



Lushang Life Services Co., Ltd.
鲁商生活服务股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 2376



2025
INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ning Daoju
Mr. Shao Meng

Non-executive Directors

Mr. Wang Zhongwu (*Chairman*)
(*redesignated on June 9, 2025*)
Ms. Luo Ye
Ms. Li Han

Independent Non-executive Directors

Ms. Leung Bik San
Ms. Chen Xiaojing
Mr. Ma Tao

BOARD COMMITTEE

Audit Committee

Ms. Leung Bik San (*Chairlady*)
Ms. Li Han
Ms. Chen Xiaojing

Remuneration Committee

Mr. Ma Tao (*Chairman*)
Mr. Wang Zhongwu
Ms. Chen Xiaojing

Nomination Committee

Ms. Chen Xiaojing (*Chairlady*)
Mr. Ning Daoju
Mr. Ma Tao

Strategy and ESG Committee

Mr. Wang Zhongwu (*Chairman*)
Mr. Shao Meng
Ms. Chen Xiaojing

SUPERVISORY COMMITTEE

(*abolished on June 27, 2025*)

Supervisors

Mr. Wang Hongtao (*Chairman*)
(*resigned on June 27, 2025*)
Mr. Zhang Xiangqian (*resigned on June 27, 2025*)
Ms. Pan Meng (*resigned on June 27, 2025*)

COMPANY SECRETARY

Mr. Yang Zhen
Mr. Wong Wai Chiu (*resigned on August 22, 2025*)

AUTHORIZED REPRESENTATIVES

Mr. Wang Zhongwu
Mr. Yang Zhen (*appointed on August 22, 2025*)
Mr. Wong Wai Chiu (*resigned on August 22, 2025*)

CORPORATE INFORMATION

REGISTERED OFFICE IN THE PRC

Room 202, Block 2, Lushang Guo'ao City
No. 9777 Jingshi Road
Lixia District, Jinan
Shandong, PRC

HEADQUARTERS IN THE PRC

Room 202, Block 2, Lushang Guo'ao City
No. 9777 Jingshi Road
Lixia District, Jinan
Shandong, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East, Wanchai
Hong Kong

H SHARE REGISTRAR**Tricor Investor Services Limited**

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

LEGAL ADVISER**As to Hong Kong laws**

Patrick Mak & Tse

As to PRC laws

Commerce & Finance Law Offices

PRINCIPAL BANKS

China Citic Bank Jinan Lixia Branch
Agricultural Bank of China Kaiyuan Branch

COMPANY'S WEBSITE

www.lushangfuwu.com

STOCK CODE

2376



DEFINITIONS

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

| | |
|---------------------------|---|
| Articles of Association | the articles of association of the Company |
| associate | has the meaning ascribed thereto under the Listing Rules |
| Audit Committee | the audit committee of the Company |
| Board | the board of Directors |
| China or PRC | the People's Republic of China |
| Company | Lushang Life Services Co., Ltd (formerly known as Shandong Lushang Property Services Co., Ltd. (山東魯商物業服務有限公司)), a company established in the PRC with limited liability on March 24, 2006 and converted into a joint stock company with limited liability on March 12, 2021 and the H Shares of which are listed on the Stock Exchange (stock code: 2376) |
| controlling shareholder | has the meaning ascribed thereto under the Listing Rules |
| Corporate Governance Code | the Corporate Governance Code contained in Appendix C1 to the Listing Rules |
| Director(s) | director(s) of the Company |
| Domestic Shares | ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid for in RMB |
| GFA | gross floor area |
| Green Development | Shandong Urban and Rural Green Industry Development Investment Co., Ltd. (山東省城鄉綠色產業發展投資有限公司) (formerly known as Shandong Lushang Innovation Development Co., Ltd (山東魯商創新發展有限公司)) |
| Group, we, our or us | the Companies and its subsidiaries |
| HK\$ | Hong Kong dollars, the lawful currency of Hong Kong |
| Hong Kong | the Hong Kong Special Administrative Region of the PRC |
| H Shares | the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Main Board of the Stock Exchange and subscribed for and traded in Hong Kong dollars |
| IFRS | International Financial Reporting Standards |
| Listing | the listing of the H Shares on the Main Board |

DEFINITIONS

| | |
|---------------------------|--|
| Listing Date | the date of the Listing, being July 8, 2022 |
| Listing Rules | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| Lushang Freda | Lushang Freda Pharmaceutical Co., Ltd. (魯商福瑞達醫藥股份有限公司) (formerly known as Lushang Health Industry Development Co., Ltd. (魯商健康產業發展股份有限公司)), a joint stock company established in the PRC with limited liability on April 21, 1993, whose shares are listed on the Shanghai Stock Exchange (stock code: 600223) and a controlling shareholder of the Company |
| Lushang Freda Group | Lushang Freda and together with its subsidiaries |
| Main Board | the main board of the Stock Exchange |
| Model Code | the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules |
| Net Proceeds | the net proceeds from the Listing of approximately HK\$138 million |
| Period | the six months ended June 30, 2025 |
| Prospectus | the prospectus of the Company dated June 27, 2022 |
| RMB | Renminbi, the lawful currency of the PRC |
| SFO | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| Shandong Commercial | Shandong Commercial Group Co., Ltd. |
| Shandong Commercial Group | Shandong Commercial and together with its subsidiaries |
| Shareholders | the shareholders of the Company |
| ShineWing | ShineWing Certified Public Accountants (Special General Partnership) (信永中和會計師事務所(特殊普通合夥)), the auditor of the Company |
| sq.m. | square meters |
| Stock Exchange | The Stock Exchange of Hong Kong Limited |
| Supervisors | the supervisors of the Company |
| treasury shares | has the meaning ascribed thereto under the Listing Rules |

* for identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

We are a comprehensive property management service provider with a market leading position in Shandong Province and a proven track record of rapid growth. During the Period, the revenue of the Group was RMB293.8 million, representing a decrease by 4.8% as compared with RMB308.5 million for the six months ended June 30, 2024. The Company's net profit attributable to owners of the parent company during the Period was RMB16.0million, representing a decrease by 26.0% as compared with RMB21.7 million for the last corresponding period. As at June 30, 2025, the Group had 100 projects under management, with the total gross floor area ("GFA") under management of 23.1 million square meters ("sq.m.") (June 30, 2024: 23.5 million sq.m.), representing a decrease by 1.7%. It also had 100 contracted projects, with total contracted area of 26.0 million sq.m. (June 30, 2024: 26.8 million sq.m.), representing a decrease by 3.0%. Headquartered in Jinan, Shandong Province, through 19 years of development since our establishment in 2006, we have expanded our coverage to nearly all prefecture-level cities in Shandong Province and to Beijing and Harbin. We are deeply rooted in Shandong Province, which, according to CIA, is one of the most populous and economically prosperous provinces in China, and has always been and will continue to be our strategic development focus. According to National Bureau of Statistics, as at June 30, 2025, the aggregate GDP of Shandong Province ranked 3 among all provinces in China, and the annual disposable income per capita in Shandong Province is higher than the average in China. Throughout the course of our development, we have adhered to our vision of "service provider for wonderful life" ("美好生活服務商") in conducting our business. We believe that our commitment to customer satisfaction and customer-centric culture have shaped our brand image and helped to establish our leading market position in Shandong Province.

The Business Model of the Company

During the Period, we generated revenue primarily from three service lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

Property management services: accounting for approximately 62.1% of total revenue

For the Period, the Group's revenue from property management services amounted to approximately RMB182.3 million, representing an increase of approximately 10.2% as compared to the same period in 2024, primarily due to the optimization of our project portfolio and strategic expansion of commercial properties business during the Period.

We have maintained a close and long-term relationship with Shandong Commercial Group Co., Ltd. ("**Shandong Commercial**") and together with its subsidiaries, the "**Shandong Commercial Group**"), a controlling shareholder of the Company. Shandong Commercial is a large-scale holding company with a wider range of investments among other sectors in the commerce and e-commerce industry, the pharmaceutical and cosmetic industry, the life service industry and education, etc. As at June 30, 2025, 70 properties under our management were developed by Shandong Commercial Group, with a total GFA under management of 16.2 million sq.m., representing an increase of 0.5 million sq.m. as compared to June 30, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)**The Business Model of the Company** (Continued)**Property management services: accounting for approximately 62.1% of total revenue (continued)**

The following table sets forth the changes in the GFA under management of the Group for the periods indicated:

| Source of projects | As at June 30, | | As at June 30, | | Change | |
|--------------------|----------------|---------------|----------------|---------------|-------------|-------------|
| | 2025 | Proportion of | 2024 | Proportion of | GFA under | Growth rate |
| | GFA under | GFA under | GFA under | GFA under | management | % |
| | management | management | management | management | sq.m.'000 | |
| | sq.m.'000 | % | sq.m.'000 | % | | |
| Related parties | 16,461 | 71.3 | 15,691 | 66.7 | 770 | 4.9 |
| Third parties | 6,614 | 28.7 | 7,818 | 33.3 | -1,204 | -15.4 |
| Total | 23,075 | 100.0 | 23,509 | 100.0 | -434 | -1.8 |

Note: The decrease in GFA under the management of the Group in respect of projects from third parties during the Period was mainly due to the Company's exit from certain low-margin relocation housing projects.

The following table sets forth a breakdown of the Group's revenue, GFA under management and number of projects under management by property type for the periods indicated:

| Type of projects | As at June 30, | | | | | | | | | |
|----------------------------|----------------|--------------|---------------|----------------|----------------|--------------|---------------|----------------|--|-----------|
| | 2025 | | | 2024 | | | | | | |
| | Revenue | | GFA under | Number of | Revenue | | GFA under | Number of | | |
| | RMB'000 | % | management | projects under | RMB'000 | % | management | projects under | | |
| | | | sq.m.'000 | management | | | sq.m.'000 | management | | |
| Residential properties | 100,244 | 55.0 | 13,099 | 39 | 92,393 | 55.8 | 13,108 | 39 | | |
| Non-residential properties | | | | | | | | | | |
| (1) Commercial properties | 51,101 | 28.0 | 4,241 | 40 | 44,135 | 26.7 | 3,915 | 39 | | |
| (2) Others | 30,982 | 17.0 | 5,735 | 21 | 28,991 | 17.5 | 6,486 | 19 | | |
| Total | 182,327 | 100.0 | 23,075 | 100 | 165,519 | 100.0 | 23,509 | 100.0 | | 97 |

We provide property management to a diversified portfolio of properties, including both residential properties and non-residential properties such as commercial complexes, municipal facilities, office buildings, apartments, schools, theme towns, hospitals, banks, industrial parks and airline base property. As of June 30, 2025, we managed a total of 61 non-residential properties, with an aggregate GFA of non-residential properties under management of approximately 9.9 million sq.m.. Our diversified portfolio of properties under management has helped us diversify our revenue streams.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)**The Business Model of the Company** (Continued)**Value-added services to non-property owners: accounting for approximately 16.0% of total revenue**

The following table sets forth a breakdown of revenue from value-added services to non-property owners of the Group by service type for the periods indicated:

| Service type | As at June 30, | | | |
|--|----------------|-------------------------|---------|-------------------------|
| | 2025 | | 2024 | |
| | RMB'000 | Percentage of revenue % | RMB'000 | Percentage of revenue % |
| Design services | 18,973 | 40.3 | 17,188 | 22.7 |
| Landscaping services | 20,993 | 44.5 | 49,994 | 66.0 |
| Preliminary property management services | 5,433 | 11.5 | 5,983 | 7.9 |
| Pre-delivery services | 1,073 | 2.3 | 1,641 | 2.2 |
| Other customized services | 658 | 1.4 | 932 | 1.2 |
| Total | 47,130 | 100.0 | 75,738 | 100.0 |

For the Period, the Group's revenue from value-added services to non-property owners amounted to approximately RMB47.1 million, representing a decrease of approximately 37.8% over the same period in 2024, mainly due to (i) the decrease in the number of projects delivered by property developers during the Period resulting from the downturn of the real estate market, which led to the decrease in the revenue from pre-delivery services; and (ii) the decrease in the revenue from landscaping services resulting from the disposal of a subsidiary, namely, Shandong Urban and Rural Development Group Furbishing Co., Ltd.* (山東省城鄉發展集團裝飾有限公司), previously known as Shandong Hui Bang Da Furbishing Engineering Co., Ltd.* (山東省匯邦達裝飾工程有限公司) (the "**Urban Development Furbishing Disposal**"), which was completed on May 9, 2024. For details of the Urban Development Furbishing Disposal, please refer to the announcement of the Company dated February 27, 2024, the circular of the Company dated March 22, 2024 and the announcement of the Company dated April 19, 2024.

Our value-added services to non-property owners (covering the entire cycle of real estate development) provide services for the entire process from project planning, development to operation through in-depth participation. We not only build strategic synergy with property developers, but also establish in-depth interaction with future property owners through precise demand matching and customized service solutions before the property is delivered, thereby continuously improving customer value recognition and brand loyalty throughout the project life cycle.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (CONTINUED)**The Business Model of the Company** (Continued)**Community value-added services: accounting for approximately 21.9% of total revenue**

The table below sets forth a breakdown of revenue generated from value-added services to community of the Group by service type for the periods indicated:

| Service type | As at June 30, | | | |
|--|-----------------|-------------------------------|-----------------|-------------------------------|
| | 2025 RMB'000 | Percentage of revenue % | 2024 RMB'000 | Percentage of revenue % |
| Parking space management services | 21,907 | 34.0 | 18,757 | 27.9 |
| Community living services | 23,771 | 36.9 | 29,292 | 43.5 |
| Utility management services | 15,244 | 23.7 | 14,439 | 21.5 |
| Community space and resource management services | 3,471 | 5.4 | 4,804 | 7.1 |
| Total | 64,393 | 100.0 | 67,292 | 100.0 |

We aim to improve our property owners' and residents' quality of life by providing them with access to a wide range of community value-added services. For the Period, the Group's revenue from community value-added services amounted to approximately RMB64.4 million, representing a decrease of approximately 4.3% as compared with the same period of 2024, mainly due to the decrease in asset disposal business in community living services.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue comes from three main service lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services. The following table sets out the breakdown of revenue by service lines during the indicated periods:

| Revenue | Six months ended June 30, 2025 | | 2024 | | Growth Rate % |
|---|-----------------------------------|-------------------------------|---------|-------------------------------|---------------------|
| | RMB'000 | Percentage of revenue % | RMB'000 | Percentage of revenue % | |
| Property management services | 182,327 | 62.1 | 165,519 | 53.6 | 10.2 |
| Value-added services to non-property owners | 47,130 | 16.0 | 75,738 | 24.6 | -37.8 |
| Community value-added services | 64,393 | 21.9 | 67,292 | 21.8 | -4.3 |
| Total | 293,850 | 100.0 | 308,549 | 100.0 | -4.8 |

For the Period, the total revenue of the Group was approximately RMB293.8 million (June 30, 2024: approximately RMB308.5 million), representing a decrease of approximately 4.8% as compared with the same period in 2024, primarily due to a decrease in revenue of value-added services to non-property owners.

Value-added services to non-property owners: The revenue of our value-added services to non-property owners decreased by 37.8% from RMB75.7 million for the six months ended June 30, 2024 to RMB47.1 million for the Period, mainly due to (i) the decrease in the number of projects delivered by property developers during the Period resulting from the downturn of the real estate market, which led to the decrease in the revenue from pre-delivery services; and (ii) the decrease in the revenue from landscaping services resulting from the Urban Development Furbishing Disposal.

Community value-added services: The revenue of our community value-added services decreased by 4.3% from RMB67.3 million for the six months ended June 30, 2024 to RMB64.4 million for the Period, primarily due to the decrease in asset disposal business in community living services.

