



西安經發物業股份有限公司 Xi'an Kingfar Property Services Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 1354



2025
INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Suozheng (*Chairman*)
Mr. Sun Qi
Mr. Cheng Hongrang

Non-executive Directors

Mr. Zhao Junping
Mr. Yang Gang
Ms. Li Lingxiao

Independent Non-executive Directors

Mr. Lam Siu Wing
Dr. Jiang Li
Mr. Cao Yang

SUPERVISORS

Mr. Li Gang
Mr. Bai Xiong
Mr. Geng Hexiang

JOINT COMPANY SECRETARIES

Mr. Li Xiuyuan
Ms. Leung Shui Bing

AUTHORISED REPRESENTATIVES

Mr. Wu Suozheng
Ms. Leung Shui Bing

AUDIT COMMITTEE

Mr. Lam Siu Wing (*Chairman*)
Mr. Yang Gang
Mr. Cao Yang

REMUNERATION COMMITTEE

Mr. Cao Yang (*Chairman*)
Dr. Jiang Li
Ms. Li Lingxiao

NOMINATION COMMITTEE

Mr. Wu Suozheng (*Chairman*)
Mr. Cao Yang
Dr. Jiang Li

HEADQUARTERS IN THE PRC

Room 10701, Unit 1, Building 3
Xi'an Financial Innovation Center
No. 51 Fengcheng Second Road
Economic and Technological Development Zone
Xi'an, Shaanxi
PRC

REGISTERED OFFICE IN THE PRC

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Xi'an, Shaanxi
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

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CORPORATE INFORMATION

LEGAL ADVISORS

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in Association with Commerce & Finance Law Offices

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Dongcheng District

Beijing

PRC

COMPLIANCE ADVISOR

CEB International Capital Corporation Limited

34/F–35/F, Everbright Centre

108 Gloucester Road

Wanchai

Hong Kong

PRINCIPAL BANKS

Bank of China Limited

Xi'an Wenjing Road Branch

No. 88 Wenjing Road

Weiyang District

Xi'an, Shaanxi

PRC

China Merchants Bank Co., Ltd.

Xi'an Chengbei Branch

No. 132 Weiyang Road

Weiyang District

Xi'an, Shaanxi

PRC

COMPANY'S WEBSITE

www.xajfwy.com

STOCK CODE

1354

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a state-owned comprehensive city service and property management service provider in Shaanxi Province with presence in Northwest China. The Group has, through over 20 years of development, established an important market position and built a renowned brand in the city service and property management industry in Shaanxi Province. Leveraging the market position of the Group in Shaanxi Province, the Group has also expanded its footprint to Northwest China. Currently, the operations of the Group had covered Xi'an, Tongchuan, Hancheng and Shihezi.

The H Shares were listed on the Main Board of the Stock Exchange on 3 July 2024 by way of Global Offering.

The table below sets forth (i) the Group's three primary business lines; (ii) the major services that the Group provided under each business line; (iii) the types of properties to which the Group provided services under each business line; and (iv) the major customers of each business line as at the date of this interim report:

Business Lines	Major Services	Property Profile	Major Customers
City Services	Public property management services	Public properties, such as government buildings, education institutes and hospitals	Government agencies and public authorities
	Municipal management services	Municipal properties, such as public facility and infrastructure	
	Municipal value-added services	Government buildings	
Residential Property Management Services	Basic property management services Value-added services	Residential properties	Property developers, property owners and residents
Commercial Property Management Services	Basic property management services Value-added services	Office buildings, industrial parks and factories	Property developers, property owners and tenants

As of 30 June 2025, the Group was contracted to provide public property management services, basic residential property management services and basic commercial property management services to 198 projects in China, with a total contracted GFA of 18.2 million sq.m. and a GFA under management of 17.5 million sq.m..

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Reporting Period, the Group derived its revenue primarily from three business lines, namely, (i) city services; (ii) residential property management services; and (iii) commercial property management services.

Portfolio of Properties under Management

The following table sets forth the number of projects and GFA under the Group's management for city services, residential property management services and commercial property management services by business line as of the dates indicated:

	As at 30 June			
	2025 Number of projects	GFA under management sq.m.'000	2024 Number of projects	GFA under management sq.m.'000
City services	115	6,543	89	5,292
Residential property management services	29	7,007	28	6,919
Commercial property management services	48	3,948	30	3,319
Total	192	17,498	147	15,530

City Services

The Group commenced its city services in 2004. The Group primarily provides city services to government agencies and public authorities to improve the local environment and local residents' living experience. The city services of the Group primarily include: (i) public property management services, under which the Group provides cleaning, security, as well as common area facility repair and maintenance services to public properties, such as government buildings, education institutes and hospitals; (ii) municipal management services, under which the Group provides (a) cleaning and maintenance services for public facility and infrastructure, such as city roads, overpasses, underpasses and public lavatories; (b) municipal waste collection services through the waste compression stations that the Group operated; and (c) household garbage collection services to enterprises, residential communities, government agencies and public authorities; and (iii) municipal value-added services, which comprise catering services, public parking management services and commissioned administrative services.

