

2025
INTERIM REPORT

DESUN

FLOW LIFE

DESUN 德商产投服务

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德 商 产 投 服 务 集 团 有 限 公 司
DESUN REAL ESTATE INVESTMENT SERVICES GROUP CO., LTD.

(incorporated in the Cayman Islands with limited liability)

Stock Code : 2270



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DEFINITIONS

“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“CEO” or “Chief Executive Officer”	chief executive officer of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, but for the purpose of this report and for geographical reference only and except where the context requires otherwise, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company” or “our Company” or “Desun Real Estate Investment”	Desun Real Estate Investment Services Group Co., Ltd. (德商產投服務集團有限公司) (formerly known as Desun Real Estate Investment Services Limited), an exempted company incorporated in the Cayman Islands with limited liability on 10 December 2020
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, unless the context requires otherwise, refers to Mr. Zou Kang, Ms. Zou Jian, Sky Donna and Pengna Holding
“Desun Group”	Companies in which Mr. Zou Kang has control or joint control, and has significant influence
“Director(s)”	the directors of the Company
“Global Offering”	the Hong Kong public offering and the international offering of the Shares
“Green Real Estate”	Sichuan Desun Smart Green Real Estate Co., Ltd.* (四川德商智慧綠色置業有限公司), a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company, which is principally engaged in construction project management business
“Group”, “our Group”, “our”, “we”, “us” or “Desun Real Estate Investment Group”	the Company and its subsidiaries from time to time
“HK\$” or “HKD”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the shares on the Main Board of the Stock Exchange
“Listing Date”	17 December 2021, being the date of listing of the shares of the Company on the Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Nomination Committee”	the nomination committee of the Board
“Pengna Holding”	Pengna Holding Limited, a company incorporated in the BVI on 4 December 2020 with limited liability, which is wholly owned by Ms. Zou Jian
“Pre-IPO Share Option”	the options granted under the Pre-IPO Share Option Scheme
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme effective as of 27 April 2021
“Prospectus”	the prospectus of the Company dated 30 November 2021
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the period for the six months ended 30 June 2025
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares in the share capital of our Company with a nominal value of USD0.0001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Sky Donna”	Sky Donna Holding Limited, a company incorporated in the BVI on 4 December 2020 with limited liability, which is wholly owned by Mr. Zou Kang and is one of the Controlling Shareholders
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States
“value-added services”	including value-added services provided to property owners, tenants and non-property owners
“Zhongneng”	Chengdu Zhongneng Property Management Company Limited* (成都中能物業管理有限責任公司), a company incorporated with limited liability in the PRC on 16 May 2006 and an indirect wholly owned subsidiary of our Company
“Zhongneng Group”	Zhongneng and its subsidiary

* Certain amounts and percentage figures included in this interim report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Director

Mr. Zou Kang

Executive Directors

Mr. Zhang Zhicheng

(Chairman and Chief Executive Officer)

Ms. Wan Hong

Mr. Liu Jun

Mr. Shao Jiazhen

Ms. Zhu Na

Independent Non-executive Directors

Mr. Fang Liqiang

Mr. Chen Di

Mr. Yan Hong

AUDIT COMMITTEE

Mr. Yan Hong *(Chairman)*

Mr. Chen Di

Mr. Fang Liqiang

REMUNERATION COMMITTEE

Mr. Fang Liqiang *(Chairman)*

Mr. Yan Hong

Ms. Wan Hong

NOMINATION COMMITTEE

Mr. Zhang Zhicheng *(Chairman)*

Mr. Fang Liqiang

Mr. Chen Di

AUTHORISED REPRESENTATIVES

Ms. Wan Hong

Ms. Ng Ka Man

JOINT COMPANY SECRETARIES

Ms. Wan Hong

Ms. Ng Ka Man *(ACG, HKACG)*

REGISTERED OFFICE

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 1803, Block A

Desun International

No. 1480 North Section of Tianfu Avenue

High-tech Industrial Development Zone

Chengdu

China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716

17th Floor, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

CORPORATE INFORMATION

AUDITOR

BDO Limited

Registered Public Interest Entity Auditor

25th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

LEGAL ADVISERS

As to Hong Kong law:

Jingtian & Gongcheng LLP

Suites 3203–3207, 32/F, Edinburgh Tower

The Landmark

15 Queen's Road Central

Hong Kong

PRINCIPAL BANKERS

China CITIC Bank, Chengdu Branch

China Construction Bank, Chengdu Third Branch

Industrial and Commercial Bank of China,

Chengdu Branch

COMPANY'S WEBSITE

www.desunhui.com

STOCK CODE

2270

DATE OF LISTING

17 December 2021

CHAIRMAN'S STATEMENT

Dear Shareholders,

Time has passed the halfway mark, yet our strides remain unwavering. On the occasion of the mid-2025 period, the Board of Desun Real Estate Investment Services Group is pleased to present the Group's operational results and development progress for the first half of the year. Faced with the deepening industry transformation and emerging market opportunities, the Group has consistently anchored itself to the goal of "becoming a leader in China's urban asset operation industry". Guided by our three core philosophies and grounded in our three product lines, and powered by technological innovation, we have sought breakthroughs amidst stability and pursued growth through change. While creating value for Shareholders, we remain committed to our founding aspiration of "creating a better life".

I. GROUNDING DEVELOPMENT IN A FOUNDATION OF PHILOSOPHIES

Throughout the first half of 2025, the Group consistently integrated its "Customer Philosophy, Employer Philosophy and Partnership Philosophy" across the entire business chain, injecting profound momentum into our business development.

We adhere to the customer philosophy of "Being User-centric, creating value for customers and delivering tangible benefits". From service design to implementation, every initiative is centered around genuine user needs — the thoughtful details in the community's "Neighbourhood Hubs (有鄰生活館)" and the precise matching of enterprise-specific service packages in the Digital Economy Industrial Park all stem from the relentless pursuit of an exceptional "user experience".

We uphold the employer philosophy that "employees are the valuable assets of Desun Real Estate Investment, and Desun Real Estate Investment is a stage for all employees to showcase their talents and a platform for mutual growth and success". By upgrading the training curriculum system and implementing innovation mechanisms, we stimulate the team's creativity and execution capabilities. A team that "is competent in management, proficient in operations, customer-oriented, team-spirited, communicative and upholds integrity" is becoming the backbone of the Group's development.

We practice the partnership philosophy of "coexistence and sharing, mutual respect, mutual trust and understanding, and attentiveness to the concerns of our partners". The Group officially launched the Partner Evaluation System, enabling property owners to evaluate partners' services and accomplishing the service strategy of "extending customer evaluation rights through the supply chain". Through the flywheel effect of "Owner Recognition → Commercial Return → Service Upgrade", we are building a sustainable value co-creation chain.

II. BUILDING PRODUCT-CENTRIC VALUE SCENARIOS THROUGH DEDICATED CULTIVATION

The three core product systems — Commercial-Industrial Complex, Digital Economy Industrial Park and Commercial Residential Communities — serve as the Group's comprehensive vehicles for empowering urban development. During the Reporting Period, the Group focused on "resource integration, in-depth operations, and service transformation" to drive each product line towards higher quality development.

CHAIRMAN'S STATEMENT

Real Estate Business Complex: Effective Resource Integration

Leveraging the strategic cooperation with Shanghai Lingang Digital Innovation Company* (上海臨港數創公司) (Lingang Digital Innovation is a wholly owned subsidiary of Lingang Group, an integrated innovation ecosystem service provider and master operator of industrial parks in China), we continued to deepen our resource integration capabilities. Based on its parent's eight cutting-edge industrial systems, Lingang Digital Innovation utilizes its multi-industry resource advantages to assist Desun Real Estate Investment in attracting target enterprises for the Real Estate Business Complex. Desun Real Estate Investment Services Group also accelerated the transition of these complexes from "space carriers" into "urban vitality engines" leveraging its carrier operation and local service capabilities in Chengdu.

Digital Economy Industrial Park: Fostering an Ecosystem through In-Depth Operations

In the first half of the year, the Group officially launched the "Qidian Venture Alliance (奇點創業聯盟)". Relying on partners' industrial service capabilities and integrating a network of 4,000+ corporate customers, we jointly promoted collaborative innovation in "policy + technology + capital", constructing a new industrial service ecosystem for Desun Real Estate Investment. This provides full-chain industrial services for the parks managed by Desun Real Estate Investment and relevant enterprises.

Human-Centric Service Communities: Service Transformation Breaking Boundaries

The Group resolutely advanced in-depth property management transformation by comprehensively phasing out traditional property center front desks and replacing them with 23 "Neighbourhood Hubs (有鄰生活館)". Here, there are no counters, only face-to-face conversations over tea; no rigid procedures, only customized service menus based on need. In the meantime, we are continuing to develop the "Desun Community Hub" initiative, using innovative methods like "interest-based community interactions" truly "eliminate the distance between service providers and customers, and between customers themselves".

III. POWERED BY INNOVATION, ACCELERATING INTELLIGENT TRANSFORMATION

Embracing AI and digital intelligence has become a strategic pivot for enhancing the Group's core competitiveness. During the Reporting Period, the Group exerted efforts simultaneously on "external empowerment" and "internal innovation", and truly embedded technology into services and reshaping value.

Externally, we focused on cutting-edge fields such as embodied intelligent robots, making an investment in Annu Intelligent* (安努智能)—a technology company focused on the scenario application and mass production solutions of embodied AI robots. Leveraging their advanced technology, both parties will keep exploring the deep application of AI robots in service scenarios. Internally, utilizing advanced intelligent tools like the "AI Butler (AI管家)" and "AI Assistant (AI小助手)", the Group is working to train and solidify high-quality customer service experience into algorithmic models. This ensures a fully closed-loop process from service entry to event classification, work order identification, processing and closure, enabling automatic work order routing and ensuring employees to provide better customer service. Furthermore, we established a group-wide data management framework, clarifying responsibilities and division of labor for information architecture, data generation, data application and data quality, thereby continuously optimizing and enhancing digital intelligence levels across operations, services and decision-making. AI operations and digital intelligent transformation are not merely tool upgrades but also fundamental support for "enabling professionals to deliver more meaningful work".