Property management services: The revenue of our property management services increased by 10.2% from RMB165.6 million for the six months ended June 30, 2024 to RMB182.3 million for the Period, primarily due to the optimization of our project portfolio and strategic expansion of commercial properties business during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONTINUED)**Cost of Sales**

For the Period, the cost of sales of the Group was approximately RMB231.8 million (June 30, 2024: approximately RMB248.1 million), representing a decrease of approximately 6.6% as compared with the same period in 2024, due to (i) the decrease in the number of projects delivered by property developers during the Period resulting from the downturn of the real estate market, which led to the decrease in the cost of pre-delivery services; and (ii) the decrease in the cost of landscaping services resulting from the Urban Development Furbishing Disposal.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of the gross profit and gross profit margin of the Group by service lines during the indicated periods:

| | Six months ended June 30, | | Six months ended June 30, | |
|--|---------------------------|-----------------------------|---------------------------|-----------------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | Gross profit (RMB'000) | Gross profit margin % | Gross profit (RMB'000) | Gross profit margin % |
| Property management services | 33,547 | 18.4 | 32,202 | 19.5 |
| Value-added services to non-property owners | 11,871 | 25.2 | 10,737 | 14.1 |
| Community value-added services | 16,639 | 25.8 | 17,516 | 26.0 |
| Total | 62,058 | 21.1 | 60,455 | 19.6 |

For the Period, our gross profit was approximately RMB62.1 million, representing an increase of approximately 2.7% as compared with RMB60.5 million for the same period in 2024. The gross profit margin of the Group increased from approximately 19.6% in the same period in 2024 to approximately 21.1%.

For the Period, the gross profit margin of property management services of the Group was approximately 18.4% (June 30, 2024: approximately 19.5%). The drop in the gross profit margin as compared with the corresponding period in 2024 was mainly due to the expansion of commercial properties business with lower gross profit margin during the Period. The drop in the gross profit margin as compared with the corresponding period in 2024 has reduced the overall gross profit margin.

The gross profit margin of value-added services to non-property owners of the Group was approximately 25.2% (June 30, 2024: approximately 14.1%). The rise in the gross profit margin of value-added services to non-property owners as compared with the corresponding period in 2024 was mainly due to the increase in revenue from design services with higher gross profit margins and the decrease in revenue from landscaping services with lower gross profit margins.

The gross profit margin of community value-added services of the Group was approximately 25.8% (June 30, 2024: approximately 26.0%), which was stable as compared with the same period of 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(CONTINUED)*

Management and Research and Development Expenses

For the Period, the management and research and development expenses of the Group were approximately RMB28.3 million, representing an increase of approximately 8.8% from approximately RMB26.0 million for the six months ended June 30, 2024, primarily due to the increase in management costs resulting from our efforts to improve management quality and expand our business externally.

Profit for the Period

For the Period, our profit for the period was approximately RMB16.0 million, representing a decrease of approximately 27.1% from approximately RMB21.9 million in the same period of 2024.

Current Assets

As at June 30, 2025, the current assets of the Group were approximately RMB801.8 million, representing a decrease of approximately 2.8% as compared with approximately RMB825.3 million as at December 31, 2024. As at June 30, 2025, the current ratio (current assets divided by current liabilities) of the Group was approximately 2.4 (December 31, 2024: approximately 2.3).

Fixed Assets and Right-of-use Assets

Our fixed assets and right-of-use assets mainly consist of plant and buildings, machinery and other equipment and vehicles. As at June 30, 2025, the Group's fixed assets and right-of-use assets amounted to approximately RMB49.6 million, representing a decrease of approximately RMB0.1 million as compared with approximately RMB49.7 million as at December 31, 2024, primarily due to the depreciation of the fixed assets and right-of-use assets during the Period.

Trade and Bills Receivables

As at June 30, 2025, trade and bills receivables amounted to approximately RMB330.1 million, representing an increase of approximately RMB7.3 million as compared with approximately RMB322.8 million as at December 31, 2024, mainly due to a natural increase in accounts receivables resulting from the growth in the scale of property businesses and the payment habits of property owners.

Prepayments and Other Receivables

Our prepayments and other receivables primarily include (i) prepayments, mainly represents prepayments we made to energy providers on behalf of property owners and residents; and (ii) deposits, mainly represents deposits made for participating in tender and bidding process for obtaining projects and contract performance deposits.

As at June 30, 2025, prepayments and other receivables amounted to approximately RMB7.0 million, representing an increase of approximately RMB0.5 million as compared with approximately RMB6.5 million as at December 31, 2024, mainly due to an increase in deposits received as a result of the expansion of the scale of our catering business.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONTINUED)**Trade Payables**

As at June 30, 2025, trade payables amounted to approximately RMB152.4 million, representing a decrease of approximately RMB13.4 million as compared with approximately RMB165.8 million as at December 31, 2024, mainly due to a decrease in outsourcing fees for landscaping and design services.

Other Payables

Our other payables primarily consist of (i) accrued payroll; (ii) other taxes payables; and (iii) other payables.

As at June 30, 2025, other payables amounted to approximately RMB95.2 million, representing an increase of approximately RMB11.0 million as compared with approximately RMB84.2 million as at December 31, 2024, mainly due to an increase in dividends payable in other payables.

Liquidity and Capital Resources

Our principal use of cash has been for working capital purposes. Our main source of liquidity has been generated from cash flow from operations. The Group has adopted a prudential liquidity management policy, closely monitoring the utilization of cash and cash balances to maintain a sound financial position.

Cash and Cash Equivalents

As at June 30, 2025, the Group's cash and cash equivalents amounted to approximately RMB395.3 million, representing a decrease of 7.0% as compared with approximately RMB425.2 million as at December 31, 2024, primarily due to our increased efforts on daily repair and maintenance of building facilities and equipment for the Period to improve the quality of services.

Such cash and cash equivalents included approximately RMB395.3 million (December 31, 2024: RMB425.2 million) denominated in RMB and approximately RMB0.023 million (December 31, 2024: RMB0.024 million) denominated in Hong Kong dollar ("HK\$"), calculated based on the exchange rate as at June 30, 2025.

Interest-bearing Borrowings

Our interest-bearing borrowings were RMB8.01 million as of June 30, 2025 (December 31, 2024: RMB8.01 million), all denominated in RMB with maturity on March 17, 2026 at the fixed rate of 3.1% per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW *(CONTINUED)*

Pledge of Assets

As at June 30, 2025, we had not pledged any of our assets (December 31, 2024: Nil).

Gearing Ratio

Gearing ratio is calculated based on total liabilities, which represent the sum of current liabilities and non-current liabilities, divided by total assets, which represent the sum of current assets and non-current assets, as at the respective dates and multiplied by 100%. Our gearing ratio was 37.1% as at June 30, 2025 (December 31, 2024: 38.8%).

Significant Investments, Material Acquisitions and Disposals

Discloseable and Connected Transaction in relation to Capital Increase and Deemed Disposal of Equity Interest in a Subsidiary

References are made to announcement of the Company dated March 21, 2025, the circular of the Company dated May 30, 2025 and the announcement of the Company dated June 27, 2025 in relation to the Capital Increase (collectively, the “**Capital Increase Publication**”). Unless otherwise specified, capitalised terms used in this report shall have the same meanings as those defined in the Capital Increase Publication.

On March 21, 2025 (after trading hours of the Stock Exchange), the Company entered into the Capital Increase Agreement with the Investor Shandong Commercial Real Estate Development Co., Ltd.* (山東省城發建設管理有限公司) and the Target Company (Shandong Blue Shore Garden Engineering Co., Ltd* (山東藍岸園林工程有限公司)), pursuant to which the Investor has conditionally agreed to inject capital in the amount of RMB36,320,000.00 (equivalent to approximately HK\$39,053,763.00) into the Target Company in the form of registered capital and capital reserves, of which RMB20,820,000.00 (equivalent to approximately HK\$22,387,097.00) and RMB15,500,000.00 (equivalent to approximately HK\$16,666,666.00) shall be recognised as the registered share capital and the capital reserves of Target Company, respectively.

Upon Completion, the registered capital of the Target Company will be increased from RMB20,000,000.00 to RMB40,820,000.00 and the Target Company will be owned by the Investor and the Company as to 51% and 49% of its enlarged equity interest, respectively, and following the Capital Increase, the Target Company will cease to be a subsidiary of the Company and, accordingly, the financial results of the Target Company will no longer be consolidated in the Group’s accounts. The Target Company will be accounted for an associate of the Company.

For details of the Capital Increase, please refer to the Capital Increase Publication.

Completion of the Capital Increase took place on July 1, 2025.

Save as disclosed in this report, there were no significant investments, material acquisitions and disposals of subsidiaries, associates or joint ventures during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONTINUED)**Future Plans for Material Investments and Capital Assets**

The Group has no future plan for material investments or capital assets during the Period. However, the Group will continue to identify new opportunities for business development.

Contingent Liabilities and Commitments

We did not have any other outstanding guarantees or other material contingent liabilities as at June 30, 2025.

Proceeds from the Listing

The Company's H shares were successfully listed (the "**Listing**") on the Stock Exchange on July 8, 2022 (the "**Listing Date**"), and 33,340,000 H shares were issued. After deduction of underwriting fees and related expenses, the net proceeds from the Listing were approximately HK\$138 million. The Group intends to use the net proceeds in accordance with the method and schedule set out in the section headed "Future Plans and Use of Proceeds" in the Company's prospectus dated June 27, 2022 and the latest annual report of the Company.

Foreign Exchange Risk

The Group conducts its business in RMB. The Group will continue to keep track of the foreign exchange risk and take prudent measures to mitigate exchange risk, and take appropriate action where necessary. The Group currently has not adopted any foreign currency hedging policies.

Employees and Remuneration Policy

As at June 30, 2025, the Group had 1,369 employees (as at December 31, 2024: 1,405 employees). During the Period, the Company has continued to optimize its compensation and incentive mechanisms by building on the "Star Rating" (星級評定) system. The system has deepened its application in front-line key positions, achieving performance-linked compensation increases for 78 technical key employees through star-level promotions, thereby effectively implementing the principle of "performance-based compensation and higher rewards for better performance" (以績定薪、優績優酬). Simultaneously, the Company has completed advanced reforms in its management structure, with pilot regions achieving a 2.13% improvement in organizational efficiency. The Company's employee compensation policy strictly adheres to market competitiveness benchmarks, while dynamically adjusting based on job value, individual performance, and the Company's operational results to ensure the precision and sustainability of incentives.

In terms of talent development, we are deepening the construction of a learning-oriented organization. We are continuously upgrading the tiered and categorized training system, while focusing on enhancing the strategic operational capabilities of mid-to-senior managers through the "Leading Goose Program" (頭雁計劃), accelerating the development of a reserve cadre team through the "Project Cast Gold" (鑄金計劃), and widely promoting the "Spark Program" (星火計劃) to empower new employees and frontline positions with necessary competencies; through multi-dimensional initiatives such as the "Reader's Book Camp" (朗讀者讀書營), benchmarking studies of industry leaders, and the introduction of cutting-edge courses, we foster a culture of continuous improvement among all employees, systematically enhancing their professional competence and innovative capabilities. We also continuously expand our talent reserve pool to lay a solid foundation for the Group's long-term development.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. The Group has adopted the code provisions in Part 2 of the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance.

During the Period, the Group has applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as a code of conduct for securities transactions by the Directors and supervisors of the Company (the “**Supervisor(s)**”).

Upon specific enquiry, all Directors and Supervisors confirmed that they have complied with the Model Code during the Period.

DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executive of our Company in the registered capital of our Company and its associated corporation

As at June 30, 2025, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company’s associated corporation (within the meaning of Part XV of SFO), which will be required to be notified to the Company and the Stock Exchange pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

| Name | Name of associated corporation | Nature of interest | Number of Shares interested | Approximate percentage of shareholding |
|------------------|--------------------------------|--------------------|-----------------------------|--|
| Mr. Wang Zhongwu | Lushang Freda | Beneficial owner | 60,000 ⁽¹⁾ | 0.0059% |

Note:

(1) Mr. Wang Zhongwu was interested in 60,000 shares of Lushang Freda.

Save as disclosed above, as at June 30, 2025, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporation, recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS (CONTINUED)**(b) Substantial Shareholders**

So far as is known to the Directors, as of June 30, 2025, the persons (other than Directors and chief executive of the Company) or corporations who had an interest or short position in the shares and/or underlying shares of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

| Name | Nature of interest | Class of Shares | Number of Shares interested ⁽¹⁾ | Approximate percentage of shareholding in the relevant class of Shares ⁽²⁾ | Approximate percentage of shareholding in the total Shares ⁽³⁾ |
|--|------------------------------------|-----------------|--|---|---|
| Lushang Freda | Beneficial owner | Domestic Shares | 95,100,000 (L) | 95.10% | 71.32% |
| Shandong Commercial ⁽⁴⁾ | Interest in controlled corporation | Domestic Shares | 100,000,000 (L) | 100% | 75.0% |
| Beijing Urban Construction Group Co., Ltd.* (北京城建集團有限責任公司) | Interest in controlled corporation | H Shares | 6,495,000 (L) | 19.48% | 4.87% |
| Beijing Urban Construction Real Estate Development Co., Ltd.* (北京城建房地產開發有限公司) | Beneficial owner | H Shares | 6,495,000 (L) | 19.48% | 4.87% |
| HWABAO TRUST CO., LTD | Trustee | H Shares | 6,495,000 (L) | 19.48% | 4.87% |
| CHINA INTERNATIONAL ECONOMIC TRADING LIMITED | N/A ⁽⁵⁾ | H Shares | 4,680,000 (L) | 14.04% | 3.51% |
| LU DUNKE ⁽⁶⁾ | Interest in controlled corporation | H Shares | 3,650,000 (L) | 10.95% | 2.74% |

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS (CONTINUED)

(b) Substantial Shareholders (continued)

| Name | Nature of interest | Class of Shares | Number of Shares interested ⁽¹⁾ | Approximate percentage of shareholding in the relevant class of Shares ⁽²⁾ | Approximate percentage of shareholding in the total Shares ⁽³⁾ |
|--|------------------------------------|-----------------|--|---|---|
| Wenshang County Science Advancement and Construction Security and Workforce Co., Ltd.* (汶上縣科進建安勞務有限責任公司) ⁽⁶⁾ | Beneficial owner | H Shares | 3,650,000 (L) | 10.95% | 2.74% |
| FAN QINYUAN ⁽⁷⁾ | Interest in controlled corporation | H Shares | 3,025,000 (L) | 9.07% | 2.27% |
| Nantong Chen Yun Construction Workforce Co., Ltd.* (南通辰運建築勞務有限公司) ⁽⁷⁾ | Beneficial owner | H Shares | 3,025,000 (L) | 9.07% | 2.27% |
| Shandong Tian Qi Venture Capital Co., Ltd.* (山東天齊創業投資有限公司) ⁽⁷⁾ | Beneficial owner | H Shares | 2,254,500 (L) | 6.76% | 1.69% |

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Calculated based on the Company's 100,000,000 Domestic Shares or 33,340,000 H Shares in issue as at June 30, 2025.
- (3) Calculated based on the total number of 133,340,000 Shares in issue as at June 30, 2025.
- (4) Lushang Freda is owned as to 51.62% by Shandong Commercial and 1.69% by Lushang Group Co., Ltd., a company owned as to 68.15% by Shandong Commercial. By virtue of the SFO, Shandong Commercial is deemed to be interested in the Shares held by Lushang Freda. Green Development holds 4,900,000 Shares, representing 3.67% of the total Shares in issue. As of June 30, 2025, Green Development was wholly owned by Shandong Urban and Rural Development Group Co., Ltd. (山東省城鄉發展集團有限公司), which is wholly owned by Shandong Commercial. By virtue of the SFO, Shandong Commercial is deemed to be interested in the Shares held by Green Development.
- (5) Based on the disclosure of interests form submitted by CHINA INTERNATIONAL ECONOMIC TRADING LIMITED on July 11, 2022 in respect of the relevant event that occurred on the Listing Date.
- (6) Wenshang County Science Advancement and Construction Security and Workforce Co., Ltd.* 汶上縣科進建安勞務有限責任公司 is a company beneficially wholly-owned by LU DUNKE.
- (7) Nantong Chen Yun Construction Workforce Co., Ltd.* 南通辰運建築勞務有限公司 is a company beneficially wholly-owned by FAN QINYUAN.