Public Property Management Services

The Group provides property management services, including cleaning, security as well as common area facility repair and maintenance services, to public properties, such as government buildings, education institutes and hospitals.

As of 30 June 2025, the Group provided public property management services to 115 public properties with a total GFA under management of approximately 6.5 million sq.m..

MANAGEMENT DISCUSSION AND ANALYSIS

Municipal Management Services

The municipal management services of the Group include (i) cleaning and maintenance services to ensure the cleanliness and normal operations of the public facility and infrastructure under the Group's management, including city roads, overpasses, underpasses and public lavatories; (ii) municipal waste collection services, under which the Group collects, transports, sorts, compresses and disposes municipal waste which primarily include trash, garbage and solid waste discarded by the public, through three waste compression stations that the Group operates as at 30 June 2025; and (iii) household garbage collection services, under which the Group collects, transports and disposes household garbage from enterprises, residential communities, government agencies and public authorities in Xi'an as at 30 June 2025.

Municipal Value-added Services

The Group provides a wide range of municipal value-added services, which comprise (i) commissioned administrative services where the Group is commissioned by government agencies to provide certain administrative services in the city halls and town halls to local citizens on their behalf; (ii) catering services where the Group provides catering services by preparing main courses and side dishes for its customers' regular group meals; and (iii) public parking management services where the Group was commissioned to manage street parking spaces in Jingkai District and the parking spaces located in public facility, and to collect parking fees.

Residential Property Management Services

The Group provides property developers, property owners and residents with a wide range of residential property management services, which comprise (i) basic property management services, including cleaning services, security services, common area facility repair and maintenance services and pre-delivery services; and (ii) value-added services, including private parking management services, sales office management services, catering services and other services.

As at 30 June 2025, the Group provided basic residential property management services to 29 residential properties with a total GFA under management of approximately 7.0 million sq.m..

Commercial Property Management Services

The Group provides property developers, property owners and tenants of commercial properties, including office buildings and industrial parks, with a wide range of commercial property management services, which comprise (i) basic property management services, including cleaning services, security services, common area facility repair and maintenance services and pre-delivery services; and (ii) value-added services, including private parking management services, sales office management services, catering services and other services.

As at 30 June 2025, the Group provided basic commercial property management services to 48 commercial properties with a total GFA under management of approximately 3.9 million sq.m..

OUTLOOK

In the second half of 2025, the Company aims for higher requirements for scale expansion and will continue to focus on "deepening property management and expanding urban services", in particular in the Northwest China in order to strengthen its market position. The Company will adopt multiple expansion methods in parallel, mainly including joint ventures, mergers and acquisitions, and project expansion. In the second half of 2025, the Company will continue to analyze market demand in depth, explore blue ocean markets for diversified business operations, increase the bid winning rate, and expand the existing service scope.

MANAGEMENT DISCUSSION AND ANALYSIS

Meanwhile, the Group will refine its standardized service system and optimize customer experience. The Group will also implement its market-oriented mode of development on a deeper level through an accurate grasp of market trends and needs as well as a flexible adjustment of its business strategies, in order to tap into diverse business segments and revenue sources, explore new business models, and achieve coordinated development of business and optimal allocation of resources.

The Group will further expand and optimize our professional development team, recruit professionals, participate in professional training specifically for the industry, and raise the professional standards of the development team. The Group will continue to build up brand reputation of the Company and leverage its brand image, in order to expand its property management services to other property projects. The Group will actively seek development opportunities brought by the expansion of business coverage of its parent company, Kingfar Holdings Group, actively participate in bidding, so as to expand its operational radius and ensure stable growth in scale.

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of the Group's revenue by business line for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
City services	293,752	62.3	289,143	62.4
– Public property management services	160,018	33.9	156,586	33.8
– Municipal management services	96,020	20.4	95,740	20.7
– Municipal value-added services	37,714	8.0	36,817	7.9
Residential property management services	103,615	22.0	97,620	21.1
– Basic residential property management services	71,276	15.1	70,642	15.3
– Residential value-added services	32,339	6.9	26,978	5.8
Commercial property management services	72,416	15.3	74,740	16.1
– Basic commercial property management services	55,326	11.7	58,277	12.6
– Commercial value-added services	17,090	3.6	16,463	3.5
Others ^(Note)	1,690	0.4	1,827	0.4
Total	471,473	100.0	463,330	100.0