CHAIRMAN'S STATEMENT

IV. USER-CENTRICITY: OPERATIONS ACTIVATING COMMUNITIES

User operations are the link connecting products and value. During the Reporting Period, the “Desun Youlin Community Hub” continued its operations. Currently, over 100 communities are active, and more than 300 community events were hosted. Large-scale events such as carnivals, basketball leagues, and table tennis & badminton tournaments attracted over 3,000 participants. Transforming communities into “warm living communities”, more and more owners are transitioning from “community residents” to “co-builders of life”. This is a vivid practice of “connecting each other through passion”.

V. LOOKING AHEAD: STEADFAST IN DIRECTION, MOVING TOWARDS THE NEW

In the future, the Group will keep focusing on three main priorities: first, deepening the diversified value ecosystem by building on the three core product lines — Commercial — Industrial Complex, Digital Economy Industrial Park, and Commercial Residential Communities — and collaborating with high-quality resource partners to develop full-chain asset solutions centered on “investment development, asset operation and property services”. This will continuously expand the value boundaries of urban asset services. Second, increasing investment and application of AI and digital intelligence to create an “algorithm-driven” management hub, enabling refined management and improving operational efficiency to consistently empower business and decision-making. Concurrently, we will stay at the forefront of technology to provide customers with more intelligent and high-quality services. Third, we will upgrade the user operation system to build a closed-loop user ecosystem integrating of “online communities + offline activities + value-added services” and transform “traffic” into “retention” and elevate “users” into “assets”.

The Group firmly believes that with philosophy as foundation, products as connection, and innovation as power, Desun Real Estate Investment will keep leading the way in the urban asset operation sector, and creating greater value for Shareholders, users and society.

Zhang Zhicheng

Chairman, Chief Executive Officer and Executive Director

Chengdu, 28 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

Since 2021, China's real estate market has undergone structural recalibration. Amid rationally controlled land supply, the primary market has sustained contraction, while the property management sector's growth momentum has moderated, driving an industry-wide strategic pivot from "quantity-driven expansion" to "efficiency-focused refinement". According to data released by the China Index Academy, it is expected that the total managed area of the national property management industry will further increase to approximately 38 billion sq.m. by 2029. This indicates that despite the inevitable transition to a stock-asset dominated era, the property management industry retains substantial growth headroom and market resilience.

The 2025 Government Work Report for the first time elevated the development of "safe, comfortable, eco-conscious and smart 'Premium Housing'" to a national strategy, with such "Premium Housing" naturally requiring "Premium Services" that consequently raises standards for the property management industry. Property enterprises are now breaking through the traditional "Four Guarantees and One Service" (四保一服) operational boundaries to transit towards comprehensive lifecycle asset management services, abandoning extensive development models while focusing on core regions and deepening specialized services to achieve value-driven, high-quality development.

At the same time, amid rapid technological advancement, the deep integration of property management and technology has emerged as an irreversible trend, serving as the critical solution for property management companies to reduce costs, enhance efficiency, improve service quality and overcome industry challenges. A growing number of property management companies, empowered by AI technologies, are achieving multi-dimensional improvements including optimised energy management, elevated operational efficiency, intelligent work order processing and precise risk prediction. In addition, some property management companies are exploring cross-industry technological applications, actively developing innovative use scenario in emerging fields such as the low-altitude economy and embodied intelligent robots.

While short-term cyclical fluctuations in the real estate market have exerted some downward pressure on the industry's growth rate, the property management industry is ultimately establishing a new high-quality development model through dynamic balance between scale and quality, driven by continuous innovation in service models, increasing penetration in existing stock markets and supportive policy guidance.

BUSINESS REVIEW

During the Reporting Period, the Group maintained its strategic focus as an urban core asset operator, achieving stable business growth amid industry-wide structural adjustments through its three core business segments of property services, asset operation services and investment and development, with total revenue for the first half of 2025 increased by 12.3% period-on-period. Meanwhile, relying on its three core product lines of commercial-industrial complexes, digital economy industrial parks and commercial and residential communities, the Group has systematically developed a comprehensive asset lifecycle management ecosystem by horizontally diversifying service scenarios while vertically integrating asset value chain.

During the Reporting Period, the Group's operations were structured around three core business segments: (i) property services segment: primarily comprising property management services and other value-added services as well as carpark space sales; (ii) asset operation services segment: primarily including office building sublease services, commercial operation services, commercial property management and other related services as well as e-commerce livestreaming services; and (iii) investment and development segment: primarily covering home furnishing, interior decoration and renovation services.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the Reporting Period, the Group recorded a revenue of approximately RMB228.0 million, representing an increase of approximately 12.3% as compared to the corresponding period in 2024, which was mainly attributable to the expanded management scale; gross profit of approximately RMB47.8 million, representing a decrease of approximately 23.4% as compared to the corresponding period in 2024; and gross profit margin of approximately 21.0%, representing a decrease of approximately 9.7 percentage points as compared to the corresponding period in 2024. During the Reporting Period, the Group recorded net profit after tax for the six months ended 30 June 2025 of approximately RMB19.8 million, representing a decrease of approximately 16.1% as compared to approximately RMB23.6 million for the corresponding period in 2024, which was mainly attributable to the increase in receivables with the expansion of management scale during the Reporting Period, the increased impairment provisions made for growing receivables in line with the business expansion, based on prudent accounting principles. At the same time, the Group increased investment in service quality enhancement amid the expansion of its area under management and business scale during the Reporting Period.

Revenue and its Composition

Business segment	30 June 2025		30 June 2024		Period-on-period change %
	RMB'000	Percentage of total revenue %	RMB'000	Percentage of total revenue %	
Property services	140,114	61.4	124,745	61.4	12.3
Asset operation services	80,148	35.2	66,914	33.0	19.8
Investment and development	7,770	3.4	11,458	5.6	-32.2
	<u>228,032</u>	<u>100.0</u>	<u>203,117</u>	<u>100.0</u>	<u>12.3</u>

Revenue

During the Reporting Period, the Group recorded a revenue of RMB228.0 million, representing a period-on-period increase of 12.3% as compared to RMB203.1 million for the six months ended 30 June 2024, which was mainly attributable to on the one hand, the Group continued to focus on the existing market and steadily expanded its management scale; on the other hand, the Group actively developed diversified businesses such as asset operation services.

The Group's revenue was primarily generated from its three business segments: (i) property services; (ii) asset operation services; and (iii) investment and development. During the Reporting Period, (i) revenue generated from property services was RMB140.1 million, which accounted for 61.4% of the Group's total revenue, representing a period-on-period increase of 12.3% as compared to RMB124.7 million for the corresponding period in 2024; (ii) revenue generated from asset operation services was RMB80.1 million, which accounted for 35.2% of the Group's total revenue, representing a period-on-period increase of 19.8% as compared to RMB66.9 million for the corresponding period in 2024; and (iii) revenue generated from investment and development was RMB7.8 million, which accounted for 3.4% of the Group's total revenue, representing a period-on-period decrease of 32.2% as compared to RMB11.5 million for the corresponding period in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Property Services

During the Reporting Period, the Group's property services segment remained the growth driver, generating RMB140.1 million in revenue and contributing 61.4% to the Group's total revenue, which represents a solid 12.3% period-on-period growth from RMB124.7 million for the corresponding period in 2024, primarily attributable to the expansion of the managed scale.

The Group adheres to the customer philosophy of “being user-centered, creating value for customers and delivering perceptible value to customers”. Through market-driven expansion, we continuously broaden our service scope and expand our customer base, promoting the synergistic development of both quality and scale. During the Reporting Period, the gross floor area of projects under the Group's management has expanded to 11,370,000 sq.m., representing an increase of 6.8% as compared to the end of 2024. Our business resilience continues to strengthen.

A high-performance team is a solid guarantee for service quality and business growth. During the Reporting Period, the Group focused on internal management optimization, with strongly aligned objectives across four dimensions — headquarters, region, project and employees to establish a highly synergistic long-term incentive mechanism, which further improved team efficiency. In terms of talent development, the Group has implemented comprehensive systems including periodic evaluations, tiered assessments, targeted training programs and upward feedback mechanisms to continuously strengthen our multi-skilled talent pipeline. Organizationally, the Group consistently advanced flat management structures through position consolidation, optimized regional function configurations, and streamlined decision-making processes to enhance management efficiency. This enables us to truly operate with customer needs as our core driver, ensuring rapid response to client requirements, strengthened customer loyalty and elevated satisfaction levels.

Customer trust is the most valuable asset of the Group. During the Reporting Period, the Group deepened customer relationships and upgraded service value through a series of innovative measures in service models. The Group boldly breaks through traditional boundaries by eliminating “counter-style” services and establishing an open and shared “Neighbourhood Life (有鄰生活)” center — a platform created by the property management and co-developed with residents. This initiative fosters a community atmosphere of neighborly friendship, joy and warmth, breaking down the “walls” between property management and residents as well as between residents themselves. By proactively engaging with customers, we achieve ultra-fast response to needs. At the same time, the Group comprehensively expands its directly operated value-added services including laundry, car washing and customized travel, while adhering to the business strategy of “eliminating intermediaries, guaranteeing quality and controlling prices” to bring diversified, trustworthy and value-added options to customers.

Moving forward, the Group will continue to consolidate the foundation for sustainable growth, enhancing customer loyalty through a reliable service ecosystem and continue to deliver value for customers that exceeds expectations.

Asset Operation Services

During the Reporting Period, the revenue from the Group's asset operation services segment amounted to RMB80.1 million, accounting for 35.2% of the Group's total revenue, representing an increase of 19.8% as compared to RMB66.9 million for the corresponding period in 2024, mainly due to an increase in office building occupancy rates and the expansion of business scale.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group's asset operation segment thoroughly implemented the "Real Estate and Business Integration (產商融合)" strategic directive, focusing on three core business segments: office leasing, commercial asset management and industrial community operation. By leveraging sophisticated operational frameworks and digital empowerment tools, we, systematically enhanced end-to-end professional capabilities across leasing management, tenant acquisition and operation, industrial resource integration and content incubation.