Save as disclosed above, as at June 30, 2025, the Directors were not aware of any persons (other than Directors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PROCEEDS FROM THE LISTING

The H Shares were successfully listed on the Main Board of the Stock Exchange on the Listing Date and 33,340,000 H Shares were issued. After deduction of underwriting fees and related expenses, the Net Proceeds from the Listing were approximately HK\$138 million.

The Group intends to use the Net Proceeds in accordance with the method and schedule set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus and the latest annual report of the Company:

| Proposed use of Net Proceeds as set out in the Prospectus | | Approximate % of Net Proceeds | Intended use of Net Proceeds (HK\$ million) | Utilised Net Proceeds during the Period (HK\$ million) | Utilised Net Proceeds as of June 30, 2025 (HK\$ million) | Unutilised Net Proceeds as of June 30, 2025 (HK\$ million) | Expected time of full utilisation |
|--|--|-------------------------------------|--|---|--|---|---|
| Major categories | Sub-categories and specific plans | | | | | | |
| <i>Strategic cooperation, acquisitions and investments to expand business scale and diversity property portfolio</i> | | 60.0 | 82.80 | 0 | 0 | 82.80 | December 31, 2025 |
| | (i) Strategic acquisitions and investments in property management companies with a focus on managing residential projects | 48.0 | 66.24 | 0 | 0 | 66.24 | |
| | (ii) Strategic acquisitions and investments in property management companies with a focus on managing non-residential projects to further diversify our managed property portfolio | 12.0 | 16.56 | 0 | 0 | 16.56 | |

CORPORATE GOVERNANCE AND OTHER INFORMATION

PROCEEDS FROM THE LISTING (CONTINUED)

| Proposed use of Net Proceeds as set out in the Prospectus | | Approximate % of Net Proceeds | Intended use of Net Proceeds (HK\$ million) | Utilised Net Proceeds during the Period (HK\$ million) | Utilised Net Proceeds as of June 30, 2025 (HK\$ million) | Unutilised Net Proceeds as of June 30, 2025 (HK\$ million) | Expected time of full utilisation |
|---|---|-------------------------------------|--|---|--|---|---|
| Major categories (Continued) | Sub-categories and specific plans (Continued) | | | | | | |
| Enhance property management services and further develop our diversified community value-added services to improve our customers' experience and satisfaction | | 15.0 | 20.70 | 0 | 0 | 20.70 | December 31, 2026 |
| | (i) Further improve our traditional property management services to enhance customer experiences: | 10.0 | 13.80 | 0 | 0 | 13.80 | |
| | – For training programs, among which: | | 5.06 | 0 | 0 | 5.06 | |
| | (a) to provide occupational training programs for our employees to obtain necessary qualifications and licenses for, among others, fire safety, security services, human resources, financial management and greening and gardening; | | 0.43 | 0 | 0 | 0.43 | |
| | (b) to hold training classes targeting different levels of our employees, including our management trainees, entry level employees and senior employees, to create a highly professional workforce and ensure the smooth implementation of our standardized operation procedures; | | 3.60 | 0 | 0 | 3.60 | |
| | (c) to organize internal competitions to further incentivize our employees and therefore align our employees' interests with ours; | | 0.17 | 0 | 0 | 0.17 | |
| | (d) to the training of our internal instructors of our training programs; | | 0.43 | 0 | 0 | 0.43 | |
| | (e) to provide to training sessions relating to property management industry to help our employees and management team stay abreast of industry development trends. | | 0.43 | 0 | 0 | 0.43 | |

CORPORATE GOVERNANCE AND OTHER INFORMATION

PROCEEDS FROM THE LISTING (CONTINUED)

| Proposed use of Net Proceeds as set out in the Prospectus | | Approximate % of Net Proceeds | Intended use of Net Proceeds (HK\$ million) | Utilised Net Proceeds during the Period (HK\$ million) | Utilised Net Proceeds as of June 30, 2025 (HK\$ million) | Unutilised Net Proceeds as of June 30, 2025 (HK\$ million) | Expected time of full utilisation |
|---|---|-------------------------------------|--|---|--|---|---|
| Major categories (Continued) | Sub-categories and specific plans (Continued) | | | | | | |
| | (i) Further improve our traditional property management services to enhance customer experiences: (Continued) | | | | | | |
| | – For brand promotions, among which: | | 8.76 | 0 | 0 | 8.76 | |
| | (a) to improve the content of our online platforms such as our official website, TikTok account and WeChat official account to increase the publicity of our brand; | | 0.26 | 0 | 0 | 0.26 | |
| | (b) to hold press conferences and public relation campaigns to further enhance our brand awareness; | | 0.95 | 0 | 0 | 0.95 | |
| | (c) to hold publicity campaigns that features our brand ambassadors and our services and products to create more opportunities to interact with our customers and further enhance our social influence; | | 3.86 | 0 | 0 | 3.86 | |
| | (d) to advertisement on both traditional media and new media platforms; and | | 2.74 | 0 | 0 | 2.74 | |
| | (e) to unify our firmwide VI designs to consolidate and streamline our brand promotion management. | | 0.95 | 0 | 0 | 0.95 | |
| | (ii) Further develop our diversified community value-added services | 5.0 | 6.90 | 0 | 0 | 6.90 | |

CORPORATE GOVERNANCE AND OTHER INFORMATION

PROCEEDS FROM THE LISTING (CONTINUED)

| Proposed use of Net Proceeds as set out in the Prospectus | | Approximate % of Net Proceeds | Intended use of Net Proceeds (HK\$ million) | Utilised Net Proceeds during the Period (HK\$ million) | Utilised Net Proceeds as of June 30, 2025 (HK\$ million) | Unutilised Net Proceeds as of June 30, 2025 (HK\$ million) | Expected time of full utilisation |
|--|---|-------------------------------------|--|---|--|---|---|
| Major categories (Continued) | Sub-categories and specific plans (Continued) | | | | | | |
| <i>Invest in technology systems and standardized business operations</i> | | 15.0 | 20.70 | 1.33 | 5.52 | 15.18 | December 31, 2026 |
| <i>Develop technology-supported community platform</i> | (i) Develop our online service platforms to improve interactions with our customers | 2.2 | 3.04 | 1.03 | 1.53 | 1.51 | |
| | (ii) Procure and upgrade intelligent devices and facilities at our managed properties, among which: | 9.8 | 13.52 | 0.30 | 1.53 | 11.99 | |
| | (a) to monitoring and communication equipment and personnel that manage the smart systems; | | 1.28 | 0.20 | 0.2 | 1.08 | |
| | (b) to parking lot renovation; and | | 3.08 | 0.10 | 1.07 | 2.01 | |
| | (c) to the smart system assuming that developing and upgrading such systems in each community. | | 9.14 | 0 | 0.26 | 8.88 | |
| | (iii) Develop and upgrade our internal management systems, among which: | 3.0 | 4.14 | 0 | 2.46 | 1.68 | |
| | (a) to internal management system operation and data protection; and | | 2.50 | 0 | 2.46 | 0.04 | |
| | (b) to human resource for internal management. | | 1.64 | 0 | 0 | 1.64 | |
| <i>Working capital</i> | Working capital and other general corporate purposes. | 10.0 | 13.80 | 4.59 | 12.96 | 0.84 | December 31, 2025 |
| Total | | 100.0 | 138 | 5.92 | | | |

CORPORATE GOVERNANCE AND OTHER INFORMATION

PROCEEDS FROM THE LISTING (CONTINUED)

As of June 30, 2025, the Directors are not aware of any material change in the planned use of the Net Proceeds. The remaining Net Proceeds which had not been utilized were deposited with licensed financial institution in mainland China. The unutilised Net Proceeds and the above timeline of intended utilization will be applied in the manners disclosed by the Company. However, the expected timeline for the unutilised Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group's business and the market conditions.

As disclosed in the announcement of the Company dated July 17, 2023, as the Company has pre-paid part of such listing expenses by using its internal resources, the Company intends to convert the corresponding part of the gross proceeds (being the remaining amount of gross proceeds originally intended for payment of listing expenses in the amount of HK\$46.1 million) (taking into account the interests and exchange revenues) as general working capital of the Company.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors, Supervisors and chief executive of the Company during the Period and up to the date of this interim report, are set out below:

The changes in information of Director:

Mr. Wang Zhongwu has been redesignated from an executive Director to a non-executive Director with effect from June 9, 2025.

Ms. Luo Ye (羅曄) has served as the head of the planning and investment department of Shandong New Kinetic Energy Fund Management Co., Ltd. since May 2025.

The changes in the information of Supervisors:

Following the proposed amendments to the Articles of Association in relation to, among others, the abolishment of the supervisory committee of the Company (the "**Supervisory Committee**") becoming effective on June 27, 2025, the Company has abolished the Supervisory Committee on June 27, 2025. Each of the Supervisors (including Mr. Wang Hongtao, Mr. Zhang Xiangqian and Ms. Pan Meng) resigned as a Supervisor with effect from June 27, 2025.

Save as disclosed above, the Directors confirm that no other information during the Period and up to the date of this interim report is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CHANGE OF COMPANY SECRETARIES AND AUTHORIZED REPRESENTATIVES

Mr. Wong Wai Chiu resigned as a joint company secretary of the Company and an authorized representative ("**Authorized Representative**") under Rule 3.05 of the Listing Rules with effect from August 22, 2025. Mr. Yang Zhen acted as the sole company secretary of the Company and was appointed as an Authorized Representative with effect from August 22, 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period (including sale of treasury shares). As of the end of the Period, no treasury shares were held by the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board has resolved not to distribute any interim dividend for the Period (for the six months ended June 30, 2024: nil).

AUDIT COMMITTEE

The Company established the Audit Committee in compliance with the Appendix C1 to the Listing Rules. The Audit Committee consists of three members, namely Ms. Leung Bik San, Ms. Li Han and Ms. Chen Xiaojing. The chairlady of the Audit Committee is Ms. Leung Bik San, who possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules.

REVIEW OF INTERIM REPORT

The Audit Committee has reviewed the Group's unaudited consolidated financial information for the Period, and discussed with the management and auditors of the Company the accounting principles and practices adopted by the Group.

The independent auditor of the Company, namely ShineWing, has carried out a review of the interim financial information in accordance with China Standards on Review Engagements 2101 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

By order of the Board
Lushang Life Services Co., Ltd.
Mr. WANG Zhongwu
Chairman and non-executive Director

Jinan, the PRC, August 22, 2025

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

XYZH/2025QDAA3B0246

Lushang Life Services Co., Ltd.

To the Shareholders of Lushang Life Services Co., Ltd.:

We have reviewed the accompanying financial statements of Lushang Life Services Co., Ltd. (hereinafter referred to as “**Lushang Services**”), which comprise the consolidated and parent company’s balance sheet as at 30 June 2025, the consolidated and parent company’s income statement, the consolidated and parent company’s cash flow statement and the consolidated and parent company’s statement of changes in shareholders’ equity for the period from 1 January 2025 to 30 June 2025, and the related notes to the financial statements. The preparation of these financial statements is the responsibility of the Management of Lushang Services, and our responsibility is to issue a review report on these financial statements based on the conduct of the review engagement.

We conducted the review engagement in accordance with the provisions of the Chinese Certified Public Accountants Review Standards No. 2101 - Review of Financial Statements. The standard requires us to plan and conduct the review to obtain limited assurance that the financial statements do not contain material misstatements. Reviews, limited primarily to inquiring with company personnel and performing analytical procedures on financial data, provide a level of assurance lower than that of an audit. We did not perform an audit, and therefore do not issue an audit opinion.

Based on our review, we have not identified any matters that would lead us to believe that the financial statements have not been prepared in accordance with the requirements of Accounting Standards for Business Enterprises, or have not fairly presented the financial position, results of operations, and cash flows of the entity under review in all material respects.

ShineWing Certified Public Accountants LLP
Beijing, China

CICPA: Li Zhushan
CICPA: Yao Xuefei

22 August 2025

INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2025

Unit: RMB

| Items | Notes | 30 June 2025 | 31 December 2024 |
|---|-------|-----------------------|---------------------|
| Current assets: | | | |
| Cash and bank | 4 | 397,758,342.49 | 426,558,420.34 |
| Financial assets held for trading | | — | — |
| Derivative financial assets | | — | — |
| Notes receivable | 5 | 34,656,861.39 | 46,441,738.61 |
| Accounts receivable | 6 | 295,358,344.98 | 276,364,740.99 |
| Receivables financing | 7 | 113,033.44 | — |
| Prepayments | 8 | 2,032,827.99 | 3,125,684.05 |
| Other receivables | 9 | 4,917,420.42 | 3,332,573.58 |
| Including: Interest receivable | | — | — |
| Dividends receivable | | — | — |
| Inventories | 10 | 7,725,590.47 | 7,112,992.27 |
| Contract assets | 11 | 58,274,162.74 | 61,756,374.04 |
| Assets held for sale | | — | — |
| Current portion of non-current assets | | — | — |
| Other current assets | 12 | 916,211.90 | 603,223.87 |
| Total current assets | | 801,752,795.82 | 825,295,747.75 |
| Non-current assets: | | | |
| Debt investments | | — | — |
| Other debt investments | | — | — |
| Long-term receivables | | — | — |
| Long-term equity investments | | — | — |
| Investments in other equity instruments | | — | — |
| Other non-current financial assets | | — | — |
| Investment properties | 13 | 38,850,250.83 | 39,774,869.79 |
| Fixed assets | 14 | 49,025,988.42 | 48,738,575.11 |
| Construction in progress | | — | — |
| Right-of-use assets | 15 | 586,240.74 | 977,067.84 |
| Intangible assets | 16 | 1,062,966.17 | 655,580.50 |
| Development expenditures | | — | — |
| Goodwill | | — | — |
| Long-term deferred expenses | 17 | 5,611,287.98 | 6,075,173.52 |
| Deferred tax assets | 18 | 10,021,649.79 | 7,575,650.42 |
| Other non-current assets | | — | — |
| Total non-current assets | | 105,158,383.93 | 103,796,917.18 |
| Total assets | | 906,911,179.75 | 929,092,664.93 |

INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2025

| Items | Notes | 30 June 2025 | 31 December 2024 |
|--|-------|-----------------------|---------------------|
| Current liabilities: | | | |
| Short-term borrowings | 19 | 8,006,200.00 | 8,008,317.81 |
| Financial liabilities held for trading | | — | — |
| Derivative financial liabilities | | — | — |
| Notes payable | | — | — |
| Accounts payable | 20 | 152,433,363.87 | 165,827,631.03 |
| Payments received in advance | 21 | 389,142.59 | 316,079.43 |
| Contract liabilities | 22 | 67,473,120.52 | 80,569,022.21 |
| Employee benefits payable | 23 | 11,766,353.60 | 18,792,540.15 |
| Taxes payable | 24 | 7,258,157.18 | 5,771,049.10 |
| Other payables | 25 | 76,159,597.87 | 59,668,177.43 |
| Including: Interest payable | | — | — |
| Dividends payable | | 24,614,460.00 | 10,213,740.00 |
| Liabilities held for sale | | — | — |
| Current portion of non-current liabilities | 26 | 2,647,694.00 | 2,624,841.77 |
| Other current liabilities | 27 | 10,359,837.73 | 18,685,293.00 |
| Total current liabilities | | 336,493,467.36 | 360,262,951.93 |
| Non-current liabilities: | | | |
| Long-term borrowings | | — | — |
| Bonds payable | | — | — |
| Including: Preferred stocks | | — | — |
| Perpetual bonds | | — | — |
| Lease liabilities | 28 | — | — |
| Long-term payables | | — | — |
| Long-term employee benefits payable | | — | — |
| Provisions | | — | — |
| Deferred income | | — | — |
| Deferred tax liabilities | | — | — |
| Other non-current liabilities | | — | — |
| Total non-current liabilities | | — | — |
| Total liabilities | | 336,493,467.36 | 360,262,951.93 |

INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2025

| Items | Notes | 30 June 2025 | 31 December 2024 |
|--|-------|-----------------------|---------------------|
| Shareholders' equity: | | | |
| Share capital | 29 | 133,340,000.00 | 133,340,000.00 |
| Other equity instruments | | — | — |
| Including: Preferred stocks | | — | — |
| Perpetual bonds | | — | — |
| Capital reserves | 30 | 213,924,223.38 | 213,924,223.38 |
| Less: Treasury stocks | | — | — |
| Other comprehensive income | | — | — |
| Special reserves | | — | — |
| Surplus reserves | 31 | 16,964,526.57 | 16,964,526.57 |
| Retained earnings | 32 | 202,251,844.18 | 200,618,239.78 |
| Total shareholders' equity attributable to parent company | | 566,480,594.13 | 564,846,989.73 |
| Non-controlling interests | | 3,937,118.26 | 3,982,723.27 |
| Total shareholders' equity | | 570,417,712.39 | 568,829,713.00 |
| Total liabilities and shareholders' equity | | 906,911,179.75 | 929,092,664.93 |

INTERIM CONSOLIDATED INCOME STATEMENT

For the period from January to June 2025

Unit: RMB

| Items | Notes | January to June 2025 | January to June 2024 |
|--|-------|-------------------------|-------------------------|
| I. Total Revenue | | 293,849,628.79 | 308,549,283.42 |
| Including: Operating revenue | 33 | 293,849,628.79 | 308,549,283.42 |
| II. Total Cost | | 259,116,525.19 | 273,752,104.98 |
| Including: Operating costs | 33 | 231,791,940.13 | 248,094,201.19 |
| Taxes and surcharges | 34 | 1,635,526.97 | 1,911,464.60 |
| Selling expenses | | — | — |
| Administrative expenses | 35 | 24,747,828.25 | 23,572,203.44 |
| Research and development expenses | 36 | 3,530,783.29 | 2,463,604.88 |
| Finance expenses | 37 | -2,589,553.45 | -2,289,369.13 |
| Including: Interest expenses | | 152,878.89 | 119,646.17 |
| Interest income | | 3,228,254.72 | 3,124,338.97 |
| Add: Other income | 38 | 165,618.71 | 431,874.61 |
| Income from investments (Loss indicated with “—”) | 39 | — | -379,945.42 |
| Including: Investment income from associates and joint ventures | | — | — |
| Income from derecognition of financial assets at amortized cost | | — | — |
| Gains on net exposure hedging (Loss indicated with “—”) | | — | — |
| Gains on changes in fair value (Loss indicated with “—”) | | — | — |
| Credit impairment losses (Loss indicated with “—”) | 40 | -13,627,852.13 | -7,158,903.19 |
| Impairment losses on assets (Loss indicated with “—”) | 41 | 90,418.51 | -203,624.53 |
| Gains on disposal of assets (Loss indicated with “—”) | | — | — |
| III. Operating profit (Loss indicated with “—”) | | 21,361,288.69 | 27,486,579.91 |
| Add: Non-operating income | 42 | 4,506.97 | 1,524,199.05 |
| Less: Non-operating expenses | 43 | 100,035.35 | 114,156.18 |
| IV. Total profit (Total Loss indicated with “—”) | | 21,265,760.31 | 28,896,622.78 |
| Less: Income tax expenses | 44 | 5,277,040.92 | 6,968,349.18 |
| V. Net profit (Net Loss indicated with “—”) | | 15,988,719.39 | 21,928,273.60 |
| (I) Classified by going concern | | 15,988,719.39 | 21,928,273.60 |
| 1. Net profit from continuing operations (Net Loss indicated with “—”) | | 15,988,719.39 | 21,928,273.60 |
| 2. Net profit from discontinuing operations (Net Loss indicated with “—”) | | — | — |
| (II) Classified by ownership of the equity | | 15,988,719.39 | 21,928,273.60 |
| 1. Net profit attributable to the parent company's shareholders (Net Loss indicated with “—”) | | 16,034,324.40 | 21,666,723.76 |
| 2. Net profit attributable to non-controlling interests (Net Loss indicated with “—”) | | -45,605.01 | 261,549.84 |

INTERIM CONSOLIDATED INCOME STATEMENT

For the period from January to June 2025

| Items | Notes | January to June 2025 | January to June 2024 |
|---|-------|-------------------------|-------------------------|
| VI. Other comprehensive income, net of tax | | — | — |
| Other comprehensive income, net of tax attributable to the parent company's shareholders | | — | — |
| (I) Other comprehensive income that will not be reclassified into profit or loss | | — | — |
| 1. Changes in remeasurement of defined-benefit plans | | — | — |
| 2. Other comprehensive income that cannot be reclassified under the equity method | | — | — |
| 3. Changes in fair value of investments in other equity instruments | | — | — |
| 4. Changes in fair value due to the entity's own credit risk | | — | — |
| 5. Others | | — | — |
| (II) Other comprehensive income that may be reclassified into profit or loss | | — | — |
| 1. Other comprehensive income that may be reclassified under the equity method | | — | — |
| 2. Changes in the fair value of other debt investments | | — | — |
| 3. Amount included in OCI due to reclassifications of financial assets | | — | — |
| 4. Provision for credit impairment of other debt investments | | — | — |
| 5. Cash flow hedge reserve (effective portion of gain or loss on hedging instrument) | | — | — |
| 6. Foreign currency translation reserve | | — | — |
| 7. Others | | — | — |
| Other comprehensive income, net of tax attributable to non-controlling interests | | — | — |
| VII. Total comprehensive income | | 15,988,719.39 | 21,928,273.60 |
| Total comprehensive income attributable to the parent company's shareholders | | 16,034,324.40 | 21,666,723.76 |
| Total comprehensive income attributable to non-controlling interests | | -45,605.01 | 261,549.84 |
| VIII. Earnings per share (EPS): | | | |
| (I) Basic earnings per share (Yuan per share) | | 0.12 | 0.16 |
| (II) Diluted earnings per share (Yuan per share) | | 0.12 | 0.16 |

INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the period from January to June 2025

Unit: RMB

| Items | Notes | January to June 2025 | January to June 2024 |
|--|-------|-------------------------|-------------------------|
| I. Cash flows from operating activities: | | | |
| Cash receipts from the sale of goods and the rendering of services | | 296,899,356.57 | 272,742,063.76 |
| Receipts of taxes refunds | | — | 1,709,276.06 |
| Other cash receipts relating to operating activities | 45 | 58,804,829.23 | 25,216,167.27 |
| Subtotal of cash inflows from operating activities | | 355,704,185.80 | 299,667,507.09 |
| Cash payments for goods and services | | 219,789,308.53 | 223,625,983.56 |
| Cash payments to and on behalf of employees | | 82,359,382.29 | 73,754,612.75 |
| Payments of all types of taxes and surcharges | | 19,171,273.90 | 18,200,873.68 |
| Other cash payments relating to operating activities | 45 | 62,276,879.65 | 36,989,138.76 |
| Subtotal of cash outflows from operating activities | | 383,596,844.37 | 352,570,608.75 |
| Net cash flows from operating activities | | -27,892,658.57 | -52,903,101.66 |
| II. Cash flows from investing activities: | | | |
| Cash receipts from sales and withdrawals of investments | | — | — |
| Cash receipts from returns on investments | | — | — |
| Net proceeds from disposals of fixed assets, intangible assets and other long-term assets | | — | 450.00 |
| Net proceeds from disposals of subsidiaries and other business units | | — | 24,959,508.38 |
| Other cash receipts relating to investing activities | | — | — |
| Subtotal of cash inflows from investment activities | | — | 24,959,958.38 |
| Cash payments for acquisition and construction of fixed assets, intangible assets and other long-term assets | | 1,890,191.52 | 1,597,690.61 |
| Cash payments for investments | | — | — |
| Net cash payments for acquisitions of subsidiaries and other business units | | — | — |
| Other cash payments relating to investing activities | | — | — |
| Subtotal of cash outflows from investment activities | | 1,890,191.52 | 1,597,690.61 |
| Net cash flows from investing activities | | -1,890,191.52 | 23,362,267.77 |

INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the period from January to June 2025

| Items | Notes | January to June 2025 | January to June 2024 |
|--|-------|-------------------------|-------------------------|
| III. Cash flows from financing activities: | | | |
| Cash receipts from capital contributions | | — | — |
| Including: cash receipts from capital injection into subsidiaries by non-controlling shareholders | | — | — |
| Cash receipts from borrowings | | 8,000,000.00 | 8,000,000.00 |
| Other cash receipts relating to financing activities | | — | — |
| Subtotal of cash inflows from financing activities | | 8,000,000.00 | 8,000,000.00 |
| Cash paid for repayments of debts | | 8,000,000.00 | — |
| Cash payments for dividends, profits and interests | | 132,144.47 | 526,260.00 |
| Including: dividends and profits paid by subsidiaries to non-controlling shareholders | | — | — |
| Other cash payments relating to financing activities | 45 | — | 5,018,910.79 |
| Subtotal of cash outflows from financing activities | | 8,132,144.47 | 5,545,170.79 |
| Net cash flows from financing activities | | -132,144.47 | 2,454,829.21 |
| IV. Effect of changes in foreign exchange rates on cash and cash equivalents | | -356.48 | 16.58 |
| V. Net increase in cash and cash equivalents | | -29,915,351.04 | -27,085,988.10 |
| Add: opening balance of cash and cash equivalents | | 425,171,708.53 | 412,094,874.66 |
| VI. Closing balance of cash and cash equivalents | 46 | 395,256,357.49 | 385,008,886.56 |

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from January to June 2025

Unit: RMB

| January to June 2025 | | | | | | | | | | | | | | |
|---|---|------------------|-----------------|--------|------------------|-----------------------|----------------------------|------------------|------------------|-------------------|----------------|--------------|---------------------------|----------------------------|
| Items | Equity attributable to shareholders of the parent company | | | | | | | | | | | | Non-controlling interests | Total shareholders' equity |
| | Other equity instruments | | | | | | | | | | Subtotal | | | |
| | Share capital | Preferred stocks | Perpetual bonds | Others | Capital reserves | Less: Treasury stocks | Other Comprehensive Income | Special reserves | Surplus reserves | Retained earnings | | | | |
| I. Balance at the end of last year | 133,340,000.00 | - | - | - | 213,924,223.38 | - | - | - | 16,964,526.57 | 200,618,239.78 | 564,846,989.73 | 3,982,723.27 | 568,829,713.00 | |
| Add: Changes in accounting policies | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Corrections of errors in prior period | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Business combination under common control | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Others | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| II. Balance at the beginning of this year | 133,340,000.00 | - | - | - | 213,924,223.38 | - | - | - | 16,964,526.57 | 200,618,239.78 | 564,846,989.73 | 3,982,723.27 | 568,829,713.00 | |
| III. Changes during the period (*: for decreases) | - | - | - | - | - | - | - | - | - | 1,633,604.40 | 1,633,604.40 | -45,605.01 | 1,587,999.39 | |
| (1) Total comprehensive income | - | - | - | - | - | - | - | - | - | 16,034,324.40 | 16,034,324.40 | -45,605.01 | 15,988,719.39 | |
| (2) Shareholders' contributions and reductions in capital | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 1. Common stock capital contribution from shareholders | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2. Capital contribution from other equity instruments holders | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 3. Share-based payment recognized in shareholders' equity | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (3) Profit distribution | - | - | - | - | - | - | - | - | - | -14,400,720.00 | -14,400,720.00 | - | -14,400,720.00 | |
| 1. Appropriation to surplus reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2. Appropriation to general risk reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 3. Distribution to shareholders | - | - | - | - | - | - | - | - | - | -14,400,720.00 | -14,400,720.00 | - | -14,400,720.00 | |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (4) Internal transfer of shareholders' equity | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 1. Transfer from capital reserve to share capital | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2. Transfer from surplus reserve to share capital | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 3. Surplus reserve used to offset accumulated losses | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 4. Changes in defined benefit obligation transferred to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 5. Other comprehensive income transferred to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6. Others | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (5) Special reserves | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 1. Current appropriation | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2. Current utilization | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (6) Others | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| IV. Balance at the end of the period | 133,340,000.00 | - | - | - | 213,924,223.38 | - | - | - | 16,964,526.57 | 202,251,844.18 | 566,480,594.13 | 3,937,118.26 | 570,417,712.39 | |

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from January to June 2025

Unit: RMB

| January to June 2024 | | | | | | | | | | | | | |
|---|----------------|------------------|-----------------|--------|------------------|-----------------------|----------------------------|------------------|------------------|-------------------|----------------|---------------------------|----------------------------|
| Equity attributable to shareholders of the parent company | | | | | | | | | | | | | |
| Other equity instruments | | | | | | | | | | | | | |
| Items | Share capital | Preferred stocks | Perpetual bonds | Others | Capital reserves | Less: Treasury stocks | Other Comprehensive Income | Special reserves | Surplus reserves | Retained earnings | Subtotal | Non-controlling interests | Total shareholders' equity |
| I. Balance at the end of last year | 133,340,000.00 | - | - | - | 218,802,523.38 | - | - | - | 13,003,776.37 | 159,487,525.92 | 524,633,825.67 | 3,949,581.26 | 528,583,406.93 |
| Add: Changes in accounting policies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Corrections of errors in prior period | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business combination under common control | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| II. Balance at the beginning of this year | 133,340,000.00 | - | - | - | 218,802,523.38 | - | - | - | 13,003,776.37 | 159,487,525.92 | 524,633,825.67 | 3,949,581.26 | 528,583,406.93 |
| | | | | | | | | | | | | | |
| III. Changes during the period (* - for decreases) | - | - | - | - | -4,878,300.00 | - | - | - | - | 21,666,723.76 | 16,788,423.76 | 261,549.84 | 17,049,973.60 |
| | | | | | | | | | | | | | |
| (1) Total comprehensive income | - | - | - | - | - | - | - | - | - | 21,666,723.76 | 21,666,723.76 | 261,549.84 | 21,928,273.60 |
| (2) Shareholders' contributions and reductions in capital | - | - | - | - | -4,878,300.00 | - | - | - | - | - | -4,878,300.00 | - | -4,878,300.00 |
| 1. Common stock capital contribution from shareholders | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Capital contribution from other equity instruments holders | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Share-based payment recognized in shareholders' equity | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Others | - | - | - | - | -4,878,300.00 | - | - | - | - | - | -4,878,300.00 | - | -4,878,300.00 |
| (3) Profit distribution | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Appropriation to surplus reserve | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Appropriation to general risk reserve | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Distribution to shareholders | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (4) Internal transfer of shareholders' equity | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Transfer from capital reserve to share capital | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Transfer from surplus reserve to share capital | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Surplus reserve used to offset accumulated losses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Changes in defined benefit obligation transferred to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5. Other comprehensive income transferred to retained earnings | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6. Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (5) Special reserves | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Current appropriation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Current utilization | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (6) Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | |
| IV. Balance at the end of the period | 133,340,000.00 | - | - | - | 213,924,223.38 | - | - | - | 13,003,776.37 | 181,154,249.68 | 541,422,249.43 | 4,211,131.10 | 545,633,380.53 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

I Company background

Lushang Life Services Co., LTD. (The Company, collectively referred to as the Group when including subsidiaries), formerly known as Shandong Lushang Property Services Co., LTD. It was established as a limited liability company in the People's Republic of China (China) on March 24, 2006 in accordance with the PRC Company Law, and was restructured into a limited liability company on March 12, 2021. The registered office of the company is Room 202, Building 2, Lushang Guoao City, No.9777 Jingshi Road, Lixia District, Jinan City, Shandong Province, China. The Company's H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 8 July 2022 under the stock code 2376.HK.

