interim condensed consolidated statement of profit or loss and other comprehensive income:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of sales and services	**54,314**	78,628
Administrative expenses	**4,996**	4,451
Other operating expenses (Note 11)	**429**	467
	59,739	83,546

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 30 June 2025

17. Intangible assets

	Computer software RMB'000	Goodwill RMB'000	Customer relationship RMB'000	Concession intangible assets RMB'000	Brand name RMB'000	Total RMB'000
As at 1 January 2024 (Audited)						
Cost	216,863	2,445,381	1,265,000	82,852	16,000	4,026,096
Impairment loss on intangible assets	–	(720,472)	(126,464)	–	–	(846,936)
Accumulated amortisation	(81,089)	–	(407,537)	(28,149)	(4,667)	(521,442)
Carrying amounts	135,774	1,724,909	730,999	54,703	11,333	2,657,718
Six months ended 30 June 2024						
Opening carrying amount	135,774	1,724,909	730,999	54,703	11,333	2,657,718
Additions	1,970	–	–	–	–	1,970
Amortisation charge (Note 8)	(11,694)	–	(60,700)	(1,564)	(1,000)	(74,958)
Closing carrying amounts	126,050	1,724,909	670,299	53,139	10,333	2,584,730
As at 30 June 2024 (Unaudited)						
Cost	218,833	2,445,381	1,265,000	82,852	16,000	4,028,066
Impairment loss on intangible assets	–	(720,472)	(126,464)	–	–	(846,936)
Accumulated amortisation	(92,783)	–	(468,237)	(29,713)	(5,667)	(596,400)
Carrying amounts	126,050	1,724,909	670,299	53,139	10,333	2,584,730
As at 1 January 2025 (Audited)						
Cost	**449,958**	**2,071,049**	**1,038,800**	**–**	**16,000**	**3,575,807**
Impairment loss on intangible assets	**–**	**(763,261)**	**(126,464)**	**–**	**–**	**(889,725)**
Accumulated amortisation	**(127,158)**	**–**	**(451,095)**	**–**	**(6,667)**	**(584,920)**
Carrying amounts	**322,800**	**1,307,788**	**461,241**	**–**	**9,333**	**2,101,162**
Six months ended 30 June 2025						
Opening carrying amount	**322,800**	**1,307,788**	**461,241**	**–**	**9,333**	**2,101,162**
Additions	**159,840**	**–**	**–**	**–**	**–**	**159,840**
Impairment loss	**–**	**(34,742)**	**–**	**–**	**–**	**(34,742)**
Amortisation charge (Note 8)	**(21,812)**	**–**	**(49,275)**	**–**	**(1,000)**	**(72,087)**
Closing carrying amounts	**460,828**	**1,273,046**	**411,966**	**–**	**8,333**	**2,154,173**
As at 30 June 2025 (Unaudited)						
Cost	**609,798**	**2,071,049**	**1,038,800**	**–**	**16,000**	**3,735,647**
Impairment loss on intangible assets	**–**	**(798,003)**	**(126,464)**	**–**	**–**	**(924,467)**
Accumulated amortisation	**(148,970)**	**–**	**(500,370)**	**–**	**(7,667)**	**(657,007)**
Carrying amounts	**460,828**	**1,273,046**	**411,966**	**–**	**8,333**	**2,154,173**

17. Intangible assets *(CONTINUED)*

Amortisation of intangible assets has been charged to the interim condensed consolidated statement of profit or loss and other comprehensive income as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of sales and services	**4,580**	4,389
Administrative expenses	**67,507**	70,569
	72,087	74,958

Goodwill

Management performed an impairment assessment on the goodwill as at 30 June 2025, with the recoverable amounts of certain subsidiaries' cash-generating units (CGUs) determined based on value-in-use calculations. The value-in-use represents the present value of future cash flows expected from the CGUs, projected over five years using financial budgets approved by management, discounted at a pre-tax rate of –7% to +33%. As at 30 June 2025, management reassessed key assumptions for the goodwill allocated to the property management services segment, noting delays in planned business expansion and lower-than-expected gross profit margins, primarily due to the failure of project renewals and market intensive competition influenced by macroeconomic challenges. This resulted in an impairment loss of RMB34,742,000 recognized in the property management services segment for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