During the Reporting Period, the Group's office building brand "Desun Xinhongdao" continued to maintain a comprehensive occupancy rate exceeding 90%, leveraging on deep asset operation capabilities. The Group has simultaneously deepened strategic collaborations with partners including Shanghai Lingang Digital Innovation Company* (上海臨港數創公司), conducting in-depth resource integration around product forms such as industrial-commercial integrated complexes and digital economy industrial parks, while accelerating market expansion.

Investment and Development

During the Reporting Period, the revenue from the Group's investment and development segment amounted to RMB7.8 million, accounting for 3.4% of the Group's total revenue, representing a decrease of 32.2% as compared to RMB11.5 million for the corresponding period in 2024.

The exploration of new business formats is the strategic fulcrum of the Group's diversification path and building comprehensive strength. The Group's investment and development sector has been actively deployed in the business fields of asset construction, large home furnishing, and non-performing assets, and is committed to providing comprehensive solutions for assets, operators and users. The business segment is still in the structural optimization stage and has not had a substantial impact on the Company's overall revenue. In the future, the Group will focus on optimizing resource allocation, connecting industrial synergies, fully activating business growth potential, and promoting breakthroughs in the direction of scale and efficiency.

Cost of Sales

During the Reporting Period, cost of sales of the Group amounted to RMB180.2 million, representing an increase of 28.1% as compared to RMB140.7 million for the corresponding period in 2024, which was mainly attributable to the expansion of managed area and business scale, as well as the development of diversified business segments, which has led to an increase in various costs.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2025, the Group recorded the gross profit of RMB47.8 million, representing a decrease of 23.4% as compared to RMB62.4 million for the corresponding period in 2024. The gross profit margin was approximately 21.0%, representing a decrease of 9.7 percentage points as compared to the gross profit margin of 30.7% for the corresponding period in 2024. The decrease in gross profit margin was mainly due to (i) the Group increased investment in service quality enhancement amid the expansion of its area under management and business scale during the Reporting Period; and (ii) the growth of diversified business segments such as office building, industrial park operations and value-added services, which led to an increase in various types of costs as well.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income and Gains or Losses, Net

Our other income and gains mainly consist of government grants, forfeited deposits, interest income and foreign exchange gains, net. The decrease of other income and gains by approximately RMB1.2 million, or approximately 19.0% from approximately RMB6.3 million for the six months ended 30 June 2024 to approximately RMB5.1 million for the six months ended 30 June 2025 was primarily due to a decrease in foreign exchange gains, net.

Administrative Expenses

Our administrative expenses mainly consist of labour costs, business entertainment expenses, office expenses, staff dormitory and office occupancy expenses, promotion expenses, transportation expenses, tax expenses, special service expenses, depreciation and amortisation, lease expenses and others. Administrative expenses of our Group decreased by RMB10.0 million, or 32.9% from RMB30.4 million for the six months ended 30 June 2024 to RMB20.4 million for the six months ended 30 June 2025, which was mainly attributable to digital empowerment, which has enabled refined management and optimised administrative expenditure.

Provision for Impairment Losses on Trade Receivables, Net

The net provision for impairment of trade receivables for the six months ended 30 June 2025 was RMB7.5 million as compared to the net provision of impairment of trade receivables for the six months ended 30 June 2024 of RMB1.4 million, which was mainly due to the Company making provisions for impairment based on prudence.

Provision for Impairment Losses on Deposits and Other Receivables, Net

The net provision for impairment losses on deposits and other receivables increased from RMB0.4 million for the six months ended 30 June 2024 to RMB1.0 million for the six months ended 30 June 2025, which was mainly due to the Company making provisions for impairment based on prudence.

Finance Costs

Our finance costs during the Reporting Period amounted to RMB7.4 million, representing a decrease from RMB8.6 million for the same period last year, which was mainly due to a decrease in interest on lease liabilities.

Other Expenses

We incurred other expenses of RMB0.4 million during the Reporting Period, representing an increase as compared to other expenses of RMB0.3 million for the same period last year, which was mainly due to an increase in bank handling fees.

Profit before Income Tax

The Group's profit before income tax decreased by RMB5.9 million, or 21.5% from RMB27.5 million for the six months ended 30 June 2024 to RMB21.6 million for the six months ended 30 June 2025.

Income Tax Expense

Our income tax expense was approximately RMB3.9 million and approximately RMB1.9 million for the six months ended 30 June 2024 and the six months ended 30 June 2025, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit for the Reporting Period

As a result of the changes discussed above, our net profit for the Reporting Period decreased by 16.1% from RMB23.6 million for the six months ended 30 June 2024 to RMB19.8 million for the six months ended 30 June 2025, and our net profit margin for the Reporting Period decreased from 11.6% for the six months ended 30 June 2024 to 8.7% for the six months ended 30 June 2025.

Property and Equipment

Property and equipment mainly consist of electric devices and leasehold improvements, which decreased from RMB97.4 million as at 31 December 2024 to RMB91.9 million as at 30 June 2025. Such decrease was mainly due to provision for depreciation during the Reporting Period.

Investment Properties

Investment properties consist of one residential and numerous commercial properties in the PRC held for sale or lease. Investment property decreased from RMB232.4 million as at 31 December 2024 to RMB221.8 million as at 30 June 2025, which was primarily due to depreciation expenses during the Reporting Period.

Other Intangible Assets

We recognised other intangible assets of RMB8.0 million as at 30 June 2025, which mainly include customer relationships arising from the acquisition of Zhongneng Group and Green Real Estate (of which RMB3.9 million for Zhongneng Group, and RMB2.0 million for Green Real Estate), calculated using the straight-line method over the expected useful life of 2 years to 10 years based on the past experience of the renewal model of property management contracts and the expected duration of the contracts.

Goodwill

Goodwill arose out of our acquisition of Zhongneng Group in 2020, which resulted in the recognition of goodwill of approximately RMB9.2 million.

Trade Receivables

Trade receivables mainly arise from property management services and certain value-added services. Trade receivables of our Group increased from approximately RMB189.6 million as at 31 December 2024 to approximately RMB214.5 million as at 30 June 2025, primarily due to business scale growth.

The Company's primary customer base comprises individual customers, property developers, and other corporate customers. As of 26 August 2025, the Company had subsequently settled trade receivables amounting to RMB24.0 million. To ensure the orderly collection of receivables, the Company has established a regular management mechanism, conducting systematic analysis and review of the formation background, historical evolution, and underlying reasons for the receivables on both a regular and ad-hoc basis. For different customer types, the Company adopts a variety of collection measures, including but not limited to sending collection letters, engaging in on-site communication and negotiation, implementing debt settlement with assets and initiating legal action. Meanwhile, the Company actively assists customers in revitalizing their assets, such as by helping to lease or sell vacant properties to enhance their cash flow repayment capacity. Additionally, the Company promotes payment collection through organizing community cultural activities, improving service quality, and offering property-related incentives.

MANAGEMENT DISCUSSION AND ANALYSIS

As of 30 June 2025, the Company has reasonably confirmed that the recoverable amount of trade receivables is RMB38.2 million. The Company has reached debt settlement agreements with customers, wherein the value of the assets involved in the agreements exceeds the book value of the receivables and will be deducted from the receivables in the future. Apart from the reasonably confirmed recoverable receivables already held by the Company, the remaining trade receivables are subject to the determination of ECL loss rates using the provision matrix method under the simplified approach of Hong Kong Financial Reporting Standard 9 (HKFRS 9).

Prepayments, Deposits and Other Receivables

Prepayments, deposits and other receivables mainly comprise of deposits paid for performance and project tendering deposits, advances to staff and payment on behalf of residents relating to utilities. The Group's prepayments, deposits and other receivables increased from RMB68.8 million as at 31 December 2024 to RMB86.8 million as at 30 June 2025, primarily due to the increase in tendering deposits paid for business expansion.

Trade Payables

Trade payables primarily represent our payment obligations for goods and services that have been acquired in our ordinary course of business from suppliers. The trade payables primarily consist of cleaning fees, material fees, maintenance fees, subcontracting fees and construction fees. Trade payables of the Group decreased from RMB55.5 million as at 31 December 2024 to RMB43.8 million as at 30 June 2025, primarily due to maintaining good cooperative relationships with suppliers and actively settling payments.

Other Payables and Accruals

The other payables and accruals of our Group primarily consist of payables for payroll, utilities, other taxes, advance receipts on behalf of residents, consideration payables as well as deposits received. The other payables and accruals decreased from RMB185.3 million as at 31 December 2024 to RMB171.0 million as at 30 June 2025, which was mainly due to the payment of the year-end bonus accrued at the end of the previous year.

Contract Liabilities

The contract liabilities of our Group arise from the advance payments received from customers for property management services that the Group has not yet rendered. The contract liabilities of the Group increased from RMB55.8 million as at 31 December 2024 to RMB62.9 million as at 30 June 2025, primarily due to the expansion of the Group's overall business scale.

Tax Payable

Tax payable of our Group primarily consists of PRC corporate income tax payable. Our tax payable decreased from RMB6.4 million as at 31 December 2024 to RMB4.9 million as at 30 June 2025, primarily due to the income tax paid during the Reporting Period.

Lease Liabilities

As at 30 June 2025, the current lease liabilities of our Group were RMB15.8 million (as at 31 December 2024: RMB15.1 million), primarily due to the increase in rent to be paid in the next year according to the contract. Our Group recorded non-current lease liabilities of RMB225.9 million as at 30 June 2025 (as at 31 December 2024: RMB232.7 million), primarily due to the reason that certain non-current lease liabilities at the end of 2024 will be due and paid within the next year, so they are reclassified to current lease liabilities at the end of the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Capital Resources

Our cash and bank balances increased by RMB43.1 million from RMB169.1 million as at 31 December 2024 to RMB212.2 million as at 30 June 2025. Our net current assets increased from RMB143.6 million as at 31 December 2024 to RMB161.1 million as at 30 June 2025. Our current ratio is approximately 1.4 times (31 December 2024: approximately 1.5 times). As at 30 June 2025, the short-term borrowing was RMB68.9 million.