Note: Represents rental income derived from leasing an investment property and certain vehicles owned by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's revenue increased by approximately 1.8% from approximately RMB463.3 million for the six months ended 30 June 2024 to approximately RMB471.5 million for the six months ended 30 June 2025, mainly reflecting the following:

- (i) revenue from city services increased by approximately 1.6% from approximately RMB289.1 million for the six months ended 30 June 2024 to approximately RMB293.8 million for the six months ended 30 June 2025, primarily due to an increase in revenue from the Group's hospital projects;
- (ii) revenue from residential property management services increased by approximately 6.1% from approximately RMB97.6 million for the six months ended 30 June 2024 to approximately RMB103.6 million for the six months ended 30 June 2025, primarily due to the increase in the GFA under management and the number of residential projects managed by the Group;
- (iii) revenue from commercial property management services decreased by approximately 3.1% from approximately RMB74.7 million for the six months ended 30 June 2024 to approximately RMB72.4 million for the six months ended 30 June 2025, primarily due to the decrease in revenue generated from value-added services; and
- (iv) revenue from others decreased by approximately 5.6% from approximately RMB1.8 million for the six months ended 30 June 2024 to approximately RMB1.7 million for the six months ended 30 June 2025, primarily due to a slight decrease in the number of vehicles leased.

Cost of Sales

The Group's cost of sales decreased by approximately 0.4% from approximately RMB393.7 million for the six months ended 30 June 2024 to approximately RMB392.2 million for the six months ended 30 June 2025 primarily due to the implementation of cost control measures during the same period, which resulted in lower cost of sales of the Group as compared to the same for the six months ended 30 June 2024.

Gross Profit and Gross Profit Margin

The following table sets forth the Group's gross profit and gross profit margin by business line for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
City services	44,917	15.3	34,236	11.8
Residential property management services	19,759	19.1	18,949	19.4
Commercial property management services	14,030	19.4	15,874	21.2
Others	596	35.3	586	32.1
Total	79,302	16.8	69,645	15.0

The Group's gross profit increased by approximately 13.9% from approximately RMB69.6 million for the six months ended 30 June 2024 to approximately RMB79.3 million for the six months ended 30 June 2025, primarily due to the implementation of effective cost control measures by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's gross profit margin for the six months ended 30 June 2025 was 16.8%, representing an increase of 1.8% from 15.0% as compared with the six months ended 30 June 2024, mainly reflecting the following:

- (i) gross profit for city services increased by approximately 31.3% from approximately RMB34.2 million for the six months ended 30 June 2024 to approximately RMB44.9 million for the six months ended 30 June 2025, mainly due to the increase in revenue and effective cost control measures adopted by the Group;
- (ii) gross profit for residential property management services increased by approximately 4.8% from approximately RMB18.9 million for the six months ended 30 June 2024 to approximately RMB19.8 million for the six months ended 30 June 2025, primarily due to the increase in the GFA of residential projects under management with higher gross profit margins;
- (iii) gross profit for commercial property management services decreased by approximately 11.9% from approximately RMB15.9 million for the six months ended 30 June 2024 to approximately RMB14.0 million for the six months ended 30 June 2025, primarily due to the decrease in revenue generated from value-added services; and
- (iv) gross profit for others (being rental income derived from leasing an investment property and certain vehicles owned by the Group) remained relatively stable for the six months ended 30 June 2024 and 2025, respectively, each of which recorded for approximately RMB0.6 million.

Other Income

The Group's other income primarily consists of (i) interest income; (ii) government grants; and (iii) income from additional deduction on input VAT.

The Group's other income increased by approximately 8.3% from approximately RMB1.2 million for the six months ended 30 June 2024 to approximately RMB1.3 million for the six months ended 30 June 2025, primarily due to an increase in interest income.

Administrative Expenses and Research and Development Costs

Administrative expenses and research and development costs increased by approximately 11.9% from approximately RMB29.4 million for the six months ended 30 June 2024 to approximately RMB32.9 million for the six months ended 30 June 2025, primarily due to the increase in management expenses as a result from the increase in the business scale of the Group.

Impairment Losses on Trade and Other Receivables

Impairment losses on trade and other receivables increased by approximately 40.7% from approximately RMB2.7 million for the six months ended 30 June 2024 to approximately RMB3.8 million for the six months ended 30 June 2025, primarily due to the Group's business expansion and the settlement pattern of property owners.

Finance Costs

Financial costs increased by approximately 233.3% from approximately RMB0.6 million for the six months ended 30 June 2024 to approximately RMB2.0 million for the six months ended 30 June 2025, primarily due to the depreciation of the Hong Kong dollar against the Renminbi and the increase in exchange losses, which led to higher finance costs.

MANAGEMENT DISCUSSION AND ANALYSIS

Income Tax Expenses

Income tax expenses increased by approximately 37.5% from approximately RMB7.2 million for the six months ended 30 June 2024 to approximately RMB9.9 million for the six months ended 30 June 2025.