18. Inventories

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Car parking space purchased from third parties	**185,322**	196,442
Other inventories	**14,682**	10,952
	200,004	207,394
Less: provision for inventories	**(33,048)**	(33,048)
	166,956	174,346

19. Trade receivables

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables		
– Related parties (Note 30(c))	**815,033**	753,235
– Third parties	**3,953,500**	3,635,434
	4,768,533	4,388,669
Note receivables		
– Related parties (Note 30(c))	**200**	200
– Third parties	**1,019**	227
	1,219	427
Less: Allowance for impairment of trade receivables	**(1,134,499)**	(1,010,829)
	3,635,253	3,378,267

For trade receivables from property management services, the Group charges property management fees on a monthly or quarterly basis and the payment is generally due upon the issuance of demand notes. No credit period is granted.

Trade receivables from value-added services and city services are due for payments in accordance with the terms of the relevant services agreements with property developers and government bodies, which is normally within 30-90 days (31 December 2024: 30-90 days) from the issue of demand note.

The amounts due from related parties are repayable on credit terms similar to those offered to other major customers of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the recognition date and before impairment, is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 1 year	**2,346,216**	2,561,773
1 to 2 years	**1,208,718**	651,705
2 to 3 years	**470,121**	641,321
3 to 4 years	**481,106**	415,253
4 to 5 years	**212,305**	109,918
Over 5 years	**50,067**	8,699
	4,768,533	4,388,669

As at 30 June 2025 and 31 December 2024, the trade receivables were denominated in RMB.

19. Trade receivables *(CONTINUED)*

As at 30 June 2025, the total note receivables (before impairment) amounting to RMB1,219,000 (31 December 2024: RMB427,000) are held by the Group for future settlement of trade receivables. All note receivables received by the Group are with a maturity period of less than one year. The movements in lifetime expected credit loss ("ECL") that has been recognised for trade receivables are as follows:

	Third parties			Related parties		
	Lifetime ECL (not credit-impaired) RMB'000	**Lifetime ECL (credit-impaired)** RMB'000	**Total** RMB'000	**Lifetime ECL (not credit-impaired)** RMB'000	**Lifetime ECL (credit-impaired)** RMB'000	**Total** RMB'000
As at 1 January 2024 (Audited)	389,927	87,104	477,031	–	419,952	419,952
Disposal of subsidiaries	(61,319)	–	(61,319)	–	–	–
Transfer to	(100,462)	100,462	–	–	–	–
Assets classified as held for sale	(1,421)	–	(1,421)	–	–	–
Written off	(2,065)	(660)	(2,725)	–	–	–
Charge for the year	63,999	105,806	169,805	–	9,506	9,506
As at 31 December 2024 and 1 January 2025 (Audited)	**288,659**	**292,712**	**581,371**	**–**	**429,458**	**429,458**
Written off	**–**	**(173,771)**	**(173,771)**	**–**	**–**	**–**
Transfer to	**(202,627)**	**202,627**	**–**	**–**	**–**	**–**
Charge for the period	**(34,469)**	**296,685**	**262,216**	**–**	**35,225**	**35,225**
As at 30 June 2025 (Unaudited)	**51,563**	**618,253**	**669,816**	**–**	**464,683**	**464,683**

As at 30 June 2025 and 31 December 2024, no pledged to secure borrowings granted to the Group.

An ageing analysis of the trade receivables from third parties as at the end of the reporting period, based on the past due date and before impairment, is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Current/not past due	**768,212**	903,706
Past due less than 1 year	**1,438,338**	1,558,255
1 to 2 years past due	**1,031,728**	430,927
2 to 3 years past due	**224,761**	344,743
3 to 4 years past due	**248,654**	311,995
4 to 5 years past due	**211,720**	80,203
Over 5 years past due	**30,087**	5,605
	3,953,500	3,635,434

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For the six months ended 30 June 2025