Details of the bank borrowings of the Group (including the range of interest rates) are set out in note 18 to the interim condensed consolidated financial statements of this interim report.

As at the end of the Reporting Period, the Group did not use financial instruments for hedging purposes.

Pledge of Assets

As at 30 June 2025, none of the assets of our Group were pledged (as at 31 December 2024: nil).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Significant Investment Held and Future Plans for Material Investment and Capital Assets

During the Reporting Period, the Group has not made any significant investment. Save as disclosed herein, the Group had no other plans for material investments or additions of capital assets as at the date of this report.

Gearing Ratio

The gearing ratio (sum of interest-bearing bank loans divided by total equity) as at 30 June 2025 was 28.0% (as at 31 December 2024: 3.28%), which was due to the increase in bank loan based on the needs of business development.

Contingent Liabilities

As at 30 June 2025, our Group had no outstanding guarantees or other material contingent liabilities (as at 31 December 2024: nil).

Treasury Policies

We consistently adhere to our treasury policies in managing relevant departments as well as conducting business, accounting and archiving processes. We are committed to safeguarding overall financial security and maintaining a strong cash position and a healthy debt profile with strong repayment capacity. To ensure sound financial management, we have established a long-term, medium-term and short-term liquidity management systems. Through a comprehensive, rational and professional evaluation mechanism, along with annual and monthly cash flow planning, we have established a disciplined fund management framework to effectively mitigate market risks. If new funding needs arise due to factors such as strategic expansion, we will promptly arrange external financing to meet such requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Exchange Risk

Other than certain bank deposits which are denominated in USD and HKD (as at 30 June 2025, bank and cash balances denominated in HKD and USD dollars equal to RMB31.6 million in total), the Group's business is principally conducted in RMB and therefore we were not expose to material direct risk of foreign exchange fluctuation as at 30 June 2025. Accordingly, the Group considers its exposure to currency risk to be insignificant. During the Reporting Period, the Group did not enter into any hedging transaction against foreign currency risks. However, the Board will remain alert to any relevant risks and, if necessary, consider to hedge any material potential foreign exchange risk.

Employees and Benefits Policies

As at 30 June 2025, our Group had 1,336 employees (as at 30 June 2024: 989 employees). During the Reporting Period, the wages and salaries of the employees of the Group were RMB56.8 million (for the six months ended 30 June 2024: RMB51.7 million). An employee's remuneration is determined based on the employee's performance, skills, knowledge, experience and market trends. Our Group regularly reviews compensation policies and programs, and will make necessary adjustment in order to be in line with the remuneration levels in the industry. Our Group also provides various systematic and extensive training programs to its employees. Our Group's employee training programs primarily cover key areas in the Group's business operations, which provide continuous training to our Group's existing employees at different levels to specialise and strengthen their skill sets.

The Company adopted the Pre-IPO Share Option Scheme on 27 April 2021. The purpose of the Pre-IPO Share Option Scheme is to further improve the corporate governance structure of the Company, promote the establishment and improvement of the incentive and constraints mechanism, fully mobilize the initiative, responsibility and sense of mission of the staff of the Company, effectively align the interests of the Shareholders, the Company and the management staff, and attract common attention and joint efforts to the long-term development of the Company.

On 22 December 2023, the Company has also adopted the share award scheme which was amended and restated on 20 May 2024 and 14 July 2025, respectively (the "**Share Award Scheme**"). The purposes of the Share Award Scheme are to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group.

Major Risks and Uncertainties

The Group recognizes the critical importance of risk management practices and is committed to mitigating risks in its operations and financial condition as efficiently and effectively as possible. The followings are the major risks and uncertainties facing our business:

- (i) a significant portion of our revenue was generated from Desun Group or the properties developed by Desun Group. Desun Group is a connected person of the Group which the Group has no control over it;
- (ii) any financial difficulties encountered by Desun Group could materially and adversely affect the Group's business, financial condition, operating results and prospects;
- (iii) our Group is susceptible to changes in the regulatory landscape of the PRC property management industry;

MANAGEMENT DISCUSSION AND ANALYSIS

- (iv) failure to fulfill contractual obligations with clients may negatively impact the Group's operating performance and financial condition; and
- (v) the Group faces intense competition as an increasing number of listed competitors on the Stock Exchange are seeking to acquire high-quality property management companies in the PRC. There is no guarantee that our Group will be able to acquire or invest in the desired targets as planned.

To address the aforementioned risks, the Group will implement mitigation measures in the following aspects:

- (i) **Business Diversification and Refined Management:** the Group will diversify its revenue streams by deepening its presence in three core business segments, optimizing its business structure to reduce reliance on any single business or related parties, thereby strengthening its overall risk resilience. Meanwhile, through digital transformation, the Group will refine cost control and cash flow management to mitigate capital utilization risks, achieving balanced growth in scale and quality.
- (ii) **Resource Allocation Optimisation and Talent Assurance:** by reducing costs and increasing efficiency, along with optimising resource allocation, the Group aims to enhance overall operational efficiency and lower operational costs, thus mitigating risks stemming from regulatory changes or intensified market competition. Furthermore, with a customer value-oriented approach, the Group will elevate service quality, establish a standardized evaluation mechanisms, and refine its talent cultivation and incentive programs to strengthen team execution and innovation capabilities, providing a solid talent foundation to navigate complex and ever-changing market environment.

Future Outlook

Looking ahead, the Group remains committed to deepening its presence within a diversified value ecosystem, using its three core product lines of integrated commercial-real estate developments, digital economy industrial park and commercial-residential communities as strategic pillars. By collaborating with high-quality partners and resource providers, we will establish a comprehensive lifecycle approach encompassing “investment and development, asset operations and property services”, thereby continuously expanding the value scope of urban asset services.

The Group will continue to increase investments in AI and digital intelligence, building an “algorithm-driven” management hub to enable precision operational oversight, enhance efficiency and provide ongoing technology empowerment for business and decision-making. Meanwhile, we will stay abreast of cutting-edge technologies to deliver more intelligent, experience-enhanced services to users.

The Group will also focus on evolving its user operation system by creating a closed-loop ecosystem of “online communities + offline scenarios + value-added services”. This approach will transform traffic into lasting engagement, elevating users into operable assets and continuously creating incremental value for Shareholders, customers and society at large.

MANAGEMENT DISCUSSION AND ANALYSIS

Events after the Reporting Period

On 22 December 2023, the Company adopted the Share Award Scheme. On 20 May 2024, the Board resolved to adopt the amended and restated scheme rules (the “**Amended and Restated Scheme Rules**”) to amend the Share Award Scheme. On 14 July 2025, the Board has resolved to adopt the second amended and restated Scheme Rules (the “**Second Amended and Restated Scheme Rules**”) to further amend the Share Award Scheme. The major amendments include: under the Amended and Restated Share Award Scheme Rules, the maximum number of Shares which may be awarded to a Selected Participant under the Scheme shall not exceed one percent (1%) of the issued share capital of the Company in any 12-month period. Pursuant to the Second Amended and Restated Scheme Rules, the aforesaid individual sublimit has been removed. For details, please refer to the announcement of the Company dated 14 July 2025.

On 5 August 2025, Chengdu Desun Fengzhi Technology Co., Ltd.* (成都德商風知科技有限公司) (“**Desun Fengzhi**”), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with Guangzhou Fanghua Real Estate Management Co., Ltd.* (廣州方華房產經營管理有限公司) (“**Guangzhou Fanghua**”), in relation to, among other things, the establishment of a joint venture (the “**Joint Venture**”). The Joint Venture will primarily engage in businesses related to the distressed assets sector. At the time of its establishment, the Joint Venture’s registered capital will be RMB1 million, which will be held as to 65% by Desun Fengzhi and 35% by Guangzhou Fanghua, respectively. For details, please refer to the announcement of the Company dated 5 August 2025.

On 25 August 2025, Green Real Estate paid the Bidding Deposit of RMB43.30 million, which was the required amount for participating in the auction for the state-owned construction land-use right in Chengdu (the “**Project**”). Paying the Bidding Deposit is a condition precedent to completing an application for the Project. Unsuccessful bidders will receive refund of the bidding deposit paid upon completion of the verification process by Chengdu Public Resources Trading Service Center. For details, please refer to the announcement of the Company dated 25 August 2025. As at the date of this interim report, Green Real Estate was not selected as the successful bidder so that the Bidding Deposit paid by Green Real Estate has been refunded.

Save as disclosed in this report, the Group had no significant events after the Reporting Period and up to the date of approval of the unaudited interim condensed consolidated financial information.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles as set out in the CG Code.

The Company has adopted the principles and code provisions as set out in Part 2 of Appendix C1 to the Listing Rules and complied with the applicable code provisions contained in Part 2 of Appendix C1 to the Listing Rules throughout the Reporting Period except for code provision C.2.1.

Currently, Mr. Zhang Zhicheng serves as both the chairman of the Board and the CEO, and such practice deviates from the code provision C.2.1 of the CG Code which states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Nevertheless, the Board believes that Mr. Zhang's extensive experience and knowledge in the real estate and property management industry, who has guided the Group to complete the initial public offering in December 2021, together with the support of the management, will provide solid and consistent leadership for the Group. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its codes of conduct regarding securities transactions by its Directors and employees (the "**Securities Dealing Code**").

The Company has made specific enquiry of all Directors whether the Directors have complied with the required standard as set out in the Model Code during the Reporting Period and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the said period.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2025.