Profit for the Reporting Period

As a result of the foregoing, profit for the Reporting Period increased by approximately 3.5% from approximately RMB31.0 million for the six months ended 30 June 2024 to approximately RMB32.1 million for the six months ended 30 June 2025.

Investment Property and Other Property, Plant and Equipment

The Group's investment property and other property, plant and equipment mainly consist of an investment property of a kindergarten, machinery and other equipment, vehicles and right-of-use assets.

The value of the Group's investment property and other property, plant and equipment decreased by approximately 1.4% from approximately RMB95.8 million as at 31 December 2024 to approximately RMB94.5 million as at 30 June 2025, primarily due to the depreciation charges made on such assets during the Reporting Period, which increased their accumulated depreciation and resulted in a corresponding decrease in net book value.

Trade and Other Receivables

Trade and other receivables primarily arise from provision of various services in the ordinary course of business. The Group recognizes trade receivables when it has an unconditional right to receive consideration. The right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

The Group's trade and other receivables increased by approximately 30.0% from approximately RMB252.7 million as at 31 December 2024 to approximately RMB328.6 million as at 30 June 2025, primarily attributable to the settlement pattern of property owners, which generally results in settlement after the end of Reporting Period.

Prepayments

The Group's prepayments primarily include prepayments of utility fees, consultancy fees and training fees, and for the purchase of equipment, material and software.

The Group's prepayments increased by approximately 32.6% from approximately RMB8.6 million as at 31 December 2024 to approximately RMB11.4 million as at 30 June 2025, mainly due to the increase in the utilities cost and purchase cost as a result of the increase in the GFA under management by the Group.

Trade and Other Payables

Trade and other payables primarily represent the Group's obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.

The Group's trade and other payables decreased by approximately 4.1% from approximately RMB497.1 million as at 31 December 2024 to approximately RMB476.8 million as at 30 June 2025, primarily due to settlement of amounts payable to suppliers during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Contract Liabilities

The Group's contract liabilities primarily consist of prepayments received for the Group's property management and other services from its customers, while the services are yet to be provided.

The Group's contract liabilities increased by approximately 16.4% from approximately RMB37.3 million as at 31 December 2024 to approximately RMB43.4 million as at 30 June 2025, primarily due to the increase in the number of properties the Group managed, which led to an increase in advance payment of property management fees received from customers.

Cash at Bank and on Hand

The Group's cash at bank and on hand decreased by approximately 15.5% from approximately RMB426.9 million as at 31 December 2024 to approximately RMB360.6 million as at 30 June 2025, primarily due to the settlement of amounts payable to suppliers during the Reporting Period.

Net Current Assets

The Group's net current assets increased from approximately RMB148.5 million as at 31 December 2024 to approximately RMB179.9 million as at 30 June 2025, primarily attributable to (i) an increase in trade and other receivables of approximately RMB75.9 million; (ii) a decrease in cash at bank and on hand of approximately RMB66.3 million; and (iii) a decrease in trade and other payables of approximately RMB20.3 million.

LIQUIDITY AND CAPITAL RESOURCES

The Group's principal use of cash has been for working capital purposes. The Group's main source of liquidity has been generated from cash flows from operations and net proceeds received from the Global Offering. As at 30 June 2025, cash and cash equivalents of the Group amounted to approximately RMB360.6 million, 75.9% of which was denominated in RMB (31 December 2024: approximately RMB424.5 million). Going forward, the Group will closely monitor uses of cash and strive to maintain a healthy liquidity for its operations.

Bank Borrowings

As at 30 June 2025, the Group had no borrowings (31 December 2024: Nil).

Other Liabilities

As at 30 June 2025, the Group did not have other liabilities (31 December 2024: Nil).

Pledge of Assets

As at 30 June 2025, the Group did not have any pledged assets (31 December 2024: Nil).

Gearing Ratio

Gearing ratio is calculated based on the sum of interest-bearing borrowings as of the respective dates divided by total equity as of the same dates and multiplied by 100%. The Group's gearing ratio as at 30 June 2025 was nil (31 December 2024: Nil).

Contingent Liabilities

As at 30 June 2025, the Group did not have any outstanding material contingent liabilities (31 December 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditures

The Group's capital expenditures represent addition of property, plant and equipment and intangible assets. The Group incurred capital expenditures of approximately RMB8.8 million for the six months ended 30 June 2025 (for the six months ended 30 June 2024: approximately RMB4.8 million).

MARKET RISK

The Group is exposed to a variety of market risks, including interest rate risk, credit risk and liquidity risk, as set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. During the Reporting Period, the Group did not hedge or consider necessary to hedge any of these risks.