20. Prepayments, deposits and other receivables

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Prepayments		
Non-current prepayments		
– Prepayments to customers (Note (a))	**17,478**	17,990
– Other prepayments (Note (e))	**20,837**	31,257
	38,315	49,247
Current prepayments		
– Related Parties (Note 30(c))	**98,059**	87,930
– Utilities	**86,844**	80,742
– Raw materials for value added services	**128,863**	51,903
– Other prepayments	**289,408**	246,224
	603,174	466,799
Subtotal	**641,489**	516,046
Other receivables		
– Advance to related parties (Notes (b) and 30(c))	**311,495**	302,045
– Advance to employees	**21,856**	16,142
– Payments on behalf of property owners	**3,565**	3,565
– Deposits (Note (c))	**147,430**	141,973
– Deposits paid for an exclusive right in sales of parking spaces (Note (d))	**48,762**	1,154,439
– Others	**219,185**	286,378
Subtotal	**752,293**	1,904,542
Total	**1,393,782**	2,420,588
Less: Allowance for impairment of other receivables (Note (f))	**(188,910)**	(251,915)
	1,204,872	2,168,673
Non-current	**38,315**	49,247
Current	**1,166,557**	2,119,426
	1,204,872	2,168,673

Notes:

(a) Prepayments to customers is the initial consideration paid to schools to obtain the operation of the students' apartments.

(b) Other receivables from related parties were unsecured, interest-free and repayable on demand. They mainly represent payment to Shimao Group for sale of the right of car parking spaces.

(c) Balances mainly represented deposits paid for utilities and bidding of property management services.

(d) Balances represent the deposit paid to a third party for an exclusive right in selling of parking spaces and earning commission fee.

(e) Balances mainly represented prepayment for purchase of property, plant and equipment and outsourcing services to suppliers.

20. Prepayments, deposits and other receivables *(CONTINUED)*

Notes: (continued)

(f) The movement in provision for impairment of other receivables are as follows:

	Third parties			Related parties		
	12m ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000	12m ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 1 January 2024 (Audited)	90,569	256	90,825	–	199,284	199,284
Written off	–	(183)	(183)	–	–	–
Disposal of subsidiaries	(1,413)	–	(1,413)	–	–	–
Assets held for sale	(165)	–	(165)	–	–	–
Reversal for the year	(9,315)	–	(9,315)	–	(27,118)	(27,118)
As at 31 December 2024 and 1 January 2025 (Audited)	**79,676**	**73**	**79,749**	**–**	**172,166**	**172,166**
Written off	**(1,502)**	**–**	**(1,502)**	**–**	**–**	**–**
(Reversal)/Charge for the period	**(66,890)**	**–**	**(66,890)**	**–**	**5,387**	**5,387**
As at 30 June 2025 (Unaudited)	**11,284**	**73**	**11,357**	**–**	**177,553**	**177,553**

21. Cash and cash equivalents/Time deposits with maturity over three months/Restricted bank balances

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Cash on hand	**1,718**	1,376
Time deposits with maturity over three months	**500,000**	1,600,129
Cash at bank	**4,348,577**	2,200,225
	4,850,295	3,801,730
Time deposits with maturity over three months	**(500,000)**	(1,600,129)
Restricted bank balances	**(42,934)**	(37,489)
Cash and cash equivalents	**4,307,361**	2,164,112

Cash and cash equivalents include cash at bank and short term time deposits with a maturity of less than three months. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven days and a year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

Restricted bank balances were cash deposit of performance security as at 30 June 2025 and 31 December 2024.

As at 30 June 2025, restricted bank balances, time deposits with maturity over three months and cash and cash equivalents of the Group which is denominated in Renminbi amounted to approximately RMB4,732,353,000 (31 December 2024: RMB3,683,734,000). The Renminbi is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Renminbi for other currencies through banks authorised to conduct foreign exchange business. The remaining cash and cash equivalents denominated in Hong Kong dollar, United States dollars and Great British Pounds amounted to approximately RMB101,520,000 (31 December 2024: RMB101,509,000) and RMB16,335,000 (31 December 2024: RMB16,407,000) and RMB87,000 (31 December 2024: RMB80,000) respectively.