As of June 30, 2025, the share capital of the Company was 133.34 million yuan, the controlling shareholder was Lushang Freda Pharmaceutical Co., LTD., the parent company of the controlling shareholder was Shandong Commercial Group Co., LTD., and the ultimate actual controller of the Group was the State-owned Assets Supervision and Administration Commission of the Shandong Provincial People's Government.

The Company is in the property services and management industry, providing property management services, community value added services and non-owner value added services primarily in the PRC.

This financial statement has been approved for publication by the company's board of directors on August 22, 2025.

2 The basis for preparation of financial statement

2.1 Compilation Basis

The Company is incorporated in the People's Republic of China and its overseas listed foreign shares have been listed on the Main Board of the Stock Exchange since July 8, 2022, and adopts the International Financial Reporting Standards (IFRS) to prepare its financial statements for the period ending December 31, 2022. In order to improve work efficiency and reduce the cost of preparing two financial statements in accordance with Chinese Accounting Standards for Business Enterprises and International Financial Reporting Standards, on 17 July 2023, the Board considered and approved the preparation of the Company's financial statements and disclosure of related financial information in accordance with Chinese Accounting Standards for Business Enterprises starting from the interim report for the period ended 30 June 2023. An extraordinary General meeting was held on 3 August 2023 and approved the consequential changes to the Articles of Association.

The Group's financial statements are prepared based on the actual transactions and events, following the "Accounting Standards for Business Enterprises" promulgated by the Ministry of Finance, including their application guidelines, interpretations, and other relevant provisions, as well as the rules and regulations of the China Securities Regulatory Commission (CSRC), specifically the "No. 15 of the Rules for the Preparation of Information Disclosure by Companies Offering Public Securities – General Requirements for Financial Reporting (Revised 2023)". Additionally, the financial statements comply with the disclosure requirements of Hong Kong's Companies Ordinance and the listing rules of the Hong Kong Stock Exchange (HKEX).

2.2 Going concern

The Group has evaluated its ability to continue as a going concern for 12 months from the end of the reporting period, and has not found any matters or circumstances that raise significant doubts about its ability to continue as a going concern. Therefore, the financial statements have been prepared on the assumption of going concern.

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

3 Changes in significant accounting policies and accounting estimates

3.1 Changes in significant accounting policies

There were no changes in accounting policies during the reporting period for the Group.

3.2 Changes in significant accounting estimates

There were no changes in accounting estimates during the reporting period for the Group.

4 Cash and bank

| Item | Ending balance | Opening balance |
|--|-----------------------|-----------------|
| Cash on hand | 5,130.00 | 4,015.10 |
| Bank deposit | 115,275,005.42 | 117,786,909.68 |
| Money deposited with the finance company | 279,976,222.07 | 307,380,783.75 |
| Unexpired interest receivable | 2,501,985.00 | 1,386,711.81 |
| Total | 397,758,342.49 | 426,558,420.34 |

5 Notes receivable

5.1 Classification of notes receivable

| Item | Ending balance | Opening balance |
|------------------------------|----------------------|-----------------|
| Bank acceptance drafts | 214,572.89 | — |
| Commercial acceptance drafts | 34,442,288.50 | 46,441,738.61 |
| Total | 34,656,861.39 | 46,441,738.61 |

5.2 Disclosure by the method of provision for bad debts

| Type | Book balance | | Ending balance | | Book value |
|--|----------------------|----------------|-------------------|------------------------|----------------------|
| | Amount | Proportion (%) | Amount | Provisioning ratio (%) | |
| Provision for bad debts on an individual basis | | | | | |
| Provision for bad debts on a collective basis | 34,889,590.58 | 100.00 | 232,729.19 | 0.67 | 34,656,861.39 |
| Including: | | | | | |
| Listed Bank Acceptance Drafts Portfolio | 222,886.56 | 0.64 | 8,313.67 | 3.73 | 214,572.89 |
| Related party portfolio | 31,338,784.16 | 89.82 | 100,284.11 | 0.32 | 31,238,500.05 |
| Aging portfolio | 3,327,919.86 | 9.54 | 124,131.41 | 3.73 | 3,203,788.45 |
| Total | 34,889,590.58 | 100.00 | 232,729.19 | 0.67 | 34,656,861.39 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

5 Notes receivable (CONTINUED)

5.2 Disclosure by the method of provision for bad debts (Continued)

| Type | Book balance | | Opening balance | | Book value |
|--|---------------|----------------|-----------------|------------------------|---------------|
| | Amount | Proportion (%) | Amount | Provisioning ratio (%) | |
| Provision for bad debts on an individual basis | – | – | – | – | – |
| Provision for bad debts on a collective basis | 46,779,839.39 | 100.00 | 338,100.78 | 0.72 | 46,441,738.61 |
| Including: | | | | | |
| Listed Bank Acceptance Drafts Portfolio | – | – | – | – | – |
| Related party portfolio | 40,274,536.11 | 86.09 | 120,823.65 | 0.30 | 40,153,712.46 |
| Aging portfolio | 6,505,303.28 | 13.91 | 217,277.13 | 3.34 | 6,288,026.15 |
| Total | 46,779,839.39 | 100.00 | 338,100.78 | 0.72 | 46,441,738.61 |

5.3 Provision for bad debts on notes receivable accrued, recovered or reversed during the period

| Type | Opening balance | Changes during the period | | | | Ending balance |
|---|-----------------|---------------------------|--------------------|-----------------------|---------------|----------------|
| | | Accrue | Recover or Reverse | Transfer or Write off | Other changes | |
| Listed Bank Acceptance Drafts Portfolio | – | 8,313.67 | – | – | – | 8,313.67 |
| Related party portfolio | 120,823.65 | -20,539.54 | – | – | – | 100,284.11 |
| Aging portfolio | 217,277.13 | -93,145.72 | – | – | – | 124,131.41 |
| Total | 338,100.78 | -105,371.59 | – | – | – | 232,729.19 |

5.4 Notes receivable endorsed or discounted at the end of the period and not yet due at the balance sheet date

| Item | The amount derecognized at the end of the period | The amount not derecognized at the end of the period |
|------------------------------|--|--|
| Bank acceptance drafts | | |
| Commercial acceptance drafts | – | 6,303,755.79 |
| Total | – | 6,303,755.79 |

5.5 The aging analysis of notes receivable at the end of the period

The Group's notes receivable at the end of the period are aged within 180 days.

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

6 Accounts receivable

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

| Aging | Ending balance | Opening balance |
|-------------------------------|-----------------------|-----------------|
| Within 1 year | 210,423,672.24 | 181,445,322.17 |
| 1-2 years | 57,591,774.52 | 63,133,604.85 |
| 2-3 years | 47,641,395.66 | 48,509,746.68 |
| Over 3 years | 23,073,656.73 | 12,952,663.67 |
| Subtotal | 338,730,499.15 | 306,041,337.37 |
| Less: Provision for bad debts | 43,372,154.17 | 29,676,596.38 |
| Total | 295,358,344.98 | 276,364,740.99 |

6.2 Disclosure by the method of provision for bad debts

| Type | Book balance | | Ending balance | | Book value |
|--|-----------------------|----------------|----------------------|------------------------|-----------------------|
| | Amount | Proportion (%) | Amount | Provisioning ratio (%) | |
| Provision for bad debts on an individual basis | – | – | – | – | – |
| Provision for bad debts on a collective basis | 338,730,499.15 | 100.00 | 43,372,154.17 | 12.80 | 295,358,344.98 |
| Including: Aging portfolio | 214,877,436.60 | 63.44 | 34,101,736.65 | 15.87 | 180,775,699.95 |
| Related party portfolio | 123,853,062.55 | 36.56 | 9,270,417.52 | 7.49 | 114,582,645.03 |
| Total | 338,730,499.15 | 100.00 | 43,372,154.17 | 12.80 | 295,358,344.98 |

| Type | Book balance | | Opening balance | | Book value |
|--|-----------------------|----------------|----------------------|------------------------|-----------------------|
| | Amount | Proportion (%) | Amount | Provisioning ratio (%) | |
| Provision for bad debts on an individual basis | – | – | – | – | – |
| Provision for bad debts on a collective basis | 306,041,337.37 | 100.00 | 29,676,596.38 | 9.70 | 276,364,740.99 |
| Including: Aging portfolio | 173,145,812.24 | 56.58 | 27,406,152.80 | 15.83 | 145,739,659.44 |
| Related party portfolio | 132,895,525.13 | 43.42 | 2,270,443.58 | 1.71 | 130,625,081.55 |
| Total | 306,041,337.37 | 100.00 | 29,676,596.38 | 9.70 | 276,364,740.99 |

Accounts receivable with bad debt provision based on grouping of credit risk characteristics.

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

6 Accounts receivable (CONTINUED)

6.2 Disclosure by the method of provision for bad debts (Continued)

6.2.1 Aging portfolio

| Aging | Book balance | Ending balance Provision for bad debts | Provisioning ratio (%) |
|---------------|-----------------------|--|---------------------------|
| Within 1 year | 135,577,304.69 | 5,056,565.27 | 3.73 |
| 1-2 years | 36,910,603.31 | 5,182,587.83 | 14.04 |
| 2-3 years | 27,591,979.21 | 9,065,034.16 | 32.85 |
| Over 3 years | 14,797,549.39 | 14,797,549.39 | 100.00 |
| Total | 214,877,436.60 | 34,101,736.65 | 15.87 |

6.2.2 Related party portfolio

| Aging | Book balance | Ending balance Provision for bad debts | Provisioning ratio (%) |
|---------------|-----------------------|--|---------------------------|
| Within 1 year | 74,846,367.55 | 240,530.45 | 0.32 |
| 1-2 years | 20,681,171.21 | 216,796.79 | 1.05 |
| 2-3 years | 20,049,416.45 | 536,982.94 | 2.68 |
| Over 3 years | 8,276,107.34 | 8,276,107.34 | 100.00 |
| Total | 123,853,062.55 | 9,270,417.52 | 7.49 |

6.3 Provision for bad debts on accounts receivable accrued, recovered or reversed during the period

| Type | Opening balance | Changes during the period | | Ending balance |
|--|----------------------|---------------------------|------------------|----------------------|
| | | Accrue | Other changes | |
| Provision for bad debts on an individual basis | | | | |
| Provision for bad debts on a collective basis | 29,676,596.38 | 13,695,557.79 | – | 43,372,154.17 |
| Including: Aging portfolio | 27,406,152.80 | 6,695,583.85 | – | 34,101,736.65 |
| Related party portfolio | 2,270,443.58 | 6,999,973.94 | – | 9,270,417.52 |
| Total | 29,676,596.38 | 13,695,557.79 | – | 43,372,154.17 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

6 Accounts receivable (CONTINUED)

6.4 The situation of the top five accounts receivable and contract assets at the end of the period, aggregated by the debtor.

| Name | Balance of accounts receivable | Balance of contract assets | Balance of accounts receivable and contract assets | Proportion of the total ending balance(%) | The total of provisions for bad debts |
|---|--------------------------------|----------------------------|--|---|---------------------------------------|
| Heze Lushang Real Estate Co., LTD | 10,062,019.72 | 7,589,106.20 | 17,651,125.92 | 4.44 | 107,362.60 |
| Zibo Lushang Real Estate Co., Ltd. | 7,629,253.52 | 6,799,366.19 | 14,428,619.71 | 3.63 | 32,678.67 |
| Haerbin Lushang Real Estate Co., Ltd. | 10,387,139.38 | 3,137,957.68 | 13,525,097.06 | 3.41 | 44,914.11 |
| Taishan You Rural Revitalization Ecological Tourism Development (Shandong) Co., LTD | 7,756,926.11 | 4,834,553.48 | 12,591,479.59 | 3.17 | 56,203.85 |
| Zibo City Boshan District Municipal Landscaping and Sanitation Service Center | 11,242,653.05 | – | 11,242,653.05 | 2.83 | 776,378.96 |
| Total | 47,077,991.78 | 22,360,983.55 | 69,438,975.33 | 17.48 | 1,017,538.19 |

7 Receivables Financing

| Item | Ending balance | Opening balance |
|------------------------|-------------------|-----------------|
| Bank acceptance drafts | 113,033.44 | – |
| Total | 113,033.44 | – |

8 Prepayments

8.1 Disclosure by aging

| Item | Ending balance | | Opening balance | |
|---------------|---------------------|----------------|-----------------|----------------|
| | Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 year | 1,681,108.69 | 82.78 | 2,659,546.89 | 85.09 |
| 1-2 year | 349,719.30 | 17.22 | 466,137.16 | 14.91 |
| 2-3 year | 2,000.00 | 0.10 | – | – |
| Total | 2,032,827.99 | 100.00 | 3,125,684.05 | 100.00 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

8 Prepayments (CONTINUED)

8.2 The situation of the top five prepayments at the end of the period, aggregated by the payee

| Name | Ending balance | Aging | Proportion of the total ending balance (%) |
|---|---------------------|---------------|--|
| State Grid Shandong Electric Power Company Jinan power supply company | 343,228.97 | Within 1 year | 16.88 |
| State Grid Shandong Electric Power Company Linyi power supply company | 316,810.33 | Within 1 year | 15.58 |
| Shandong Jun Tong Property Management Co., Ltd. (aka: Shandong Caozhou Municipal Engineering Co., Ltd.) | 260,052.25 | 1-2 year | 12.79 |
| Wucheng County Guangtong Gas Station | 153,393.00 | Within 1 year | 7.55 |
| State Grid Shandong Electric Power Company Qingdao power supply company | 110,227.30 | Within 1 year | 5.42 |
| Total | 1,183,711.85 | — | 58.23 |

9 Other receivables

9.1 Disclosure by nature

| Nature | Ending balance | Opening balance |
|---|---------------------|-----------------|
| Security deposit, deposit | 1,574,069.40 | 1,221,965.00 |
| Advanced social security and housing fund | 228,991.83 | 175,825.72 |
| Payments for projects | 847,028.96 | 847,028.96 |
| Related party transactions | 1,258,731.11 | 872,299.73 |
| Others | 1,633,926.43 | 803,115.55 |
| Subtotal | 5,542,747.73 | 3,920,234.96 |
| Less: Provision for bad debts | 625,327.31 | 587,661.38 |
| Total | 4,917,420.42 | 3,332,573.58 |

9.2 Disclosure by aging

| Aging | Ending balance | Opening balance |
|-------------------------------|---------------------|-----------------|
| Within 1 year | 3,885,413.79 | 2,414,612.96 |
| 1-2 years | 256,085.48 | 174,738.49 |
| 2-3 years | 344,394.55 | 290,042.47 |
| Over 3 years | 1,056,853.91 | 1,040,841.04 |
| Subtotal | 5,542,747.73 | 3,920,234.96 |
| Less: Provision for bad debts | 625,327.31 | 587,661.38 |
| Total | 4,917,420.42 | 3,332,573.58 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

9 Other receivables (CONTINUED)

9.3 Disclosure by the method of provision for bad debts

| Type | Book balance | | Ending balance | | Book value |
|--|---------------------|----------------|-------------------|------------------------|---------------------|
| | Amount | Proportion (%) | Amount | Provisioning ratio (%) | |
| Provision for bad debts on an individual basis | 177,303.91 | 3.20 | 177,303.91 | 100.00 | – |
| Provision for bad debts on a collective basis | 5,365,443.82 | 96.80 | 448,023.40 | 8.35 | 4,917,420.42 |
| Including: Related party portfolio | 1,258,731.11 | 22.71 | 40,749.85 | 3.24 | 1,217,981.26 |
| Low risk portfolio | 3,533,633.51 | 63.75 | – | – | 3,533,633.51 |
| Aging portfolio | 573,079.20 | 10.34 | 407,273.55 | 71.07 | 165,805.65 |
| Total | 5,542,747.73 | 100.00 | 625,327.31 | 11.28 | 4,917,420.42 |

| Type | Book balance | | Opening balance | | Book value |
|--|---------------------|----------------|-------------------|------------------------|---------------------|
| | Amount | Proportion (%) | Amount | Provisioning ratio (%) | |
| Provision for bad debts on an individual basis | 177,303.91 | 4.52 | 177,303.91 | 100.00 | – |
| Provision for bad debts on a collective basis | 3,742,931.05 | 95.48 | 410,357.47 | 10.96 | 3,332,573.58 |
| Including: Related party portfolio | 872,299.73 | 22.25 | 7,839.47 | 0.90 | 864,460.26 |
| Low risk portfolio | 2,419,781.32 | 61.73 | – | – | 2,419,781.32 |
| Aging portfolio | 450,850.00 | 11.50 | 402,518.00 | 89.28 | 48,332.00 |
| Total | 3,920,234.96 | 100.00 | 587,661.38 | 14.99 | 3,332,573.58 |