Interest Rate Risk

The exposure of the Group to risk for changes in market interest rates relates primarily to its interest-bearing borrowings. The Group does not use derivative financial instruments to hedge interest rate risk.

Foreign Exchange Risk

The Group's operations are primarily conducted in Renminbi, which is the functional currency of the Group. Material fluctuations in the exchange rate of the Renminbi against the Hong Kong dollar may negatively impact the value and amount of any dividends payable on the shares of the Company. Currently, the Group does not implement any foreign currency hedging policy and the management of the Group will closely monitor any exposure to foreign exchange.

Credit Risk

The Group's credit risk is primarily attributable to cash at bank, trade and bills receivables, prepayments, deposits and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks with a high credit standing designated by the management of the Group, which the Group considers to have low credit risk. For the purposes of internal credit risk management, the Group has applied the general approach in IFRS 9 to measure the loss allowance at 12-month ECLs as there is no significant increase in credit risk since initial recognition. The Group determines the expected credit losses for these assets by assessment of probability of default, loss given default and exposure at default.

In respect of amounts due from related parties of a non-trade nature, deposits and other receivables, the Group has assessed, based on historical settlement records and forward-looking information, that the expected credit loss rate for these receivables is not material under the 12-month ECL method. Accordingly, except for an allowance of RMB11,004,000 (31 December 2024: RMB11,004,000) provided through individual assessment, the Group's exposure to credit risk arising from these receivables for the Reporting Period was calculated using an expected loss rate of 0.5%.

In respect of trade receivables from third parties and related parties, the Group measures loss allowances at an amount equal to lifetime ECLs based on historical settlement records and forward-looking information. The Group has a large number of customers and there is no concentration of credit risk. In addition, the Group has established monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group considers that a default event occurs when there is significant decrease in services fee collection rate and estimate the expected credit loss rate for the Reporting Period. Normally, the Group does not obtain collateral from customers.

For cash and cash equivalents, as the majority of these are deposited with state-owned banks or other medium-to-large sized banks, the Group does not expect any significant credit risk. The Group does not anticipate any material losses arising from non-performance by these counterparties.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity Risk

The Group aims to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings. Cash flows are closely monitored on an ongoing basis.

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Company did not have any other significant investment or significant acquisition of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the paragraph headed “Use of proceeds from the Listing” in this section, as at 30 June 2025, the Company did not have any future plans for material investments or additions of capital assets.

Subsequent Events after the Reporting Period


There were no material events undertaken by the Group subsequent to 30 June 2025 and up to the date of this interim report.

Use of Proceeds from the Listing

The 16,666,800 H Shares were listed on the Main Board of the Stock Exchange on the Listing Date at HK\$7.50 per H Share, with net proceeds received by the Company from the Global Offering in the amount of approximately HK\$90.5 million after deducting the underwriting commissions and other estimated expenses payable by us in connection with the Global Offering. The following table sets forth the Company's use of the proceeds from the Global Offering as of 30 June 2025.

	% of the total net proceeds	Net proceeds from the Global Offering (HK\$ in millions)	Unutilised amount as of 1 January 2025 (HK\$ in millions)	Utilised amount during the Reporting Period (HK\$ in millions)	Unutilised amount as of 30 June 2025 (HK\$ in millions)	Expected timeline of full utilisation
Selective acquisitions of other property management companies	53.8	48.7	48.7	–	48.7	By 31 December 2026
Purchase of new energy vehicles	20.6	18.6	18.6	–	18.6	By 31 December 2026
Further develop our smart property management systems	10.5	9.5	9.5	1.3	8.2	By 31 December 2026
Improve our human resource management	5.1	4.6	4.6	–	4.6	By 31 December 2026
Working capital	10.0	9.1	9.1	–	9.1	By 31 December 2026
Total	100.0	90.5	90.5	1.3	89.2	

MANAGEMENT DISCUSSION AND ANALYSIS

A decorative graphic at the top of the page featuring a white silhouette of a city skyline against a light blue background.

The net proceeds have been and will be utilised in accordance with the purposes set out in the Prospectus. The expected timeline for utilising the remaining proceeds is based on the best estimation of the future progress of business expansion and market conditions made by the Company. It will be subject to change based on the current and future development of market conditions. Majority of the unutilised net proceeds are deposited in a short-term interest-bearing account at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or the applicable laws and regulations in the PRC) in the PRC as at 30 June 2025.

Employees and Remuneration Policy

As of 30 June 2025, the Group had a total of 7,873 full-time employees in China (31 December 2024: 7,833). For the six months ended 30 June 2025, the staff cost recognised as expenses of the Group amounted to approximately RMB263.6 million (for the six months ended 30 June 2024: approximately RMB253.5 million).

The Group believes that the expertise, experience and professional development of its employees contributes to its growth. The Group proactively recruits skilled and qualified personnel with relevant working experience in property management to support the sustainable growth of business.