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For the six months ended 30 June 2025

22. Share capital

	Number of ordinary shares of HK$0.01 each	Share capital HK$	RMB
Authorised			
As at 1 January 2024, 31 December 2024 (Audited), 1 January 2025 and 30 June 2025 (Unaudited)	3,500,000,000	35,000,000	30,350,583
Issued and fully paid:			
As at 1 January 2024, 31 December 2024 (Audited), 1 January 2025 and 30 June 2025 (Unaudited)	2,468,173,000	24,681,730	21,357,812

23. Provisions for other liabilities and charges

	As at 30 June 2025 (Unaudited) RMB'000	As at 31 December 2024 (Audited) RMB'000
Claim provisions	**22,688**	22,688

As at 30 June 2025 and 31 December 2024, the Group has several unsettled legal claims and the management has assessed the possible provision amount of RMB22,688,000.

24. Trade payables, deposits received, accruals and other payables

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables		
– Related parties (Note 30(c))	**26,733**	18,548
– Third parties	**1,969,922**	1,393,740
Trade payables	**1,996,655**	1,412,288
Deposits received, accruals and other payables		
– Payable to related parties (Note 30(c))	**127,409**	111,325
– Accrued expenses	**369,281**	417,418
– Amounts collected on behalf of property owners	**311,840**	215,667
– Consideration payable arising from non-controlling shareholders' put option	**50,513**	50,513
– Purchase consideration (Note b)	**138,400**	137,553
– Deposits received	**363,347**	381,247
– Other payables	**314,913**	290,776
Deposits received, accruals and other payables	**1,675,703**	1,604,499
Non-current	**1,913**	1,928
Current	**1,673,790**	1,602,571
	1,675,703	1,604,499

24. Trade payables, deposits received, accruals and other payables *(CONTINUED)*

Notes:

(a) The ageing analysis of the trade payables based on invoice date was as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	**1,700,897**	1,028,286
1 to 2 years	**148,413**	222,145
2 to 3 years	**58,318**	44,564
3 to 4 years	**42,050**	98,161
4 to 5 years	**43,770**	16,600
Over 5 years	**3,207**	2,532
	1,996,655	1,412,288

The trade payables have a normal credit term of 30 to 90 days. As at 30 June 2025 and 31 December 2024, the carrying amounts of trade payables approximated to their fair values. As at 30 June 2025 and 31 December 2024, trade payables were denominated in RMB.

(b) As at 30 June 2025, the balance represented the purchase consideration for business combination of approximately RMB138,400,000 (31 December 2024: RMB137,553,000), which is measured at amortised cost.

25. Leases

(a) Amounts recognised in the interim condensed consolidated statement of financial position

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Right-of-use assets		
– Buildings	**33,134**	43,484
Lease liabilities		
– Current	**13,199**	20,138
– Non-current	**20,755**	23,628
	33,954	43,766

(b) Amounts recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Depreciation charge (Note 8)		
– Land use rights	**–**	87
– Buildings	**14,633**	18,773
	14,633	18,860
Finance costs on leases	**976**	1,660
Expenses related to short-term lease and low-value assets (included in administrative expenses)	**6,032**	7,628

25. Leases *(CONTINUED)*

(c) Amounts recognised in the interim condensed consolidated statement of cash flows

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cashflow from financing activities		
– Payments of interest element of lease liabilities	**976**	1,660
– Payments of principal element of lease liabilities	**10,853**	15,387
	11,829	17,047

26. Deferred tax

The analysis of deferred tax assets/(liabilities) in the interim condensed consolidated statement of financial position was as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Deferred tax assets:		
– Deferred tax asset to be recovered within 12 months	**361,486**	329,187
Net-off with deferred tax liability	**(38,844)**	(48,289)
	322,642	280,898
Deferred tax liabilities:		
– Deferred tax liability to be recovered after more than 12 months	**(68,779)**	(157,588)
– Deferred tax liability to be recovered within 12 months	**(97,687)**	(22,825)
Net-off with deferred tax asset	**38,844**	48,289
	(127,622)	(132,124)

The net movement on the deferred tax account is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (unaudited)
As at 1 January	**148,774**	98,907
Credited to profit or loss	**46,246**	24,401
As at 30 June	**195,020**	123,308

27. Dividends

The Company's board did not recommend the payment of an interim dividends for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

28. Share award scheme

(a) Shimao Group Share Award Scheme

Shimao Group operates a restricted share award scheme (the "Shimao Group Share Award Scheme") for the main purpose of recognising the contributions by the selected employees and providing them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The grantees of the scheme include the Company's directors, senior executives and employees. The scheme was adopted by the board of directors of Shimao Group (the "Group Board") on 3 May 2021 (the "Adoption Date I") and shall remain valid and effective for a period of three years from the Adoption Date I. The maximum number of shares of the Company can be awarded is 0.3% (i.e. 7,091,919 shares of the Company) of the issued share capital of the Company as at the Adoption Date I.