9.3.1 Other receivables for which bad debt provision is made on an individual basis

| Name | Ending balance | | Opening balance | | Provisioning ratio (%) | Reason for provision |
|--|-------------------|-------------------------|-------------------|-------------------------|------------------------|---------------------------|
| | Book balance | Provision for bad debts | Book balance | Provision for bad debts | | |
| Owner maintenance fee | 3,750.00 | 3,750.00 | 3,750.00 | 3,750.00 | 100.00 | Recovery risk is expected |
| Jinan Red police safety technical service Co., LTD | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | 100.00 | Recovery risk is expected |
| Others | 171,553.91 | 171,553.91 | 171,553.91 | 171,553.91 | 100.00 | Recovery risk is expected |
| Total | 177,303.91 | 177,303.91 | 177,303.91 | 177,303.91 | 100.00 | – |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

9 Other receivables (CONTINUED)

9.3 Disclosure by the method of provision for bad debts (Continued)

9.3.2 Other receivables with bad debt provision based on grouping of credit risk characteristics

9.3.2.1 Related party portfolio

| Aging | Book balance | Ending balance Provision for bad debts | Provisioning ratio (%) |
|---------------|---------------------|--|---------------------------|
| Within 1 year | 853,631.08 | 2,743.27 | 0.32 |
| 1-2 years | 131,105.48 | 1,374.36 | 1.05 |
| 2-3 years | 243,894.55 | 6,532.22 | 2.68 |
| Over 3 years | 30,100.00 | 30,100.00 | 100.00 |
| Total | 1,258,731.11 | 40,749.85 | 3.24 |

9.3.2.2 Low risk portfolio

| Aging | Book balance | Ending balance Provision for bad debts | Provisioning ratio (%) |
|---------------|---------------------|--|---------------------------|
| Within 1 year | 2,859,553.51 | — | — |
| 1-2 years | 124,980.00 | — | — |
| 2-3 years | 100,500.00 | — | — |
| Over 3 years | 448,600.00 | — | — |
| Total | 3,533,633.51 | — | — |

9.3.2.3 Aging portfolio

| Aging | Book balance | Ending balance Provision for bad debts | Provisioning ratio (%) |
|---------------|-------------------|--|---------------------------|
| Within 1 year | 172,229.20 | 6,423.55 | 3.73 |
| 1-2 years | — | — | — |
| 2-3 years | — | — | — |
| Over 3 years | 400,850.00 | 400,850.00 | 100.00 |
| Total | 573,079.20 | 407,273.55 | 71.07 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

9 Other receivables (CONTINUED)

9.3 Disclosure by the method of provision for bad debts (Continued)

9.3.3 Provision for bad debts of other receivables in ECL general approach

| Provision for bad debts | Stage 1 Expected credit losses over the next 12 months | Stage 2 Lifetime expected credit losses (no credit impairment) | Stage 3 Lifetime expected credit losses (credit-impaired) | Total |
|---------------------------------------|--|---|---|------------|
| Opening balance | 9,507.47 | – | 578,153.91 | 587,661.38 |
| Opening balance in the current period | – | – | – | – |
| – Transfer into stage 2 | – | – | – | – |
| – Transfer into stage 3 | – | – | – | – |
| – Reverse into stage 2 | – | – | – | – |
| – Reverse into stage 1 | – | – | – | – |
| Accrue in the period | 37,665.93 | – | – | 37,665.93 |
| Reverse in the period | – | – | – | – |
| Transfer in the period | – | – | – | – |
| Write-off in the period | – | – | – | – |
| Other changes | – | – | – | – |
| Ending balance | 47,173.40 | – | 578,153.91 | 625,327.31 |

9.4 Provision for bad debts on other receivables accrued, recovered or reversed during the period

| Type | Opening balance | Accrue | Changes during the period | | Other changes | Ending balance |
|---|--------------------|------------------|---------------------------|------------------------|------------------|-------------------|
| | | | Recover/ Reverse | Transfer/ Write off | | |
| Provision for bad debts on an individual basis | 177,303.91 | – | – | – | – | 177,303.91 |
| Provision for bad debts on a collective basis | 410,357.47 | 37,665.93 | – | – | – | 448,023.40 |
| Including: Related party portfolio | 7,839.47 | 32,910.38 | – | – | – | 40,749.85 |
| Low risk portfolio | – | – | – | – | – | – |
| Aging portfolio | 402,518.00 | 4,755.55 | – | – | – | 407,273.55 |
| Total | 587,661.38 | 37,665.93 | – | – | – | 625,327.31 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

9 Other receivables (CONTINUED)

9.5 The situation of the top five other receivables at the end of the period, aggregated by the debtor

| Name | Nature | Ending balance | Aging | Proportion of total other receivables (%) | Provision for bad debts |
|--|--|----------------|---------------|---|-------------------------|
| Jinan affordable housing service center | Others – Agency collections and payments | 1,014,538.00 | Within 1 year | 18.30 | – |
| Jinan City construction engineering construction drawing review Co., LTD | Payments for projects | 446,178.96 | Within 1 year | 8.05 | – |
| Zibo Boshan Green Beauty Landscaping Engineering Co., LTD | Payments for projects | 400,850.00 | Over 3 years | 7.23 | 400,850.00 |
| State Grid Shandong electric power company Dongying power supply company | Security deposit | 400,000.00 | Over 3 years | 7.22 | – |
| Shandong Inzone Real Estate Co., Ltd. Zhenxing Street shopping center | Related party transactions -Security deposit | 265,022.81 | Within 1 year | 4.78 | – |
| Total | – | 2,526,589.77 | – | 45.58 | 400,850.00 |

10 Inventory

| Item | Ending balance | | | Opening balance | | |
|--------------------|----------------|-------------------|--------------|-----------------|-------------------|--------------|
| | Book balance | Inventory reserve | Book value | Book balance | Inventory reserve | Book value |
| Raw materials | 1,718,931.88 | – | 1,718,931.88 | 1,771,393.69 | – | 1,771,393.69 |
| Stock goods | 5,945,258.59 | – | 5,945,258.59 | 5,341,598.58 | – | 5,341,598.58 |
| Turnover materials | 61,400.00 | – | 61,400.00 | – | – | – |
| Total | 7,725,590.47 | – | 7,725,590.47 | 7,112,992.27 | – | 7,112,992.27 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

11 Contract Assets

11.1 Contract Assets

| Item | Book balance | Ending balance Provision for bad debts | Book value |
|----------------------------|----------------------|--|----------------------|
| Landscape greening project | 36,401,508.42 | 88,999.89 | 36,312,508.53 |
| Design service | 9,671,926.89 | 907.29 | 9,671,019.60 |
| Hardcover engineering | 12,362,602.89 | 71,968.28 | 12,290,634.61 |
| Total | 58,436,038.20 | 161,875.46 | 58,274,162.74 |

| Item | Book balance | Opening balance Provision for bad debts | Book value |
|----------------------------|----------------------|---|----------------------|
| Landscape greening project | 37,450,053.23 | 162,143.81 | 37,287,909.42 |
| Design service | 6,748,998.07 | 2,213.28 | 6,746,784.79 |
| Hardcover engineering | 17,809,616.71 | 87,936.88 | 17,721,679.83 |
| Total | 62,008,668.01 | 252,293.97 | 61,756,374.04 |

11.2 Disclosure by the method of provision for bad debts

| Type | Book balance Amount | Proportion (%) | Ending balance Provision for bad debts Amount | Provisioning ratio (%) | Book value |
|--|------------------------|-------------------|---|---------------------------|----------------------|
| Provision for bad debts on an individual basis | — | — | — | — | — |
| Provision for bad debts on a collective basis | 58,436,038.20 | 100.00 | 161,875.46 | 0.28 | 58,274,162.74 |
| Including: Related party portfolio | 44,732,380.15 | 76.55 | 115,582.60 | 0.26 | 44,616,797.55 |
| Third party projects | 13,703,658.05 | 23.45 | 46,292.86 | 0.34 | 13,657,365.19 |
| Total | 58,436,038.20 | 100.00 | 161,875.46 | 0.28 | 58,274,162.74 |

| Type | Book balance Amount | Proportion (%) | Opening balance Provision for bad debts Amount | Provisioning ratio (%) | Book value |
|--|------------------------|-------------------|--|---------------------------|----------------------|
| Provision for bad debts on an individual basis | — | — | — | — | — |
| Provision for bad debts on a collective basis | 62,008,668.01 | 100.00 | 252,293.97 | 0.41 | 61,756,374.04 |
| Including: Related party portfolio | 50,477,743.03 | 81.40 | 159,818.30 | 0.32 | 50,317,924.73 |
| Third party projects | 11,530,924.98 | 18.60 | 92,475.67 | 0.80 | 11,438,449.31 |
| Total | 62,008,668.01 | 100.00 | 252,293.97 | 0.41 | 61,756,374.04 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

11 Contract Assets (CONTINUED)

11.3 Provision for bad debts on contract assets accrued, recovered or reversed during the period

| Item | Opening balance | Accrue | Recover or Reverse | Transfer or Write off | Other changes | Ending balance |
|-------------------------|-----------------|--------|--------------------|-----------------------|---------------|----------------|
| Related party portfolio | 159,818.30 | – | 44,235.70 | – | – | 115,582.60 |
| Third party projects | 92,475.67 | – | 46,182.81 | – | – | 46,292.86 |
| Total | 252,293.97 | – | 90,418.51 | – | – | 161,875.46 |

12 Other current assets

| Item | Ending balance | Opening balance |
|----------------------------------|----------------|-----------------|
| Value-added tax credit carryover | 811,558.40 | 497,049.22 |
| Prepaid other taxes and fees | 104,653.50 | 106,174.65 |
| Total | 916,211.90 | 603,223.87 |

13 Investment properties

13.1 Investment properties measured at cost

| Item | Houses and buildings | Total |
|--|----------------------|---------------|
| I. Original cost | | |
| 1. Opening balance | 41,559,059.31 | 41,559,059.31 |
| 2. The increase in the current period | – | – |
| (1) Purchase | – | – |
| 3. The amount reduced in the current period | – | – |
| 4. Ending balance | 41,559,059.31 | 41,559,059.31 |
| II. Accumulated depreciation | | |
| 1. Opening balance | 1,784,189.52 | 1,784,189.52 |
| 2. The increase in the current period | 924,618.96 | 924,618.96 |
| (1) Provision or amortization | 924,618.96 | 924,618.96 |
| 3. The amount reduced in the current period | – | – |
| 4. Ending balance | 2,708,808.48 | 2,708,808.48 |
| III. Accumulated Impairment Losses | – | – |
| IV. Book value | | |
| 1. Book value at the end of the period | 38,850,250.83 | 38,850,250.83 |
| 2. Book value at the beginning of the period | 39,774,869.79 | 39,774,869.79 |

13.2 Investment properties for which the property rights certificate has not been completed

| Item | Book value | Reasons for not having completed the property rights certificate |
|--|---------------|--|
| Jinan Inzone Jingdu civil air defense parking spaces | 29,673,713.38 | Civil air defense parking spaces |
| Dongying City Square parking spaces | 1,972,848.49 | Being processed |
| Total | 31,646,561.87 | |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

14 Fixed assets

| Item | Ending balance | Opening balance |
|-----------------------------|----------------------|----------------------|
| Fixed assets | 49,025,988.42 | 48,738,575.11 |
| Fixed assets in liquidation | — | — |
| Total | 49,025,988.42 | 48,738,575.11 |

The situation of fixed assets

| Item | Houses and buildings | Transportation equipment | Machinery and other equipment | Total |
|--|----------------------|--------------------------|-------------------------------|---------------|
| I. Original cost | | | | |
| 1. Opening balance | 41,793,419.69 | 15,309,998.92 | 17,853,130.56 | 74,956,549.17 |
| 2. The increase in the current period | — | 1,951,998.22 | 1,395,000.47 | 3,346,998.69 |
| (1) Purchase | — | 1,951,998.22 | 1,395,000.47 | 3,346,998.69 |
| (2) Transfer from Construction in Progress | — | — | — | — |
| (3) Other Transfer | — | — | — | — |
| 3. The amount reduced in the current period | — | 12,868.91 | 511,294.34 | 524,163.25 |
| (1) Dispose of or scrap | — | 12,868.91 | 511,294.34 | 524,163.25 |
| (2) Reduction in disposal of subsidiaries | — | — | — | — |
| (3) Other Reductions | — | — | — | — |
| 4. Ending balance | 41,793,419.69 | 17,249,128.23 | 18,736,836.69 | 77,779,384.61 |
| II. Accumulated depreciation | | | | |
| 1. Opening balance | 5,285,522.04 | 9,158,497.77 | 11,773,954.25 | 26,217,974.06 |
| 2. The increase in the current period | 496,296.84 | 1,333,542.16 | 1,209,947.99 | 3,039,786.99 |
| (1) Accrue | 496,296.84 | 1,333,542.16 | 1,209,947.99 | 3,039,786.99 |
| (2) Other Transfer | — | — | — | — |
| 3. The amount reduced in the current period | — | 11,532.02 | 492,832.84 | 504,364.86 |
| (1) Dispose of or scrap | — | 11,532.02 | 492,832.84 | 504,364.86 |
| (2) Reduction in disposal of subsidiaries | — | — | — | — |
| (3) Other Reductions | — | — | — | — |
| 4. Ending balance | 5,781,818.88 | 10,480,507.91 | 12,491,069.40 | 28,753,396.19 |
| III. Accumulated Impairment Losses | — | — | — | — |
| IV. Book value | | | | |
| 1. Book value at the end of the period | 36,011,600.81 | 6,768,620.32 | 6,245,767.29 | 49,025,988.42 |
| 2. Book value at the beginning of the period | 36,507,897.65 | 6,151,501.15 | 6,079,176.31 | 48,738,575.11 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

15 Right-of-use assets

| Item | Houses and buildings | Total |
|--|----------------------|---------------------|
| I. Original cost | | |
| 1. Opening balance | 3,908,271.10 | 3,908,271.10 |
| 2. The increase in the current period | — | — |
| 3. The amount reduced in the current period | — | — |
| 4. Ending balance | 3,908,271.10 | 3,908,271.10 |
| II. Accumulated depreciation | | |
| 1. Opening balance | 2,931,203.26 | 2,931,203.26 |
| 2. The increase in the current period | 390,827.10 | 390,827.10 |
| (1) Accrue | 390,827.10 | 390,827.10 |
| 3. The amount reduced in the current period | — | — |
| 4. Ending balance | 3,322,030.36 | 3,322,030.36 |
| III. Accumulated Impairment Losses | — | — |
| IV. Book value | | |
| 1. Book value at the end of the period | 586,240.74 | 586,240.74 |
| 2. Book value at the beginning of the period | 977,067.84 | 977,067.84 |