The remuneration package of employees of the Group includes salary and bonus, which are generally based on their qualifications, industry experience, position and performance. In addition, the Group provides training programs regularly and across management levels, in compatible with practical needs, covering key areas in its business operations, including but not limited to corporate culture and policies, technical knowledge required for certain positions, leadership skills and general knowledge about the nature of the Group's services.

As of 30 June 2025, there was no share incentive schemes adopted by the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting high standards of corporate governance, which is essential to the Group's development and protection of the interests of its shareholders. The Company has adopted the relevant code provisions of the Corporate Governance Code (in effect as of 30 June 2025) as the basis for its corporate governance practices.

The Board is of the view that the Company has complied with all the applicable code provisions set out in the Corporate Governance Code during the Reporting Period. The Board will continue to review and monitor the corporate governance practices of the Company with the aim of maintaining a high standard of corporate governance.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's employees who, because of his/her office or employment, are likely to possess inside information. Specific enquiries have been made by the Company to all the Directors and the Supervisors, and all of the Directors and the Supervisors have confirmed that they have complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the employees was identified by the Company during the Reporting Period.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at 30 June 2025, none of the Directors, the Supervisors or chief executive of the Company had any interests or short positions 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 were required to be (i) 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 the Directors, the Supervisors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

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

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at 30 June 2025, the following persons/entities have interests and/or short positions in the Shares or the underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO, or are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Substantial Shareholder	Nature of Interest	Description of Shares ⁽²⁾	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in the Unlisted Domestic Shares/ H Shares ⁽³⁾	Approximate percentage in the total issued capital of the Company ⁽³⁾
Xi'an Kingfar Holdings (Group) Co., Ltd.* (西安經發控股(集團)有限責任公司)	Beneficial owner	Unlisted Domestic Shares	5,000,000 (L)	10.00%	7.50%
	Interest in a controlled corporation ⁽⁴⁾	Unlisted Domestic Shares	45,000,000 (L)	90.00%	67.50%
Xi'an Kingfar Group Co., Ltd.* (西安經發集團有限責任公司)	Beneficial owner	Unlisted Domestic Shares	45,000,000 (L)	90.00%	67.50%
Xi'an Tianbo Diagnostic Technology Co., Ltd.* (西安天博診斷技術有限公司)	Beneficial owner	H Shares	4,391,100 (L)	26.35%	6.59%
Meng Wujun (蒙武軍)	Interest in a controlled corporation ⁽⁵⁾	H Shares	4,391,100 (L)	26.35%	6.59%
Xinfuyuan Technology Co., Ltd.* (鑫富源科技有限公司)	Beneficial owner	H Shares	2,112,000 (L)	12.67%	3.17%
Liao Huixia (廖慧霞)	Interest in a controlled corporation ⁽⁶⁾	H Shares	2,112,000 (L)	12.67%	3.17%
Xi'an Dingzhun Education Technology Co., Ltd.* (西安訂準教育科技有限公司)	Beneficial owner	H Shares	1,463,700 (L)	8.78%	2.20%
Ding Huaming (丁華明)	Interest in a controlled corporation ⁽⁷⁾	H Shares	1,463,700 (L)	8.78%	2.20%
Ju E Trading Group (Hong Kong) Co., Ltd.* (聚經貿易集團(香港)有限公司)	Beneficial owner	H Shares	1,452,000 (L)	8.71%	2.18%
Pan Zhixiong (潘智雄)	Interest in a controlled corporation ⁽⁸⁾	H Shares	1,452,000 (L)	8.71%	2.18%
Kaufmann & Company Pan-Asia Limited	Beneficial owner	H Shares	1,320,000 (L)	7.92%	1.98%
The Reynold Lemkins Group (Asia) Limited	Beneficial owner	H Shares	1,320,000 (L)	7.92%	1.98%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) (L) denotes the person's long position in the Shares.
- (2) For the avoidance of doubt, both Unlisted Domestic Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.
- (3) The calculation is based on a total of 66,666,800 Shares in issue as of 30 June 2025, which consists of 50,000,000 Unlisted Domestic Shares and 16,666,800 H Shares.
- (4) As of 30 June 2025, Xi'an Kingfar Group Co., Ltd.* (西安經發集團有限責任公司) was owned as to approximately 94.07% by Xi'an Kingfar Holdings (Group) Co., Ltd.* (西安經發控股(集團)有限責任公司). By virtue of the SFO, Kingfar Holdings (Group) Co., Ltd.* (西安經發控股(集團)有限責任公司) was deemed to be interested in the Shares held by Xi'an Kingfar Group Co., Ltd.* (西安經發集團有限責任公司).
- (5) As of 30 June 2025, Xi'an Tianbo Diagnostic Technology Co., Ltd.* (西安天博診斷技術有限公司) was owned as to 64.10% by Meng Wujun. By virtue of the SFO, Meng Wujun was deemed to be interested in the Shares held by Xi'an Tianbo Diagnostic Technology Co., Ltd.* (西安天博診斷技術有限公司).
- (6) As of 30 June 2025, Xinfuyuan Technology Co., Ltd.* (鑫富源科技有限公司) was wholly owned by Liao Huixia. By virtue of the SFO, Liao Huixia was deemed to be interested in the Shares held by Xinfuyuan Technology Co., Ltd.* (鑫富源科技有限公司).
- (7) As of 30 June 2025, Xi'an Dingzhun Education Technology Co., Ltd.* (西安訂準教育科技有限公司) was owned as to 66.00% by Ding Huaming. By virtue of the SFO, Ding Huaming was deemed to be interested in the Shares held by Xi'an Dingzhun Education Technology Co., Ltd.* (西安訂準教育科技有限公司).
- (8) As of 30 June 2025, Ju E Trading Group (Hong Kong) Co., Ltd.* (聚鱷貿易集團(香港)有限公司) was wholly owned by Pan Zhixiong. By virtue of the SFO, Pan Zhixiong was deemed to be interested in the Shares held by Ju E Trading Group (Hong Kong) Co., Ltd.* (聚鱷貿易集團(香港)有限公司).