The Group Board may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit (including the basis of eligibility of each employee determined by the Group Board from time to time), select such employee(s) for participation in the scheme and determine the number of awarded shares.

At the Adoption Date I, a trust deed was entered into between Shimao Group and Best Cosmos whereby Shimao Group appointed Best Cosmos as trustee to hold the awarded shares. The shares of the Company granted by Shimao Group are treated as a capital contribution in equity (recorded in "Other reserves"). In 2021, a total of 4,866,137 shares were granted to 136 directors and employees of the Group (each, the "2021 Grantee"), and the aforesaid shares were granted to the 2021 Grantees at nil consideration.

As of 30 June 2025, 4,075,309 shares and 790,828 shares out of the 4,866,137 shares granted in 2021 are vested and lapsed. As the Shimao Group Share Award Scheme was terminated on 3 May 2024, no further grant of the Company's shares shall be made.

(b) Shimao Services Share Award Scheme

A share award scheme of the Company (the "Shimao Services Share Award Scheme") was adopted by the Board on 28 June 2021 (the "Adoption Date II"). The purpose of the Shimao Services Share Award Scheme is to recognize the contributions by certain selected employees of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The Shimao Services Share Award Scheme shall be valid and effective for a term of ten years commencing on the Adoption Date II. The maximum number of shares which can be awarded under the Shimao Services Share Award Scheme is 3% (i.e. 70,919,190 shares) of the total number of issued shares of the Company as at the Adoption Date II. In 2022, a total of 169 employees (including two directors) of the Group (each, the "2022 Grantee") were awarded a total of 4,017,105 shares under the Shimao Services Share Award Scheme. All the said shares were granted to the 2022 Grantees at nil consideration. Pursuant to the Shimao Services Share Award Scheme, after meeting the vesting criteria and conditions of the Share Award Scheme, 60% of the award shares will be vested 6 months from the grant date, and 40% of the award shares will be vested after 18 months from the grant date. During the six months ended 30 June 2025, nil (year ended 31 December 2024: nil) share and nil (year ended 31 December 2024: 235,827) shares was vested and lapsed, respectively. As at 30 June 2025, 1,344,456 (31 December 2024: 1,344,456) shares were unvested.

On 19 June 2023, a total of 125 employees (including three directors) of the Group (each, the "2023 Grantee") were awarded a total of 3,525,446 shares under the Shimao Services Share Award Scheme. All the said shares were granted to the 2023 Grantees at nil consideration. Subject to the satisfaction of the vesting criteria and conditions of the Shimao Services Share Award Scheme, 60% of the award shares will be vested after 12 months from the grant date, and 40% of the award shares will be vested after 24 months from the grant date. During the six months ended 30 June 2025, nil (year ended 31 December 2024: nil) share and 55,390 (year ended 31 December 2024: 857,415) shares were vested and lapsed, respectively. As at 30 June 2025, 2,225,873 (31 December 2024: 2,281,263) shares were unvested.

The fair value of 2023 Grantee's services, 2022 Grantee's services and 2021 Grantee's services received in return for shares awarded of approximately HK$5,923,000, HK$10,645,000 and HK$97,323,000 (equivalent to approximately RMB5,391,000, RMB9,566,000 and RMB79,571,000), respectively, was measured by reference to the market price of the shares of the Company at grant date. No other feature of the shares was incorporated into the measurement of the fair value.

The Group recognised share-based payment expense relating to the shares granted pursuant to the share award scheme of approximately RMB486,000 (six months ended 30 June 2024: RMB651,000) in profit or loss during the six months ended 30 June 2025.

The weighted average fair value of the unvested shares granted during the six months ended 30 June 2025 is HK$2,749,000 equivalent to RMB2,511,860 (six months ended 30 June 2024: HK$3,001,878 equivalent to RMB2,739,754).