CHANGE IN DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

After making specific enquiries by the Company and confirmed by the Directors and chief executive, no changes in the information of any Directors and chief executive that are required to be disclosed pursuant to paragraphs (a) to (e) and paragraph (g) of Rule 13.51(2) of the Listing Rules have to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the end of the Reporting Period, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in Shares and underlying Shares of the Company

Name of Director	Capacity/Nature of Interest	Total number of Shares/ underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company as at the end of the Reporting Period (%) ⁽¹⁾
Mr. Zou Kang	Interest in controlled corporation; interest held jointly with another person ^{(2)&(3)}	412,415,000 (L)	66.49%
Mr. Zhang Zhicheng	Interest in controlled corporation ⁽⁴⁾	22,500,000 (L)	3.63%
Ms. Wan Hong	Beneficial owner; beneficiary of a trust ⁽⁵⁾	3,540,037 (L)	0.57%
Mr. Shao Jiazhen	Beneficial owner; beneficiary of a trust ⁽⁶⁾	6,128,155 (L)	0.99%
Mr. Liu Jun	Beneficial owner; beneficiary of a trust ⁽⁷⁾	6,128,155 (L)	0.99%

Notes:

- As at the end of the Reporting Period, the Company had issued 620,259,200 Shares in total. The letter "L" denotes the person's long position in the Shares.
- On 11 May 2021, Mr. Zou Kang and Ms. Zou Jian entered into a concert parties confirmatory deed (the "**Concert Parties Confirmatory Deed**"), pursuant to which they reaffirmed that they had been acting in concert as shareholders of our Group before the date of the Concert Parties Confirmatory Deed, and shall continue the same thereafter. For further details, please refer to the paragraph headed "History, Reorganisation and Corporate Structure — Acting-in-concert arrangement" in the Prospectus. As such, pursuant to the acting-in-concert arrangement, as at 30 June 2025, each of the Controlling Shareholders, i.e. Sky Donna (being wholly owned by Mr. Zou Kang), Mr. Zou Kang, Pengna Holding (being wholly owned by Ms. Zou Jian) and Ms. Zou Jian, is deemed to be interested in 66.49% of the issued share capital of the Company.
- These 412,415,000 Shares in which Mr. Zou Kang is interested consist of (i) 395,135,000 Shares held by Sky Donna, a company wholly owned by Mr. Zou Kang, in which Mr. Zou Kang is deemed to be interested under the SFO; and (ii) 17,280,000 Shares in which Mr. Zou Kang is deemed to be interested as a result of being a party acting-in-concert with Ms. Zou Jian pursuant to the Concert Parties Confirmatory Deed.

CORPORATE GOVERNANCE AND OTHER INFORMATION

4. These 22,500,000 Shares are held by Zhiyu Holding Limited, the issued shares of which are wholly owned by Mr. Zhang Zhicheng. Under the SFO, Mr. Zhang Zhicheng will be taken to be interested in the Shares held by Zhiyu Holding Limited.
5. Ms. Wan Hong is interested in 3,540,037 Shares, including 2,051,415 Shares she held and 1,488,622 awarded Shares she was granted which are subject to a vesting period of three years from the date of grant.
6. Mr. Shao Jiazhen is interested in 6,128,155 Shares, including 3,895,222 Shares he held and 2,232,933 awarded Shares he was granted which are subject to a vesting period of three years from the date of grant.
7. Mr. Liu Jun is interested in 6,128,155 Shares, including 3,895,222 Shares he held and 2,232,933 awarded Shares he was granted which are subject to a vesting period of three years from the date of grant.

Interests in Shares and underlying Shares of the Company's associated corporations

Name of Director	Capacity/ Nature of Interest	Associated corporation	Total number of Shares/ underlying Shares held ^(Note)	Approximate percentage of interest in the associated corporation as at the end of the Reporting Period (%)
Mr. Zou Kang	Beneficial owner	Sky Donna	1(L)	100%

Note: The letter "L" denotes the person's long position in the share(s) of the associated corporation.

Save as disclosed above, as at the end of the Reporting Period, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the end of the Reporting Period, to the best knowledge of the Directors or chief executives of the Company, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests in Shares and underlying Shares of the Company

Name of Substantial Shareholder	Capacity/Nature of Interest	Total number of Shares/ underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company as at the end of the Reporting Period (%) ⁽¹⁾
Sky Donna	Beneficial owner; interest held jointly with another person ^{(2)&(3)}	412,415,000 (L)	66.49%
Ms. Zou Jian	Interest in controlled corporation; interest held jointly with another person ⁽⁴⁾	412,415,000 (L)	66.49%
Pengna Holding	Beneficial owner; interest held jointly with another person ⁽⁴⁾	412,415,000 (L)	66.49%

Notes:

- As at 30 June 2025, the Company had issued 620,259,200 Shares in total. The letter "L" denotes the person's long position in the Shares.
- On 11 May 2021, Mr. Zou Kang and Ms. Zou Jian entered into the Concert Parties Confirmatory Deed, pursuant to which they reaffirmed that they had been acting in concert as shareholders of our Group before the date of the Concert Parties Confirmatory Deed, and shall continue the same thereafter. For further details, please refer to the paragraph headed "History, Reorganisation and Corporate Structure — Acting-in-concert arrangement" in the Prospectus. As such, pursuant to the acting-in-concert arrangement, as at 30 June 2025, each of the Controlling Shareholders, i.e. Sky Donna (being wholly owned by Mr. Zou Kang), Mr. Zou Kang, Pengna Holding (being wholly owned by Ms. Zou Jian) and Ms. Zou Jian, is deemed to be interested in 66.49% of the issued share capital of the Company.
- These 412,415,000 Shares in which Sky Donna (a company wholly owned by Mr. Zou Kang) is interested consist of (i) 395,135,000 Shares held by Sky Donna; and (ii) 17,280,000 Shares in which Sky Donna is deemed to be interested as a result of the Concert Parties Confirmatory Deed entered into between Mr. Zou Kang and Ms. Zou Jian.
- These 412,415,000 Shares in which Ms. Zou Jian is interested consist of (i) 17,280,000 Shares held by Pengna Holding, a company wholly owned by Ms. Zou Jian, in which Ms. Zou Jian is deemed to be interested under the SFO; and (ii) 395,135,000 Shares of Sky Donna in which Ms. Zou Jian is deemed to be interested as a result of being a party acting-in-concert with Mr. Zou Kang pursuant to the Concert Parties Confirmatory Deed.

Save as disclosed above, as at the end of the Reporting Period, the Company had not been notified by any other persons (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme on 27 April 2021. For details of the terms of the Pre-IPO Share Option Scheme, please refer to Appendix V in the Prospectus. After the Listing, no further Pre-IPO Share Option could be granted under the Pre-IPO Share Option Scheme, therefore no options could be granted under the scheme mandate and service provider sub-limit at the beginning and the end of the Reporting Period. At the beginning of the Reporting Period, all options granted under the Pre-IPO Share Option Scheme had either vested or lapsed, and there were no unvested options.

SHARE AWARD SCHEME

The Share Award Scheme was funded solely by the existing Shares and will not involve the issue of new Shares. The Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. For details of the amendment to the Share Award Scheme, please refer to the section headed “Events after the Reporting Period” in this interim report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including the sale of treasury shares (as defined in the Listing Rules)). As at 30 June 2025, the Company did not have any treasury shares (as defined in the Listing Rules).

USE OF NET PROCEEDS FROM LISTING

Our Company was listed on the Main Board of the Stock Exchange on 17 December 2021 and the over-allotment option was partially exercised on 6 January 2022. After deducting underwriting fees and commissions and relevant expenses, net proceeds from the Listing amounted to approximately HKD176.1 million (the “**Net Proceeds**”).

The Board has resolved on 30 August 2023 to (i) change the intended use of Net Proceeds for “strategic investments and acquisitions to expand the Group’s property management and commercial operational businesses” to “strategic investments and acquisitions to expand the Group’s property management and commercial operational businesses, office building and community operation and management and home furnishing and decoration services”; and (ii) revise the intended timetable for use of the unutilised Net Proceeds. For further details, please refer to the announcement of the Company dated 30 August 2023.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board has resolved on 18 December 2024 to (i) change the intended use of Net Proceeds for “strategic investments and acquisitions to expand the Group’s property management and commercial operational businesses, office building and community operation and management and home furnishing and decoration services” to “strategic investments and acquisitions to expand the Group’s business scope and scale”; (ii) include a category of “strategic spending to facilitate the expansion and development of the Group’s business” for the intended use of Net Proceeds; (iii) change the intended use of Net Proceeds for “recruiting and cultivating talents, including management and professionals for our principal business” to “recruiting and cultivating talents, including but not limited to management and professionals for the Group’s principal business, and the personnel incentives of the Group (including but not limited to share award scheme)”; (iv) reallocate 40% of the Net Proceeds originally allocated to “strategic investments and acquisitions to expand the Group’s property management and commercial operational businesses, office building and community operation and management and home furnishing and decoration services” and 10% of the Net Proceeds originally allocated to “investing in information technology systems and human resources to support information technology systems” to “strategic spending to facilitate the expansion and development of the Group’s business”, “recruiting and cultivating talents, including but not limited to management and professionals for the Group’s principal business, and the personnel incentives of the Group (including but not limited to share award scheme)” and “working capital and for general corporate uses”. Specifically, 30% will be directed towards “strategic spending to facilitate the expansion and development of the Group’s business”, 10% will be directed towards “recruiting and cultivating talents, including but not limited to management and professionals for the Group’s principal business, and the personnel incentives of the Group (including but not limited to share award scheme)” and 10% will be directed towards “working capital and for general corporate uses”; and (v) revise the intended timetable for use of the unutilized Net Proceeds (the “**Proposed Change**”). For further details, please refer to the announcement of Company dated 18 December 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The following table shows the utilisation of Net Proceeds during the Reporting Period:

Intended use of Net Proceeds	Allocation of Net Proceeds (HK\$ million)	Percentage of total Net Proceeds	Amount of unutilised Net Proceeds at the beginning of the Reporting Period (HK\$ million)	Amount of Net Proceeds utilised during the Reporting Period (HK\$ million)	Amount of Net Proceeds unutilised at the end of the Reporting Period (HK\$ million)	Intended timetable for use of the unutilised Net Proceeds
(i) Strategic investments and acquisitions to expand the Group's business scope and scale	35.22	20%	35.22	0.55	34.67	December 2027
(ii) Strategic spending to facilitate the expansion and development of the Group's business	52.83	30%	52.66	4.73	47.93	December 2027
(iii) Investing in information technology systems and human resources to support information technology systems	17.61	10%	10.00	1.92	8.08	December 2027
(iv) Recruiting and cultivating talents, including but not limited to management and professionals for the Group's principal business, and the personnel incentives of the Group (including but not limited to share scheme)	35.22	20%	17.62	0.58	17.04	December 2026
(v) Working capital and for general corporate uses	35.22	20%	17.17	5.48	11.69	December 2026
Total	<u>176.10</u>	<u>100%</u>	<u>132.67</u>	<u>13.25</u>	<u>119.42</u>	

The Company has utilised, and will continue to utilise the Net Proceeds from the Global Offering in accordance with the intended purposes as set out in the Prospectus and the announcement of the Company dated 18 December 2024.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Yan Hong, Mr. Chen Di and Mr. Fang Liqiang. The chairman of the Audit Committee is Mr. Yan Hong.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters, including a review of this interim report and the unaudited interim financial information for the six months ended 30 June 2025.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF DESUN REAL ESTATE INVESTMENT SERVICES GROUP CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 28 to 52, which comprises the interim condensed consolidated statement of financial position of Desun Real Estate Investment Services Group Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2025 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and notes to interim condensed consolidated financial statements, including material accounting policy information (the “Interim Condensed Consolidated Financial Statements”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IAS 34”). The directors are responsible for the preparation and presentation of the Interim Condensed Consolidated Financial Statements in accordance with IAS 34. Our responsibility is to express a conclusion on the Interim Condensed Consolidated Financial Statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

BDO Limited

Certified Public Accountants

Chau Ho Kit

Practising Certificate Number P08363

Hong Kong, 28 August 2025

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

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	228,032	203,117
Cost of sales		(180,248)	(140,684)
Gross profit		47,784	62,433
Other income and gains or losses, net	5	5,050	6,267
Administrative expenses		(20,409)	(30,366)
Provision for impairment losses on trade receivables, net	7	(7,468)	(1,437)
Provision for impairment losses on deposits and other receivables, net	7	(1,000)	(415)
Other expenses		(446)	(301)
Finance costs	6	(7,373)	(8,591)
Share of profit/(loss) of associates		5,474	(110)
Profit before income tax	7	21,612	27,480
Income tax expense	8	(1,859)	(3,901)
Profit and total comprehensive income for the period		19,753	23,579
Profit and total comprehensive income for the period attributable to:			
— Owners of the Company		16,699	21,410
— Non-controlling interests		3,054	2,169
		19,753	23,579
Earnings per share attributable to owners of the company during the period			
— Basic	10	RMB3.02 cents	RMB3.69 cents
— Diluted	10	RMB3.01 cents	RMB3.66 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current assets			
Property and equipment	11	91,923	97,432
Investment properties	11	221,752	232,400
Right-of-use assets		39	154
Other intangible assets	11	7,953	9,418
Goodwill		9,179	9,179
Investment in associates		33,201	28,579
Deferred tax assets		6,812	5,028
Prepayments, deposits and other receivables	13	20,961	11,551
Restricted deposits	14	1,159	1,108
Total non-current assets		392,979	394,849
Current assets			
Inventories	17	20,993	23,981
Trade receivables	12	214,489	189,646
Prepayments, deposits and other receivables	13	65,865	57,267
Cash and cash equivalents	14	212,161	169,084
Total current assets		513,508	439,978
Current liabilities			
Contract liabilities		62,787	55,691
Trade payables	15	43,821	55,532
Other payables and accruals	16	156,007	154,408
Bank borrowings	18	68,900	9,000
Lease liabilities		15,779	15,131
Tax payable		4,921	6,412
Dividend payable		225	225
Total current liabilities		352,440	296,399
Net current Assets		161,068	143,579
Total assets less current liabilities		554,047	538,428

continued/...

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Other payables and accruals	16	14,982	30,922
Contract liabilities		95	75
Lease liabilities		225,913	232,653
Bank borrowings	18	14,600	—
Deferred tax liabilities		619	676
		<u>256,209</u>	<u>264,326</u>
Total non-current liabilities		<u>256,209</u>	<u>264,326</u>
Net assets		<u>297,838</u>	<u>274,102</u>
Equity			
Share capital	19	393	393
Treasury shares		(74,600)	(81,812)
Reserves		365,259	350,134
		<u>291,052</u>	<u>268,715</u>
Equity attributable to owners of the Company		291,052	268,715
Non-controlling interests		6,786	5,387
		<u>297,838</u>	<u>274,102</u>
Total equity		<u>297,838</u>	<u>274,102</u>

Zhang Zhicheng

Director

Wan Hong

Director

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium*	Capital reserve*	Statutory surplus reserve*	Share option reserve*	Retained profits*	Total		
	RMB'000 (Note 19)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025 (audited)	393	(81,812)	117,220	25,125	25,087	2,142	180,560	268,715	5,387	274,102
Profit and total comprehensive income for the period	—	—	—	—	—	—	16,699	16,699	3,054	19,753
Exercise of share option (Note 21(a)(i))	—	7,212	(2,075)	—	—	(1,887)	—	3,250	—	3,250
Equity-settled share option arrangements	—	—	—	—	—	2,388	—	2,388	—	2,388
Transfer from retained profits	—	—	—	—	2,073	—	(2,073)	—	—	—
Dividend paid by a subsidiary to non-controlling shareholders	—	—	—	—	—	—	—	—	(1,655)	(1,655)
Balance at 30 June 2025 (unaudited)	<u>393</u>	<u>(74,600)</u>	<u>115,145</u>	<u>25,125</u>	<u>27,160</u>	<u>2,643</u>	<u>195,186</u>	<u>291,052</u>	<u>6,786</u>	<u>297,838</u>
Balance at 1 January 2024 (audited)	393	(2,871)	117,220	24,700	19,507	137	146,320	305,406	7,196	312,602
Profit and total comprehensive income for the period	—	—	—	—	—	—	21,410	21,410	2,169	23,579
Equity-settled share option arrangements	—	—	—	—	—	2,793	—	2,793	—	2,793
Transfer from retained profits	—	—	—	—	3,285	—	(3,285)	—	—	—
Shares repurchased	—	(66,901)	—	—	—	—	—	(66,901)	—	(66,901)
Balance at 30 June 2024 (unaudited)	<u>393</u>	<u>(69,772)</u>	<u>117,220</u>	<u>24,700</u>	<u>22,792</u>	<u>2,930</u>	<u>164,445</u>	<u>262,708</u>	<u>9,365</u>	<u>272,073</u>

* These reserve accounts comprise the consolidated reserves of RMB365,259,000 and RMB350,134,000 in the interim condensed consolidated statements of financial position as at 30 June 2025 and 31 December 2024, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(12,508)	(10,302)
Cash flows from investing activities		
Capital injection into associates	(500)	(851)
Additions of property and equipment	(1,366)	(3,521)
Additions of investment properties	—	(1,165)
Additions of other intangible assets	(107)	(86)
Loans to associates	(2,000)	—
Net cash used in investing activities	(3,973)	(5,623)
Cash flows from financing activities		
Repayment of the non-controlling shareholders loans	(3,328)	—
Dividend paid by a subsidiary to non-controlling shareholders	(1,655)	—
Proceeds from loan from an associate	—	16,162
Proceeds from exercise of options (Note 21(a))	3,250	—
Repayments of principal portion of the lease liabilities	(6,092)	(2,476)
Interest paid on lease liabilities	(5,549)	(6,406)
Proceeds from bank borrowings	75,000	—
Repayment of bank borrowings	(500)	(250)
Interest paid	(1,568)	(2,185)
Shares repurchased	—	(66,901)
Net cash generated from/(used in) financing activities	59,558	(62,056)
Net increase/(decrease) in cash and cash equivalents	43,077	(77,981)
Cash and cash equivalents at beginning of the period	169,084	210,086
Cash and cash equivalents at end of the period	212,161	132,105

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Boards (the “IASB”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a complete set of financial statements prepared in accordance with the IFRS Accounting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousands, unless otherwise stated.

In the opinion of the directors of the Company, the holding and the ultimate holding company of the Company is Sky Donna Holding Limited, which is incorporated in the British Virgin Islands (“BVI”). Mr. Zou Kang and Ms. Zou Jian are collectively the ultimate controlling shareholders of the Company (the “Ultimate Controlling Shareholders”).

2. ADOPTION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following revised IFRS Accounting Standards for the first time for the current period.

Amendments to IAS 21	<i>Lack of Exchangeability</i>
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The application of the amendment to IFRS Accounting Standards in the current interim period has had no material impact to the Group’s financial position and performance for the current and prior periods and/or on the disclosures set out in the interim condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

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

For management purposes, the Group is organised into business units based on their services and has three reportable operating segments as follows:

- (a) Property services segment, which mainly includes property management services and other value-added services and sale of carparks;

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. OPERATING SEGMENT INFORMATION *(continued)*

- (b) Asset operation service segment, which includes office building sublease services, commercial operational services, commercial property management and other related services and e-commerce live streaming services; and
- (c) Investment and development segment, which includes home furnishing, home refurbishment and decoration services.