Save as disclosed above, as of 30 June 2025, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other persons/entities who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No arrangement has been made by the Company or any of its subsidiaries for any Director or Supervisor to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate, and no rights to any share capital or debentures of the Company or any other body corporate were granted to any Director, Supervisor, or their respective spouse or children under 18 years of age, nor were any such rights exercised as at 30 June 2025.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Since the publication of the 2024 annual report of the Company, save as disclosed herein, there has been no change in information required to be disclosed by the Directors, Supervisors and chief executive of the Company pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

As at 30 June 2025, there were no treasury shares held by the Company. Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the Reporting Period.

AUDIT COMMITTEE

The Group has established the Audit Committee with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, risk management and internal audit, provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee consists of three members, namely Mr. Lam Siu Wing, Mr. Yang Gang and Mr. Cao Yang. The chairman of the Audit Committee is Mr. Lam Siu Wing, who is an independent non-executive Director and possesses the appropriate professional qualifications.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited condensed consolidated financial information of the Group for the Reporting Period, including the applicable accounting policies and accounting standards adopted by the Group, and considers that such information has been prepared in compliance with the applicable Listing Rules and accounting standards.

By order of the Board
Xi'an Kingfar Property Services Co., Ltd.*
西安經發物業股份有限公司
Mr. Wu Suozheng
Chairman of the Board and Executive Director

Hong Kong, 27 August 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi ("RMB") unless otherwise indicated)

		Six months ended 30 June	
	Note	2025 RMB'000	2024 RMB'000
Revenue	3	471,473	463,330
Cost of sales		(392,171)	(393,685)
Gross profit		79,302	69,645
Other income		1,252	1,231
Administrative and other expenses		(32,134)	(29,206)
Research and development costs		(728)	(215)
Impairment loss on trade and other receivables		(3,771)	(2,662)
Profit from operations		43,921	38,793
Net finance costs	4(a)	(1,950)	(633)
Profit before taxation	4	41,971	38,160
Income tax	5	(9,873)	(7,157)
Profit and total comprehensive income for the period		32,098	31,003
Attributable to:			
Equity shareholders of the Company		30,855	29,673
Non-controlling interests		1,243	1,330
Profit and total comprehensive income for the period		32,098	31,003
Earnings per share	6		
Basic and diluted (RMB)		0.46	0.59

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in RMB unless otherwise indicated)

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Investment property and other plant and equipment	7	94,518	95,847
Intangible assets		7,560	7,465
Goodwill		1,769	1,769
Deferred tax assets		13,814	13,059
		117,661	118,140
Current assets			
Inventories		192	330
Trade and other receivables	8	328,632	252,674
Prepayments		11,383	8,631
Cash at bank and on hand	9	360,631	426,892
		700,838	688,527
Current liabilities			
Trade and other payables	10	476,757	497,081
Contract liabilities		43,413	37,312
Lease liabilities		604	1,205
Current taxation		129	4,433
		520,903	540,031
Net current assets		179,935	148,496
Total assets less current liabilities		297,596	266,636
Non-current liabilities			
Long-term payables		2,556	2,603
Deferred income		823	909
Lease liabilities		29	81
		3,408	3,593
NET ASSETS		294,188	263,043
CAPITAL AND RESERVES			
Share capital	11	66,667	66,667
Reserves		220,200	189,333
Total equity attributable to equity shareholders of the Company		286,867	256,000
Non-controlling interests		7,321	7,043
TOTAL EQUITY		294,188	263,043