29. Acquisition or disposal of subsidiaries and transaction with non-controlling interests

(a) Transaction with non-controlling interests

2025

During the six months ended 30 June 2025, the Group completed the acquisition of additional of the 33% equity interests in a non-wholly owned subsidiary. The Group recognised a decrease in non-controlling interests of RMB103,277,000 and an increase in other reserves of RMB38,957,000.

2024

During the six months ended 30 June 2024, the Group acquired additional 11.85% equity interests in a subsidiary, for a total consideration of RMB57,106,764. The Group recognised a decrease in non-controlling interests of RMB57,106,764.

(b) Disposal of a subsidiary with loss of control

On 31 December 2024, the Group entered into an equity transfer agreement with independent third parties (the "Purchaser"), pursuant to which the Group agreed to sell, and the Purchaser agreed to acquire the 51% equity interests in Quanzhou Youda Property Management Services Co., Ltd. ("Quanzhou Youda") for a consideration of RMB2,800,000. As at 31 December 2024, the assets and liabilities of Quanzhou Youda were classified as "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale", respectively, in the Group's consolidated statement of financial position in accordance with HKFRS 5.The disposal of Quanzhou Youda was completed in January 2025.

During the six months ended 30 June 2025, the Group completed the disposal of Quanzhou Youda with a net loss on disposal of RMB266,000. The carrying amount of total net assets disposed of, decrease in non-controlling interests, and net cash outflow arising on disposal at the disposal date were RMB6,259,000, RMB3,193,000 and RMB16,727,000, respectively.

30. Related party transactions

(a) Names and relationships with related parties

The Group is controlled by Shimao Group (incorporated in the Cayman Islands which owns approximately 58.41% of the Company's shares). The directors consider Gemfair Investments Limited as the ultimate holding company, and the ultimate controlling shareholder of the Group is Mr. Hui Wing Mau.

(b) Transactions with related parties

Continuing transactions

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Services provided to related parties		
– Shimao group	**120,549**	104,884
– Joint ventures and associates of Shimao Group	**12,342**	12,073
	132,891	116,957
Interest on lease liabilities to related parties		
– Shimao Group	**505**	572
Payment of lease liabilities in relation to leases with related parties		
– Shimao Group	**3,166**	2,972

The Group entered certain lease in respect of properties from related parties of the Group. The amount of rental payable by the Group under the leases are approximately RMB500,000 (as at 31 December 2024: RMB500,000) per month and the lease terms will be expired in 1-4 years.

30. Related party transactions *(CONTINUED)*

(c) Balances with related parties – trade nature

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Receivables from related parties		
Trade and notes Receivables (Note 19)		
– Shimao Group	726,682	667,498
– Joint ventures and associates of Shimao Group	88,551	85,937
	815,233	753,435
Prepayments, deposits and other receivables (Note 20) (Note)		
– Shimao Group	396,432	378,641
– Joint ventures and associates of Shimao Group	13,122	11,334
	409,554	389,975
Total receivables from related parties (before allowance for impairment losses)	1,224,787	1,143,410
Less: allowance for impairment losses	(642,236)	(601,624)
Total receivables from related parties (net allowance for impairment losses)	582,551	541,786
Payables to related parties		
Contract liabilities		
– Shimao Group	21,328	21,982
– Joint ventures and associates of Shimao Group	794	603
	22,122	22,585
Trade payables		
– Shimao Group	25,945	17,736
– Joint ventures and associates of Shimao Group	788	812
	26,733	18,548
Deposits received, accruals and other payables		
– Shimao Group	109,205	90,280
– Joint ventures and associates of Shimao Group	18,204	21,045
	127,409	111,325
Lease payable to related parties		
– Shimao Group	17,860	13,005
Total payables to related parties	194,124	165,463

Note:

Included in the amount, the deposit of approximately RMB244,641,000 (31 December 2024: RMB190,955,000) was paid by the Group to Shimao Group for the sales rights of car parking spaces. During the six months period ended 30 June 2025, such deposit paid together with the commission income of approximately RMB13,611,000 (six months ended 30 June 2024: RMB6,243,000 generated from the sales of car parking spaces constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 30 June 2025