16 Intangible assets

| Item | Software | Total |
|--|--------------|---------------------|
| I. Original cost | | |
| 1. Opening balance | 3,716,250.42 | 3,716,250.42 |
| 2. The increase in the current period | 741,300.71 | 741,300.71 |
| (1) purchase | 741,300.71 | 741,300.71 |
| 3. The amount reduced in the current period | — | — |
| 4. Ending balance | 4,457,551.13 | 4,457,551.13 |
| II. Accumulated amortization | | |
| 1. Opening balance | 3,060,669.92 | 3,060,669.92 |
| 2. The increase in the current period | 333,915.04 | 333,915.04 |
| (1) Accrue | 333,915.04 | 333,915.04 |
| 3. The amount reduced in the current period | — | — |
| 4. Ending balance | 3,394,584.96 | 3,394,584.96 |
| III. Accumulated Impairment Losses | — | — |
| IV. Book value | | |
| 1. Book value at the end of the period | 1,062,966.17 | 1,062,966.17 |
| 2. Book value at the beginning of the period | 655,580.50 | 655,580.50 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

17 Long-term deferred expenses

| Item | Opening balance | Increase in the current period | Amortization in the current period | Other reduction | Ending balance |
|--------------|-----------------|--------------------------------|------------------------------------|-----------------|----------------|
| Fit-out cost | 6,075,173.52 | 528,353.33 | 992,238.87 | – | 5,611,287.98 |
| Total | 6,075,173.52 | 528,353.33 | 992,238.87 | – | 5,611,287.98 |

18 Deferred Tax Assets and Deferred Tax Liabilities

18.1 Unoffset deferred tax assets

| Item | Ending balance | | Opening balance | |
|---------------------------------|----------------------------------|---------------------|----------------------------------|---------------------|
| | Deductible temporary differences | Deferred Tax Assets | Deductible temporary differences | Deferred Tax Assets |
| Allowance for Doubtful Accounts | 44,230,210.67 | 9,377,002.48 | 30,602,358.54 | 6,689,925.43 |
| Asset impairment provision | 161,875.46 | 33,181.31 | 252,293.97 | 54,058.47 |
| Employee benefits payable | 1,509,766.34 | 302,248.01 | 2,939,550.34 | 584,500.43 |
| Lease liabilities | 2,647,694.00 | 397,154.10 | 2,624,841.77 | 393,726.27 |
| Total | 48,549,546.47 | 10,109,585.90 | 36,419,044.62 | 7,722,210.60 |

18.2 Unoffset deferred tax liabilities

| Item | Ending balance | | Opening balance | |
|---------------------|-------------------------------|--------------------------|-------------------------------|--------------------------|
| | Taxable temporary differences | Deferred Tax Liabilities | Taxable temporary differences | Deferred Tax Liabilities |
| Right-of-use assets | 586,240.74 | 87,936.11 | 977,067.84 | 146,560.18 |
| Total | 586,240.74 | 87,936.11 | 977,067.84 | 146,560.18 |

18.3 Deferred tax assets or liabilities presented net of offsets

| Item | Offset amount of deferred tax assets and liabilities at the end of the period | Ending balance of deferred tax assets or liabilities after offset | Offset amount of deferred tax assets and liabilities at the beginning of the period | Opening balance of deferred tax assets or liabilities after offset |
|--------------------------|---|---|---|--|
| Deferred Tax Assets | 87,936.11 | 10,021,649.79 | 146,560.18 | 7,575,650.42 |
| Deferred Tax Liabilities | 87,936.11 | – | 146,560.18 | – |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

19 Short-term borrowings

| Category of borrowings | Ending balance | Opening balance |
|------------------------|---------------------|---------------------|
| Credit borrowings | 8,006,200.00 | 8,008,317.81 |
| Total | 8,006,200.00 | 8,008,317.81 |

20 Accounts payable

20.1 Accounts payable

| Item | Ending balance | Opening balance |
|--|-----------------------|-----------------------|
| Payable for project costs | 65,443,902.52 | 83,817,728.39 |
| Payable for construction | 75,560,742.63 | 72,234,232.98 |
| Payable for expenses | 1,301,259.05 | – |
| Payable for materials | 3,745,965.17 | 659,547.79 |
| Accounts payable by tentative estimate | 1,467,777.74 | 1,705,399.10 |
| Others | 4,913,716.76 | 7,410,722.77 |
| Total | 152,433,363.87 | 165,827,631.03 |

20.2 The aging analysis of accounts payable based on transaction date is as follows:

| Aging | Ending balance | Opening balance |
|---------------|-----------------------|-----------------------|
| Within 1 year | 105,171,508.54 | 119,403,058.28 |
| 1-2 years | 25,304,262.01 | 26,315,674.51 |
| 2-3 years | 12,816,100.71 | 11,887,664.11 |
| Over 3 years | 9,141,492.61 | 8,221,234.13 |
| Total | 152,433,363.87 | 165,827,631.03 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

20 Accounts payable (CONTINUED)

20.3 Important accounts payable aged over 1 year

| Name | Ending balance | Reasons for not being repaid or transferred |
|--|----------------------|---|
| Shandong Guorui Municipal Garden Engineering Co., LTD | 4,924,701.91 | unsettled |
| Qingdao Shangjing Landscape Engineering Co., Ltd. | 3,303,137.48 | unsettled |
| Qingdao Longde Municipal Landscape Construction Co., Ltd. | 2,924,534.16 | unsettled |
| Shandong Lanfeng Construction Co. LTD | 2,856,147.20 | unsettled |
| Shandong Chengfa Construction Management Co., Ltd. | 2,748,353.65 | unsettled |
| Shanghai You'an Architectural Design Co., Ltd. | 1,799,603.89 | unsettled |
| Shandong Lushang Real Estate Co., Ltd. | 1,775,791.75 | unsettled |
| Shandong Changshi Construction Engineering Co., LTD | 1,735,758.79 | unsettled |
| Shandong Fengyi landscape Engineering Co., LTD | 1,728,851.10 | unsettled |
| Shandong Huamai Ronghui Information Technology Co., Ltd. | 1,536,169.91 | unsettled |
| China Zhongyuan International Engineering Co., LTD | 1,329,005.60 | unsettled |
| Shandong Zhanhong Huashang decoration engineering Co., LTD | 1,122,566.93 | unsettled |
| Shandong urban and rural development Group Decoration Co., Ltd | 1,117,653.34 | unsettled |
| Shandong Junmao Municipal Garden Engineering Co., LTD | 1,064,592.70 | unsettled |
| Total | 29,966,868.41 | – |

21 Payments received in advance

| Type | Ending balance | Opening balance |
|--------------|-------------------|-----------------|
| Lease | 389,142.59 | 316,079.43 |
| Total | 389,142.59 | 316,079.43 |

22 Contract liabilities

| Item | Ending balance | Opening balance |
|-------------------------------|----------------------|-----------------|
| Property management fee | 58,469,712.36 | 79,092,601.23 |
| Community value-added service | 9,003,408.16 | 1,476,420.98 |
| Total | 67,473,120.52 | 80,569,022.21 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

23 Employee benefits payable

23.1 Employee benefits payable

| Item | Opening balance | Increase in the current period | Decrease in the current period | Ending balance |
|---|-----------------|--------------------------------|--------------------------------|----------------|
| Short-term benefits | 17,545,007.94 | 66,105,143.94 | 74,149,954.13 | 9,500,197.75 |
| Post-employment benefits (defined contribution plan) | 1,247,532.21 | 8,644,067.74 | 7,625,444.10 | 2,266,155.85 |
| Total | 18,792,540.15 | 74,749,211.68 | 81,775,398.23 | 11,766,353.60 |

23.2 List of short-term benefits

| Item | Opening balance | Increase in the current period | Decrease in the current period | Ending balance |
|---|-----------------|--------------------------------|--------------------------------|----------------|
| Salaries, bonuses, allowances and subsidies | 10,094,499.83 | 51,313,039.44 | 58,137,286.70 | 3,270,252.57 |
| Employee welfare expenses | – | 6,341,299.32 | 6,341,299.32 | – |
| Social insurance premiums Including: Basic medical insurance premiums | 1,035,482.88 | 3,403,286.08 | 4,032,989.54 | 405,779.42 |
| Work injury insurance | 851,416.07 | 3,366,462.12 | 3,843,976.68 | 373,901.51 |
| Housing Fund | 184,066.81 | 36,823.96 | 189,012.86 | 31,877.91 |
| Trade union funds and employee education funds | 656,535.25 | 3,763,231.62 | 3,972,646.96 | 447,119.91 |
| Short-term cumulative paid absences | 5,758,489.98 | 1,182,796.74 | 1,564,240.87 | 5,377,045.85 |
| Others | – | 101,490.74 | 101,490.74 | – |
| Total | 17,545,007.94 | 66,105,143.94 | 74,149,954.13 | 9,500,197.75 |

23.3 List of defined contribution plans

| Item | Opening balance | Increase in the current period | Decrease in the current period | Ending balance |
|----------------------------------|-----------------|--------------------------------|--------------------------------|----------------|
| Basic pension insurance | 1,197,806.92 | 6,756,508.70 | 7,313,640.18 | 640,675.44 |
| Unemployment insurance premiums | 49,725.29 | 278,270.20 | 311,803.92 | 16,191.57 |
| Enterprise annuity contributions | – | 1,609,288.84 | – | 1,609,288.84 |
| Total | 1,247,532.21 | 8,644,067.74 | 7,625,444.10 | 2,266,155.85 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

24 Taxes payable

| Item | Ending balance | Opening balance |
|--|---------------------|---------------------|
| VAT | 1,658,428.32 | 1,598,751.88 |
| Corporate income tax | 5,211,762.97 | 3,644,673.54 |
| Urban maintenance and construction tax | 167,184.14 | 174,304.06 |
| Education surcharge | 74,220.81 | 78,184.47 |
| Local education surcharge | 46,418.47 | 49,060.86 |
| Personal Income Tax | 47,903.23 | 65,311.21 |
| Property tax | 28,835.50 | 124,300.23 |
| Land use tax | 581.22 | 581.22 |
| Stamp duty | 454.20 | 13,513.31 |
| Employment security for the disabled | 22,368.32 | 22,368.32 |
| Total | 7,258,157.18 | 5,771,049.10 |

25 Other payables

| Item | Ending balance | Opening balance |
|-------------------|----------------------|----------------------|
| Dividends payable | 24,614,460.00 | 10,213,740.00 |
| Other payables | 51,545,137.87 | 49,454,437.43 |
| Total | 76,159,597.87 | 59,668,177.43 |

25.1 Dividends payable

| Item | Ending balance | Opening balance |
|------------------------|----------------------|----------------------|
| Common stock dividends | 24,614,460.00 | 10,213,740.00 |
| Total | 24,614,460.00 | 10,213,740.00 |

Note: Of the aforementioned dividends payable, 10,213,740.00 yuan have remained unpaid for over one year, these are primarily dividends payable due to the controlling shareholder, Lushang Freda Pharmaceutical Co., LTD., which has not yet requested payment.

25.2 Other payables

25.2.1 Other payables presented by the nature

| Nature of payment | Ending balance | Opening balance |
|---|----------------------|----------------------|
| Deposit and security deposit | 30,014,908.38 | 28,084,358.15 |
| Advanced payments of others | 1,081,376.28 | 1,275,996.35 |
| Escrow funds | 9,422,820.36 | 8,553,839.88 |
| Funds for the Party's organizational work | 1,705,541.08 | 1,738,150.24 |
| Public maintenance funds | 1,881,301.03 | 2,555,731.04 |
| Energy fees | 612,592.55 | 1,301,186.49 |
| Intermediary fees | 4,288,656.76 | 4,354,918.26 |
| Others | 2,537,941.43 | 1,590,257.02 |
| Total | 51,545,137.87 | 49,454,437.43 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

25 Other payables (CONTINUED)

25.2 Other payables (Continued)

25.2.2 Important other payables aged over 1 year

| Name | Ending balance | Reasons for not being repaid or transferred |
|--|---------------------|---|
| Toppan Merrill Financial printing Co., LTD | 4,288,656.76 | unsettled |
| Total | 4,288,656.76 | – |

26 Current portion of non-current liabilities

| Item | Ending balance | Opening balance |
|-------------------------------------|---------------------|-----------------|
| Lease liabilities due within 1 year | 2,647,694.00 | 2,624,841.77 |
| Total | 2,647,694.00 | 2,624,841.77 |

27 Other current liabilities

| Item | Ending balance | Opening balance |
|--|----------------------|-----------------|
| Payments of negotiable instruments endorsed but not yet derecognized | 6,303,755.79 | 13,886,175.22 |
| Pending output VAT | 4,056,081.94 | 4,799,117.78 |
| Total | 10,359,837.73 | 18,685,293.00 |

28 Lease liabilities

| Item | Ending balance | Opening balance |
|---|----------------|-----------------|
| Within 1 year | 2,651,668.60 | 2,651,668.60 |
| 1-2 years | – | – |
| 2-3 years | – | – |
| 3-4 years | – | – |
| Subtotal of lease payments | 2,651,668.60 | 2,651,668.60 |
| Less: Unrecognized financing costs | 3,974.60 | 26,826.83 |
| Present value of lease payments | 2,647,694.00 | 2,624,841.77 |
| Less: Lease liabilities due within 1 year | 2,647,694.00 | 2,624,841.77 |
| Total | – | – |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

29 Share capital

| Item | Opening balance | Issue new shares | Bonus shares | Increase or decrease during the period | | Subtotal | Ending balance |
|------------------------|-----------------|------------------|--------------|--|-------|----------|----------------|
| | | | | Reserves transfer into Shares | Other | | |
| Total number of shares | 133,340,000.00 | – | – | – | – | – | 133,340,000.00 |

30 Capital reserves

| Item | Opening balance | Increase in the current period | Decrease in the current period | Ending balance |
|---------------------------------|-----------------|--------------------------------|--------------------------------|----------------|
| Capital surplus (share premium) | 213,924,223.38 | – | – | 213,924,223.38 |
| Total | 213,924,223.38 | – | – | 213,924,223.38 |

31 Surplus Reserve

| Item | Opening balance | Increase in the current period | Decrease in the current period | Ending balance |
|---------------------------|-----------------|--------------------------------|--------------------------------|----------------|
| Statutory surplus reserve | 16,964,526.57 | – | – | 16,964,526.57 |
| Total | 16,964,526.57 | – | – | 16,964,526.57 |

32 Retained earnings

| Item | Current period | Previous period |
|--|-----------------------|-----------------|
| Retained earnings at the end of the previous period before adjustment | 200,618,239.78 | 159,487,525.92 |
| Total retained earnings adjustments at the beginning of the period (increase +, decrease -) | – | – |
| Including: Retrospective Adjustments due to Accounting Standards for Business Enterprises and related new requirements | – | – |
| Changes in accounting policies | – | – |
| Corrections of material prior period errors | – | – |
| Business combinations under common control | – | – |
| Other reasons | – | – |
| The adjusted retained earnings at the beginning of the period | 200,618,239.78 | 159,487,525.92 |
| Add: Net profit attributable to the parent company's shareholders for the period | 16,034,324.40 | 21,666,723.76 |
| Less: Appropriation to statutory surplus reserve | – | – |
| Appropriation to arbitrary surplus reserve | – | – |
| Common stock dividends | 14,400,720.00 | – |
| Common stock dividends transferred to share capital | – | – |
| Retained earnings at the end of the period | 202,251,844.18 | 181,154,249.68 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

33 Operating revenue and operating costs

33.1 Operating revenue and operating costs

| Item | Amount in the current period | | Amount in the previous period | |
|----------------|------------------------------|-----------------------|-------------------------------|----------------|
| | Revenue | Cost | Revenue | Cost |
| Main business | 293,378,617.21 | 231,625,788.79 | 308,043,060.62 | 247,928,049.85 |
| Other business | 471,011.58 | 166,151.34 | 506,222.80 | 166,151.34 |
| Total | 293,849,628.79 | 231,791,940.13 | 308,549,283.42 | 248,094,201.19 |