The CODM assesses the performance of the operating segments based on segment profit. There were no separate segment assets and segment liabilities information provided to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segment.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the six months ended 30 June 2025

	Property Services RMB'000 (Unaudited)	Asset Operation Services RMB'000 (Unaudited)	Investment and Development RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (Note 4)				
Sales to external customers	140,114	80,148	7,770	228,032
Intersegment sales	770	—	—	770
Total segment revenue	140,884	80,148	7,770	228,802
<i>Reconciliation:</i>				
Elimination of intersegment sales				(770)
Revenue				228,032
Segment results	19,968	11,829	(520)	31,277
<i>Reconciliation:</i>				
Interest income				1,520
Foreign exchange and other unallocated gains				919
Share of profit of associates				5,474
Corporate and other unallocated expenses:				
— Auditors' remuneration				(300)
— Salaries and retirement benefit scheme				(5,234)
— Equity-settled share option expenses, net				(2,388)
— Other professional fee				(2,191)
— Advertising expenses				(1,041)
— Unallocated expenses				(6,424)
Profit before income tax				21,612

NOTES TO INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2024 (Restated)

	Property services RMB'000 (Unaudited)	Asset Operation Services RMB'000 (Unaudited)	Investment and Development RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (Note 4)				
Sales to external customers	124,745	66,914	11,458	203,117
Intersegment sales	<u>1,288</u>	<u>—</u>	<u>—</u>	<u>1,288</u>
Total segment revenue	<u>126,033</u>	<u>66,914</u>	<u>11,458</u>	204,405
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(1,288)</u>
Revenue				<u><u>203,117</u></u>
Segment results	<u>25,558</u>	<u>6,218</u>	<u>131</u>	31,907
<i>Reconciliation:</i>				
Interest income				2,136
Foreign exchange and other unallocated gains				4,131
Corporate and other unallocated expenses:				
— Auditors' remuneration				(300)
— Salaries and retirement benefit scheme				(5,128)
— Equity-settled share option expenses, net				(2,793)
— Other professional fee				(2,046)
— Unallocated expenses				<u>(427)</u>
Profit before income tax				<u><u>27,480</u></u>

Geographical information

During the reporting period, the Group operated within one geographical location because all of its revenue was generated in the PRC and all of its long-term assets/capital expenditure were located/incurred in the PRC. Accordingly, no geographical information is presented.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2024 (Restated) *(continued)*

Information about a major customer

For the six months ended 30 June 2025 and 30 June 2024, there were no customers with whom transactions have exceeded 10% of the Group's revenue.

4. REVENUE

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>	212,717	174,572
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases under sublease arrangement	15,315	28,545
Total revenue	228,032	203,117

NOTES TO INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. REVENUE (continued)

Disaggregated revenue information:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Property Services segment:		
— Property management services and other value-added services	137,184	124,745
— Sale of carparks	2,930	—
Subtotal	140,114	124,745
Asset Operation Services segment:		
— Commercial operation and management	28,628	24,872
— Office building and community operation and management	26,240	13,497
— E-commerce live streaming services	9,965	—
— Revenue from other sources	15,315	28,545
Subtotal	80,148	66,914
Investment and Development segment :		
— Home furnishing, home decoration and refurbishment services	7,770	11,458
Total	228,032	203,117

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Goods transferred at a point in time	3,022	1,502
Services transferred over time	195,583	170,979
Services transferred at a point in time	14,112	2,091
Total revenue from contracts with customers	212,717	174,572

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. OTHER INCOME AND GAINS OR LOSSES, NET

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other income		
Government grants (Note)	1,145	218
Additional input value-added tax deduction	58	15
Bank interest income	1,520	2,136
Compensation received	2,501	3,518
Others	106	—
	<u>5,330</u>	<u>5,877</u>
Total other income		
	<u>5,330</u>	<u>5,877</u>
Other gains or (losses), net		
(Losses)/gains on exchange difference, net	(280)	390
	<u>(280)</u>	<u>390</u>
Total other (losses) or gains, net		
	<u>(280)</u>	<u>390</u>
Total other income and gains or (losses), net		
	<u>5,050</u>	<u>6,267</u>

Note:

During the reporting period, the Group recognised government grants of RMB720,000 in respect of the promotion of the high-level opening up of Chengdu by Chengdu Investment Promotion Bureau (2024: Nil).

6. FINANCE COSTS

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest on lease liabilities	5,549	6,406
Interest on bank borrowings	914	195
Interest on non-controlling shareholders' loans	654	1,990
Interest on associate's loans	256	—
	<u>7,373</u>	<u>8,591</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

For the six months ended 30 June 2025

7. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is arrived at after charging:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of services provided	177,315	139,437
Cost of goods sold	2,933	1,247
Auditors' remuneration	300	300
Lease payments not included in the measurement of lease liabilities	6,890	5,920
Provision for impairment losses on trade receivables, net	7,468	1,437
Provision for impairment losses on deposits and other receivables, net	1,000	415
Provision for impairment of investment in associates	1,096	—
Equity-settled share option expense, net of reversal (included in directors' and chief executive's remuneration)	2,388	2,793
Direct operating expenses arising from investment properties	1,259	1,739

8. INCOME TAX EXPENSE

The income tax expense in the interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current Enterprise Income Tax — the PRC — charge for the period	3,700	6,394
Deferred tax	(1,841)	(2,493)
Income tax expense	1,859	3,901

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax from the business carried out in the Cayman Islands.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the reporting period and the six months ended 30 June 2024.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. INCOME TAX EXPENSE *(continued)*

Except for certain subsidiaries as described below, the PRC corporate income tax has been provided at the statutory tax rate of 25% on the taxable profits of the Group's PRC subsidiaries for the reporting period and the six months ended 30 June 2024.

According to the Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies, certain subsidiaries of the Company that are located in Sichuan Province and engaged in the encouraged business of property services management are entitled to a preferential CIT rate of 15%. Pursuant to the Circular of Extending the Period of Western Development Strategies Preferential Tax Rate (Cai Shui Fa [2020] No. 23), the tax preferential treatments were extended to 31 December 2030.

In addition, certain subsidiaries in the PRC are qualified as Small Low-profit Enterprises and thus entitled to a preferential income tax rate of 20% for the reporting period and the six months ended 30 June 2024.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for the current period and the six months ended 30 June 2024, nor has any dividend been proposed since the end of the reporting period.

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period and adjusted for the effect of ordinary shares repurchased and the exercise of share options multiplied by a time-weighted factor. Diluted earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares. The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purposes of calculating basic and diluted earnings per share	<u>16,699</u>	<u>21,410</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (continued)

	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	552,146,603	580,218,649
Effect of dilution — weighted average number of ordinary shares:		
— Share options	2,159,209	3,987,036
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	554,305,812	584,205,685

11. PROPERTY AND EQUIPMENT, INVESTMENT PROPERTIES AND OTHER INTANGIBLE ASSETS

	Property and equipment RMB'000	Investment properties RMB'000	Other intangible assets RMB'000
Carrying amounts at 1 January 2025 (audited)	97,432	232,400	9,418
Additions	1,366	—	107
Depreciation/amortisation provided during the period	(6,875)	(10,648)	(1,572)
Carrying amounts at 30 June 2025 (unaudited)	91,923	221,752	7,953

12. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Related parties (Note 20(b))	75,999	75,560
Third parties	159,597	127,732
Impairment losses, net	235,596 (21,107)	203,292 (13,646)
	214,489	189,646

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. TRADE RECEIVABLES *(continued)*

An ageing analysis of the trade receivables as at the end of the reporting period, based on the demand note issue date and net of provision for impairment of trade receivables, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	133,868	131,250
1 to 2 years	54,410	37,486
2 to 3 years	15,600	10,912
Over 3 years	10,611	9,998
	<u>214,489</u>	<u>189,646</u>

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<i>Current portion:</i>			
Due from related parties	20(b)	8,126	9,928
Deposits	(a)	19,142	3,936
Staff advances		3,203	2,056
Property management costs recoverable from residents		13,977	7,877
Payments on behalf of residents	(b)	5,523	5,539
Cash in transit		1,648	4,208
Other receivables		7,059	7,646
Prepaid expenses		15,890	24,041
		<u>74,568</u>	<u>65,231</u>
Impairment losses, net		<u>(8,703)</u>	<u>(7,964)</u>
		<u>65,865</u>	<u>57,267</u>
<i>Non-current portion:</i>			
Due from related parties	20(b)	12,478	7,092
Deposits		4,725	3,399
Prepaid expenses		3,758	1,060
		<u>20,961</u>	<u>11,551</u>
		<u>86,826</u>	<u>68,818</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Notes:

- (a) The amounts mainly represented the refundable deposits paid for performance and project tendering deposits.
- (b) The amounts represented the amounts paid on behalf of residents to the utility service providers for the services provided.

14. CASH AND CASH EQUIVALENTS/RESTRICTED DEPOSITS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash and bank balances	213,320	170,192
<i>Less:</i>		
Pledged deposits for performance guarantee, non-current	(1,159)	(1,108)
Cash and cash equivalents	212,161	169,084

As at 30 June 2025, other than the cash and bank balances denominated in HKD amounted to approximately RMB5,226,000 (31 December 2024: approximately RMB5,241,000) and in USD amounted to RMB26,367,000 (31 December 2024: approximately RMB23,068,000), the remaining cash and bank balances are denominated in RMB. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, the Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	24,600	34,233
3 to 12 months	11,526	10,720
Over 1 year	7,695	10,579
	<u>43,821</u>	<u>55,532</u>

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

16. OTHER PAYABLES AND ACCRUALS

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<i>Current portion:</i>			
Due to related parties	20(b)	10,694	9,817
Other borrowings from related parties	20(b)	21,298	8,686
Payables for purchase of property and equipment		8,161	9,945
Receipts on behalf from community residents	(a)	18,113	17,794
Payroll and social insurance payables		37,363	46,989
Deposits received		25,821	28,176
Other tax payable		22,744	20,447
Other payables and accrued expenses		<u>11,813</u>	<u>12,554</u>
Sub-total		<u>156,007</u>	<u>154,408</u>
<i>Non-current portion:</i>			
Other borrowings from related parties	20(b)	<u>14,982</u>	<u>30,922</u>
Sub-total		<u>14,982</u>	<u>30,922</u>
Total		<u>170,989</u>	<u>185,330</u>

Note:

- (a) The amounts mainly represent the advances received on behalf from property owners and tenants for settlement of utility charges.