30. Related party transactions *(CONTINUED)*

(d) Key management compensation

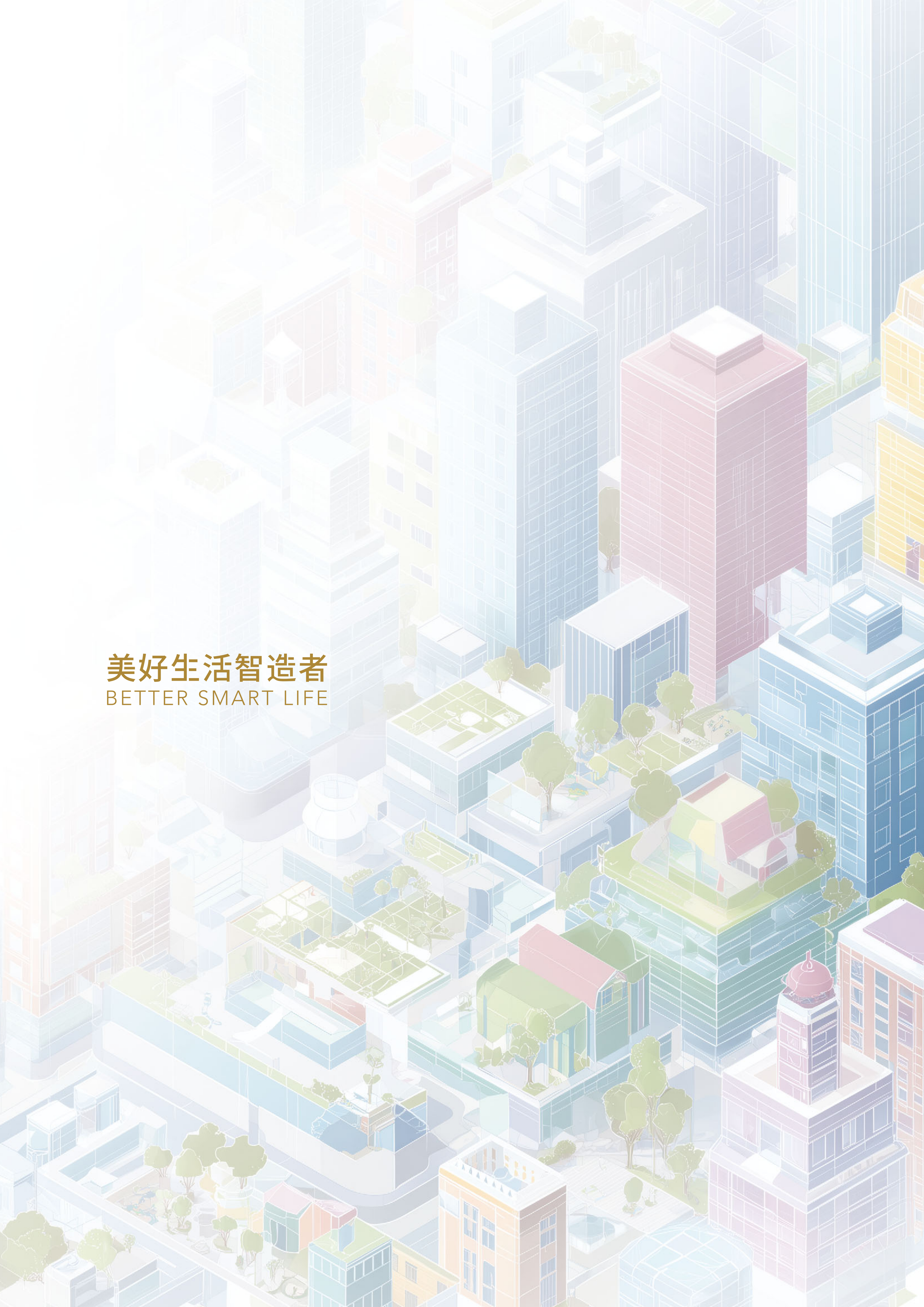
	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and other short-term employee benefits	**4,493**	5,666

31. Contingencies

As at 30 June 2025 and 31 December 2024, the Group did not have any significant contingent liabilities or outstanding guarantees in respect of payment obligations to third parties.

32. Approval of the interim condensed consolidated financial statements

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on 27 August 2025.



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