33.2 The situation of the revenue generated by the contract

| Contract classification | Amount in the current period | | Total |
|---|------------------------------|-------------------|-----------------------|
| | Main business | Other business | |
| Service type | | | |
| Including: Property management services | 181,931,948.00 | 395,095.76 | 182,327,043.76 |
| Community value-added services | 64,317,039.20 | 75,915.82 | 64,392,955.02 |
| Value-added services to non-property owners | 47,129,630.01 | – | 47,129,630.01 |
| Classified by operating area | | | |
| Including: China | 293,378,617.21 | 471,011.58 | 293,849,628.79 |
| Classification by the time of the transfer of services | | | |
| Including: Transfer at a point in time | 59,642,576.04 | 75,915.82 | 59,718,491.86 |
| Transfer overtime | 233,736,041.17 | 395,095.76 | 234,131,136.93 |
| Total | 293,378,617.21 | 471,011.58 | 293,849,628.79 |

| Contract classification | Amount in the previous period | | Total |
|---|-------------------------------|-------------------|-----------------------|
| | Main business | Other business | |
| Service type | | | |
| Including: Property management services | 165,012,712.04 | 506,222.80 | 165,518,934.84 |
| Community value-added services | 67,292,353.35 | – | 67,292,353.35 |
| Value-added services to non-property owners | 75,737,995.23 | – | 75,737,995.23 |
| Classified by operating area | | | |
| Including: China | 308,043,060.62 | 506,222.80 | 308,549,283.42 |
| Classification by the time of the transfer of services | | | |
| Including: Transfer at a point in time | 63,491,416.32 | – | 63,491,416.32 |
| Transfer overtime | 244,551,644.30 | 506,222.80 | 245,057,867.10 |
| Total | 308,043,060.62 | 506,222.80 | 308,549,283.42 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

34 Taxes and surcharges

| Item | Amount in the current period | Amount in the previous period |
|--|------------------------------|-------------------------------|
| Urban maintenance and construction tax | 721,943.28 | 710,817.26 |
| Education surcharge | 313,978.82 | 308,449.10 |
| Local education surcharge | 209,410.99 | 205,632.76 |
| Stamp duty | 35,164.71 | 58,313.73 |
| Property tax | 336,763.72 | 612,903.34 |
| Land use tax | 17,179.74 | 12,597.36 |
| Environmental protection tax | 725.71 | 862.59 |
| Vehicle and vessel use tax | 360.00 | 1,888.46 |
| Total | 1,635,526.97 | 1,911,464.60 |

35 Administrative expenses

| Item | Amount in the current period | Amount in the previous period |
|------------------------------------|------------------------------|-------------------------------|
| Employee benefits | 16,935,046.24 | 16,085,790.79 |
| Intermediary fees | 1,116,680.07 | 3,393,418.65 |
| Depreciation and amortization | 1,518,429.58 | 1,582,198.21 |
| Information technology service fee | 1,560,927.00 | – |
| Travel expenses | 680,262.23 | 480,275.13 |
| Service charge | 351,941.05 | 471,204.35 |
| Office expenses | 406,037.72 | 413,812.59 |
| Business entertainment expenses | 231,652.62 | 303,883.27 |
| Network communication fee | 72,672.23 | 76,586.13 |
| Lease cost | 1,045,711.56 | 12,163.10 |
| Others | 828,467.95 | 752,871.22 |
| Total | 24,747,828.25 | 23,572,203.44 |

36 R&D expenses

| Item | Amount in the current period | Amount in the previous period |
|-------------------------------|------------------------------|-------------------------------|
| Outsourced R&D | 427,336.06 | – |
| Employee benefits | 3,027,983.00 | 2,463,604.88 |
| Depreciation and amortization | 55,875.90 | – |
| Others | 19,588.33 | – |
| Total | 3,530,783.29 | 2,463,604.88 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

37 Finance expenses

| Item | Amount in the current period | Amount in the previous period |
|-------------------------|------------------------------|-------------------------------|
| Interest expenses | 152,878.89 | 119,646.17 |
| Less: Interest income | 3,228,254.72 | 3,124,338.97 |
| Plus: Exchange losses | -65,899.51 | 30,551.18 |
| Bank charges and others | 551,721.89 | 684,772.49 |
| Total | -2,589,553.45 | -2,289,369.13 |

38 Other income

| Sources of other income | Amount in the current period | Amount in the previous period |
|---|------------------------------|-------------------------------|
| Government grants | 100,119.66 | 316,639.08 |
| Military personnel and veteran's relief | 42,750.00 | 74,215.88 |
| VAT additional deduction | 3,000.00 | 12,580.31 |
| Refund of charges for personal income taxes | 14,486.13 | 24,539.34 |
| Re-employment tax incentives and deductions | 5,262.92 | 3,900.00 |
| Total | 165,618.71 | 431,874.61 |

39 Income from investments

| Item | Amount in the current period | Amount in the previous period |
|---|------------------------------|-------------------------------|
| Investment income from disposal of long-term equity investments | — | -379,945.42 |
| Total | — | -379,945.42 |

40 Credit impairment losses

| Item | Amount in the current period | Amount in the previous period |
|--------------------------------------|------------------------------|-------------------------------|
| Bad debt loss on accounts receivable | -13,695,557.79 | -7,014,882.01 |
| Bad debt loss on other receivables | -37,665.93 | -71,359.21 |
| Bad debt loss on notes receivable | 105,371.59 | -72,661.97 |
| Total | -13,627,852.13 | -7,158,903.19 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

41 Impairment losses on assets

| Item | Amount in the current period | Amount in the previous period |
|--------------------------------------|------------------------------|-------------------------------|
| Impairment losses of contract assets | 90,418.51 | -203,624.53 |
| Total | 90,418.51 | -203,624.53 |

42 Non-operating income

| Item | Amount in the current period | Amount in the previous period | Amount included in non-recurring gains and losses for the current period |
|--|------------------------------|-------------------------------|--|
| Gains from scrapping of non-current assets | – | 450.00 | – |
| Government grants | – | 1,520,000.00 | – |
| Others | 4,506.97 | 3,749.05 | 4,506.97 |
| Total | 4,506.97 | 1,524,199.05 | 4,506.97 |

43 Non-operating expenses

| Item | Amount in the current period | Amount in the previous period | Amount included in non-recurring gains and losses for the current period |
|---|------------------------------|-------------------------------|--|
| Losses from scrapping of non-current assets | 19,798.39 | 15,267.30 | 19,798.39 |
| Donation | – | 1,000.00 | – |
| Overdue payment penalties | 236.96 | 97,812.01 | 236.96 |
| Fines | 80,000.00 | – | 80,000.00 |
| Other | – | 76.87 | – |
| Total | 100,035.35 | 114,156.18 | 100,035.35 |

44 Income tax expense

44.1 Income tax expense

| Item | Amount in the current period | Amount in the previous period |
|---|------------------------------|-------------------------------|
| Current income tax expense in accordance with tax codes | 7,723,040.29 | 8,072,056.63 |
| which includes: corporate income tax in mainland China | 7,723,040.29 | 8,072,056.63 |
| Deferred Income Taxes expense | -2,445,999.37 | -1,103,707.45 |
| Total | 5,277,040.92 | 6,968,349.18 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

44 Income tax expense (CONTINUED)

44.2 The process of adjusting from accounting profit to income tax expense

| Item | Amount in the current period |
|---|------------------------------|
| Consolidated profit before tax | 21,265,760.31 |
| Income tax expense at statutory/applicable tax rate | 5,316,440.08 |
| Effect of different tax rates applied to subsidiaries | -75,692.85 |
| Effect of adjusting income tax for previous periods | 195,189.31 |
| Effect of non-deductible costs, expenses and losses | 375,259.67 |
| Effect of using Trade Union Funds and Employee Education Funds for which no Deferred Tax Assets were recognized in prior periods | -114,333.63 |
| Effect of additional deductions for research and development expenses | -419,821.66 |
| Effect of adjustments of investment income recognized under the equity method or investment income at the consolidation level upon the disposal of subsidiaries | — |
| Changes in the opening balances of deferred tax assets/liabilities due to changes in tax rates | — |
| Effect of additional deductions for the disabled | — |
| Income tax expense | 5,277,040.92 |

45 Cash flow statement items

45.1 Cash flows from operating activities

45.1.1 Other cash receipts relating to operating activities

| Item | Amount in the current period | Amount in the previous period |
|---|------------------------------|-------------------------------|
| Receipts of current accounts and others | 56,591,728.04 | 21,824,816.22 |
| Government grants | 100,119.66 | 1,836,639.08 |
| Interest income | 2,112,981.53 | 1,554,711.97 |
| Total | 58,804,829.23 | 25,216,167.27 |

45.1.2 Other cash payments relating to operating activities

| Item | Amount in the current period | Amount in the previous period |
|--|------------------------------|-------------------------------|
| Payments of current accounts and others | 54,903,643.98 | 30,299,493.04 |
| Cash payments for administrative expenses or R&D | 6,741,276.82 | 5,905,984.35 |
| Cash payments for finance expenses | 551,721.89 | 684,772.49 |
| Non-operating expenses | 80,236.96 | 98,888.88 |
| Total | 62,276,879.65 | 36,989,138.76 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

45 Cash flow statement items (CONTINUED)

45.2 Cash flows from financing activities

45.2.1 Other cash payments relating to financing activities

| Item | Amount in the current period | Amount in the previous period |
|--|------------------------------|-------------------------------|
| Lease payments made | – | 140,610.79 |
| Payment for the consideration in a business combination under common control | – | 4,878,300.00 |
| Total | – | 5,018,910.79 |

46 Supplementary information on cash flow statement

46.1 Supplementary information on cash flow statement

| Item | Amount in the current period | Amount in the previous period |
|---|------------------------------|-------------------------------|
| 1. Reconciliation of net profit to cash flow from operating activities: | – | – |
| Net profit | 15,988,719.39 | 21,928,273.60 |
| Add: Impairment losses on assets | -90,418.51 | 203,624.53 |
| Credit impairment losses | 13,627,852.13 | 7,158,903.19 |
| Depreciation of fixed assets and right-of-use assets, depletion of oil and gas assets, depreciation of productive biological assets | 4,355,233.05 | 4,333,155.68 |
| Amortization of intangible assets | 333,915.04 | 475,772.02 |
| Amortization of long-term deferred expenses | 992,238.87 | 468,432.22 |
| Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are listed with "-") | – | – |
| Losses on scrapping of fixed assets (gains are listed with "-") | 19,798.39 | 14,817.30 |
| Loss from changes in fair value (gains are listed with "-") | – | – |
| Finance expenses (gains are listed with "-") | 86,979.38 | 150,197.35 |
| Investment losses (gains are listed with "-") | 379,945.42 | – |
| Decrease in Deferred Tax Assets (increase is listed with "-") | -2,445,999.37 | -1,103,707.45 |
| Increase in Deferred Tax Liabilities (decrease is listed with "-") | – | – |
| Decrease in inventory (increase is listed with "-") | -612,598.20 | -12,329,951.98 |
| Decrease in operating receivables (increase is listed with "-") | -20,012,989.25 | -51,438,051.85 |
| Increase in operating payables (decrease is listed with "-") | -40,135,389.49 | -23,144,511.69 |
| Other | – | – |
| Net cash flow from operating activities | -27,892,658.57 | -52,903,101.66 |
| 2. Significant investing and financing activities that do not involve cash receipts and payments: | | |
| Debt to capital | – | – |
| Convertible corporate bonds maturing within one year | – | – |
| Fixed assets acquired through finance lease | – | – |
| 3. Net change in cash and cash equivalents: | | |
| Ending balance of cash | 395,256,357.49 | 385,008,886.56 |
| Less: opening balance of cash | 425,171,708.53 | 412,094,874.66 |
| Add: ending balance of cash equivalents | – | – |
| Less: opening balance of cash equivalents | – | – |
| Net increase in cash and cash equivalents | -29,915,351.04 | -27,085,988.10 |

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

46 Supplementary information on cash flow statement (CONTINUED)

46.2 Composition of cash and cash equivalents

| Item | Ending balance | Opening balance |
|--|----------------|-----------------|
| Cash | 395,256,357.49 | 385,008,886.56 |
| Of which: cash on hand | 5,130.00 | 8,827.65 |
| Deposits that can be used for payment at any time | 395,251,227.49 | 385,000,058.91 |
| Cash equivalents | — | — |
| Balance of cash and cash equivalents at the end of the period | 395,251,227.49 | 385,008,886.56 |
| Of which: cash and cash equivalents restricted in use by the parent company or subsidiaries in the Group | — | — |

47 Monetary items of foreign currency

| Item | Ending balance in foreign currency | Exchange rate | Ending balance translated into RMB |
|----------------|------------------------------------|---------------|------------------------------------|
| Monetary funds | — | — | 23,052.97 |
| Of which: HKD | 25,278.76 | 0.91195 | 23,052.97 |
| Other payables | — | — | 4,288,656.76 |
| Of which: HKD | 4,702,732.34 | 0.91195 | 4,288,656.76 |

48 Leasing

48.1 The Group as the lessee

| Item | Amount in the current period |
|---|------------------------------|
| Interest expenses on lease liabilities | 22,852.23 |
| Short-term lease expenses recognised in profit or loss using the simplified approach | 1,669,761.56 |
| Lease expenses for low-value assets (other than short-term leases) recognised in profit or loss using the simplified approach | — |
| The expenses relating to variable lease payments not included in the measurement of lease liabilities | — |
| Total cash outflows for leases | 1,695,109.13 |

48.2 The Group as the lessor

48.2.1 Operating leases of the Group as lessor

| Item | Lease revenue | Of which: Revenue related to variable lease payments not included in the lease receivables |
|------------------|---------------|--|
| Property leasing | 751,007.00 | — |
| Vehicle leasing | 43,582.09 | — |
| Total | 794,589.09 | — |

48.2.2 Finance leases of the Group as lessor

None.

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1 January 2025 to 30 June 2025

(All amounts in the notes are presented in RMB yuan unless otherwise specified.)

49 Events after the balance sheet date

49.1 Capital Increase of Subsidiaries

| Item | Content |
|--|--|
| Capital increase by Shandong Commercial Real Estate Development Co., Ltd. in Shandong Blue Shore garden engineering Co., LTD, a wholly-owned subsidiary of the Company | <p>On March 21, 2025, the Company held a board meeting and approved "the Proposal on the Capital Increase of Shandong Blue Shore garden engineering Co., LTD by Shandong Commercial Real Estate Development Co., Ltd.". In order to meet the requirement that the registered capital of the wholly-owned subsidiary Shandong Blue Shore garden engineering Co., LTD (hereinafter referred to as "Blue Shore garden") should be no less than RMB40 million for the application of the Second-level Qualification of General Contracting for Municipal Public Works, and to expand its business scope and enhance its profitability, the Company intends to agree to the investment of Shandong Commercial Real Estate Development Co., Ltd. (hereinafter referred to as "Commercial Real Estate") in Blue Shore garden.</p> <p>After this capital increase, the registered capital of Blue Shore garden will be increased to RMB40.82 million, of which the new registered capital is RMB20.82 million. The investment price is based on the appraised net asset value of Blue Shore garden as of August 31, 2024, which is RMB34.8878 million. Commercial Real Estate will invest RMB36.32 million in Blue Shore garden, of which RMB20.82 million will be counted as paid-in capital and RMB15.5 million will be counted as capital reserve. After the capital increase, Commercial Real Estate will hold 51% of the equity of Blue Shore garden. Since the investor Commercial Real Estate is under the control of Shandong Commercial Group Co., LTD together with the Company, this transaction constitutes a related party transaction.</p> <p>On July 1, 2025, the full capital contribution of Commercial Real Estate was completed. On July 2, 2025, a shareholders' meeting was convened and a new set of articles of association was adopted. On July 14, 2025, the registration of the shareholders' changes was completed.</p> |

Except for the above-mentioned events after the balance sheet date, as of the date of approval of the financial report, the Group has no other material events after the balance sheet date that should be but have not been disclosed.