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17. INVENTORIES

As at 30 June 2025, the carrying amount of inventories of RMB20,993,000 (31 December 2024: RMB23,981,000) consists of carparking spaces available for sale in the Group's ordinary course of business.

18. BANK BORROWINGS

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bank borrowings — Unsecured	(b)	43,000	9,000
Bank borrowings — Secured	(a)&(b)	40,500	—
Total	(c)	83,500	9,000
Bank borrowings			
On demand/within 1 year		68,900	9,000
More than 1 year but not more than 3 years		14,600	—
		83,500	9,000

Notes:

- (a) As at 30 June 2025, the bank borrowings of the Group are secured by the properties of a third party debtor of the Group, and the properties of the related company of ultimate controlling shareholder of the Group.
- (b) The bank borrowings are guaranteed by a subsidiary of the Company.
- (c) The effective interest rates on the Group's bank borrowings included the fixed rates within the range of 3% to 4% per annum (31 December 2024: within the range of 3% to 4% per annum).

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19. SHARE CAPITAL

		Number of shares
Authorised:		
Ordinary shares of USD0.0001 each:		
At 1 January 2024, 31 December 2024, 1 January 2025 (audited) and 30 June 2025 (unaudited)		<u><u>2,000,000,000</u></u>
	Number of shares	Nominal value RMB'000
Issued and fully paid:		
Ordinary shares of USD0.0001 each		
At 1 January 2024, 31 December 2024, 1 January 2025 (audited) and 30 June 2025 (unaudited) (Note)	620,259,200	393

Note:

As at 30 June 2025, the total number of issued ordinary shares of the Company includes 63,301,305 shares (31 December 2024: 69,752,000 shares) held for the Share Award Scheme by the trustees of the Company, representing approximately 10% (31 December 2024: 11.25%) of the issued share capital of the Company.

20. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions with related parties

Type of transaction	Related party relationship	Notes	For the six months ended 30 June	
			2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Rendering of property management services and value-added services	Ultimate controlling shareholders' associated companies	(i)	15,831	10,425
Purchase of inventories	Key management personnel of the entity	(ii)	—	45,400
Short-term lease payments for office premises	Key management personnel of the entity		1,673	322

Notes:

- (i) These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.
- (ii) As at 31 December 2024, the Group acquired the part of the settlement properties totalling RMB51,640,000 and trade receivables of RMB36,640,000 have been offset accordingly recognised RMB36,640,000 as inventories of the Group. Trade receivable of the same amount had been offset accordingly. Further details are set out in the note 17 to interim condensed consolidated financial statements. This is a non-cash transaction.

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For the six months ended 30 June 2025

20. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Balances with related parties

In addition to the balances detailed elsewhere in the interim condensed consolidated financial statements, the Group had the following balances with related parties as at the end of the reporting period:

Due from related parties

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade nature			
— Fellow Entities	(i)	75,999	75,560
Impairment	(ii)	(8,195)	(6,472)
		<u>67,804</u>	<u>69,088</u>
Non-trade nature			
— Fellow Entities	(iii)	12,604	11,020
— Non-controlling shareholder of subsidiaries	(iv)	6,000	6,000
— Associates	(v)	2,000	—
		<u>20,604</u>	<u>17,020</u>
		<u>88,408</u>	<u>86,108</u>
Analysed into:			
— Current portion		75,930	79,016
— Non-current portion		<u>12,478</u>	<u>7,092</u>
		<u>88,408</u>	<u>86,108</u>

Notes:

- (i) Trade nature amounts due from the ultimate controlling shareholders have control or jointly control and on which they have significant influence on the Company ("Fellow Entities") represented the outstanding balances receivable in respect of the provision of property management services and property developer related services.

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For the six months ended 30 June 2025

20. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Balances with related parties *(continued)*

Due from related parties (continued)

Notes: *(continued)*

- (ii) The movements in the loss allowance for impairment of trade receivables from Fellow Entities are as follows:

	30 June 2025 RMB (Unaudited)	31 December 2024 RMB (Audited)
At beginning of year/period	6,472	2,578
Provision for impairment losses, net	1,723	3,894
At end of year/period	8,195	6,472

- (iii) Non-trade amounts due from Fellow Entities mainly included:

- the refundable deposits, which are unsecured and interest free, in respect of non-residential property management contracts;
- the refundable deposits and earnest money, which are unsecured and interest-free, in respect of the long-term lease agreements under which the Group provides sub-lease services; and
- the prepaid lease payment.

- (iv) The non-trade loan receivable from the non-controlling shareholder of subsidiaries where the shareholder has significant influence over the subsidiary. Balance of RMB6,000,000 (31 December 2024: RMB6,000,000) is an unsecured loan, of which RMB2 million was due for repayment in December 2025, bearing interest at the rate of 12% per annum and which RMB4 million was due for repayment in February 2026, bearing interest at the rate of 3.45% per annum.
- (v) The non-trade loans receivable from associates, with the balance of RMB2,000,000 (31 December 2024: Nil) are unsecured and due for repayment in January 2028, bearing interest at the rate of 12% per annum.

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20. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Balances with related parties *(continued)*

Due to related parties

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-trade nature:			
— Fellow Entities	(i)	10,694	9,817
— Non-controlling shareholders	(ii)	21,298	24,626
— Associate	(iii)	14,982	14,982
		<u>46,974</u>	<u>49,425</u>
Analysed into:			
— Current portion		31,992	18,503
— Non-current portion		<u>14,982</u>	<u>30,922</u>
		<u>46,974</u>	<u>49,425</u>

Notes:

- (i) The non-trade amounts due to the Fellow Entities are unsecured, interest-free and have no fixed terms of repayment.
- (ii) As at 30 June 2025, the Group had outstanding unsecured other borrowings from non-controlling shareholders of subsidiaries of the Company who is the key management personnel of the Group with a contractual undiscounted amount of approximately RMB21.3 million (31 December 2024: RMB24.6 million), of which RMB7.2 million (31 December 2024: RMB9.7 million) were interest-free and due for repayment on 31 August 2025 and RMB14.1 million (31 December 2024: RMB14.9 million) were with an annual interest rate of 12% and due for repayment between December 2025 and June 2026.
- (iii) As at 30 June 2025, loans from an associate of RMB14,982,000 (31 December 2024: RMB14,982,000) which were interest-free and due from repayment on 1 March 2027, 12 March 2027 and 14 April 2027.

As origination, the Group calculated its present values of the interest-free loans using the current market rates of 3.4% (31 December 2024: 3.4%) for similar instruments. For the loan borrowings during the reporting period, the difference between the loans' nominal amount and the present value is RMB256,000 (31 December 2024: RMB452,000), which is credited to the carrying amount of the associate.

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For the six months ended 30 June 2025

20. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Balances with related parties *(continued)*

Lease liabilities due to a related party

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
A fellow entity	156,445	159,230

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	1,486	1,707
Equity-settled share option expense, net	2,388	2,793
Pension scheme contributions	220	102
Total compensation paid to key management personnel	4,094	4,602

21. SHARE OPTION SCHEME

(a) Movements in share options

The following share options were outstanding under the share award scheme during the period:

	2025		2024	
	Weighted average exercise price HKD	Number of options	Weighted average exercise price HKD	Number of options
At 1 January	0.546	16,126,739	0.546	18,607,776
Grant during the period/year	—	—	—	—
Forfeited during the period/year	—	—	0.546	(2,481,037)
Exercised during the period/ year (Note (i))	0.546	(6,450,697)	—	—
At 30 June (unaudited)/ 31 December (audited)	0.546	9,676,042	0.546	16,126,739
Exercisable at the end period/year	—	—	—	6,450,695

NOTES TO INTERIM CONDENSED CONSOLIDATED

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For the six months ended 30 June 2025

21. SHARE OPTION SCHEME (continued)

(a) Movements in share options (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of share options	Exercise price per share HKD	Fair value per share HKD	Exercise period
4,838,021	0.546	0.618	22 December 2025 or after to 22 December 2033
4,838,021	0.546	0.602	22 December 2026 or after to 22 December 2033
<u>9,676,042</u>			

Note:

- (i) The subscription rights attaching to 6,450,697 share options under the Share Award Scheme were exercised at the subscription price of HKD0.546 (at approximately of RMB0.504) per share on 16 May 2025, resulting in the decrease of RMB7,212,000 in treasury shares and total cash consideration of RMB3,250,000. An amount of RMB1,887,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

22. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets:		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	212,161	169,084
Financial assets included in deposits and other receivables	67,178	43,717
Trade receivables	214,489	189,646
Restricted deposits	<u>1,159</u>	<u>1,108</u>
	<u>494,987</u>	<u>403,555</u>

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For the six months ended 30 June 2025

22. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial liabilities:		
<i>Financial liabilities at amortised cost</i>		
Trade payables	43,821	55,532
Financial liabilities included in other payables and accruals	66,948	71,924
Bank borrowings	83,500	9,000
Dividend payable	225	225
	<u>194,494</u>	<u>136,681</u>
Financial instruments:		
Lease liabilities	<u>241,692</u>	<u>247,784</u>

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in deposits and other receivables, restricted deposits, financial liabilities included in trade payables, other payables and accruals, bank borrowings, dividend payable and lease liabilities are approximate to their carrying amounts.

The fair value of the non-current portion of other payables and accruals has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for the non-current portion of other payables and accruals as at 30 June 2025 were assessed to be insignificant.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. During the period ended 30 June 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

24. EVENT AFTER THE REPORTING PERIOD

On 14 July 2025 and 21 July 2025, the Company granted of 19,380,000 and 33,338,921 share options of the Company to the director, senior management and employees of the Group, in which the exercise price of the share options were HK\$0.598 and HK\$0.782, equivalent RMB0.546 and RMB0.715 per share respectively and shall be vested in three tranches with various services conditions and performance targets.

25. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform the current period's presentation of the condensed consolidated financial statements.

26. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements was approved and authorised for issue by the board of directors on 28 August 2025.