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in RMB unless otherwise indicated)

	Attributable to equity shareholders of the Company					Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Statutory reserves surplus RMB'000	Retained profits RMB'000	Total RMB'000		
Balance at 1 January 2024	50,000	77	6,986	59,919	116,982	4,982	121,964
Changes in equity for the six months ended 30 June 2024							
Profit for the year and total comprehensive income	–	–	–	29,673	29,673	1,330	31,003
Appropriation to reserves	–	–	1,382	(1,382)	–	–	–
Balance at 30 June 2024 and 1 July 2024	50,000	77	8,368	88,210	146,655	6,312	152,967

	Attributable to equity shareholders of the Company					Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Statutory reserves surplus RMB'000	Retained profits RMB'000	Total RMB'000		
Balance at 1 January 2025	66,667	63,397	10,545	115,391	256,000	7,043	263,043
Changes in equity for the six months ended 30 June 2025							
Profit for the year and total comprehensive income	–	–	–	30,855	30,855	1,243	32,098
Purchase of minority shareholders' equity	–	12	–	–	12	(965)	(953)
Balance at 30 June 2025 and 1 July 2025	66,667	63,409	10,545	146,246	286,867	7,321	294,188

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in RMB unless otherwise indicated)

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Operating activities			
Cash used in operations		(39,799)	(19,629)
Tax paid		(13,950)	(8,372)
Net cash used in operating activities		(53,749)	(28,001)
Investing activities			
Payment for the purchase of property, plant and equipment		(8,795)	(4,812)
Other cash flows arising from investing activities		34	293
Net cash used in investing activities		(8,761)	(4,519)
Financing activities			
Other cash flows used in financing activities		(1,402)	(29,325)
Net cash used in financing activities		(1,402)	(29,325)
Net decrease in cash and cash equivalents		(63,912)	(61,845)
Cash and cash equivalents at 1 January		424,534	257,430
Cash and cash equivalents at 30 June	9	360,622	195,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

Xi'an Kingfar Property Services Co., Ltd. (the "Company") was established in the People's Republic of China (the "PRC") on 5 December 2000 as a limited liability company under the Company Law of the PRC and converted into a joint stock company with limited liability on 29 December 2020. The address of the Company's registered office is Room 10701, Unit 1, Building 3, Xi'an Financial Innovation Center, No. 51 Fengcheng Second Road, Economic and Technological Development Zone, Xi'an, Shaanxi, PRC. The Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 3 July 2024.

The Company and its subsidiaries (together, the "Group") are principally engaged in the provision of city services, residential property management services and commercial property management services in the PRC. The Company's immediate parent company is Xi'an Kingfar Group Co., Ltd. and the Company's ultimate parent company is Xi'an Kingfar Holdings (Group) Co., Ltd..

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standard Board ("IASB").

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim 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 amended IFRS Accounting for the first time in the current period:

- Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The adoption of the above amended IFRS Accounting Standard has not had a significant impact on the preparation of the Group's unaudited condensed consolidated interim financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are city services, residential property management services and commercial property management services.

Disaggregation of revenue

- (i) Disaggregation of revenue from contracts with customers by timing of revenue recognition and principal activities lines is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Disaggregated by timing of revenue recognition		
Over time	448,048	444,089
Point in time	23,425	19,241
Total	471,473	463,330
Revenue from contracts with customers within the scope of IFRS 15		
City services	293,752	289,143
Residential property management services	103,615	97,620
Commercial property management services	72,416	74,740
	469,783	461,503
Revenue from other sources		
Gross rental income	1,690	1,827
Total	471,473	463,330

(b) Segment reporting

During the six months ended 30 June 2025, the Group is principally engaged in the provision of city services, residential property management services and commercial property management services in the PRC. Management views the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the management of the Company are of the view that there is only one segment which is used to make strategic decisions.

The Group generated all revenue in the PRC and no non-current assets of the Group are located outside the PRC. Accordingly, no analysis of geographic information is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest on bank loans and other borrowings		
Interest on lease liabilities	35	40
Bank and other charges	571	593
Net exchange gain	1,344	–
	1,950	633

(b) Other items

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Amortisation	927	704
Depreciation charge		
– owned property, plant and equipment	5,740	4,973
– right-of-use assets	548	482
Interest income	(557)	(290)

5 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Current tax – PRC Corporate Income Tax	10,628	7,385
Deferred taxation	(755)	(228)
	9,873	7,157

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

5 INCOME TAX – continued

Notes:

- (i) The provision for PRC income tax is based on a statutory rate of 25% of the assessable income of the Company's mainland China subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.
- (ii) In 2020, the State Administration of Taxation issued the preferential PRC Corporate Income Tax policies for entities under the Third Phase of the Western Region Development Plan of the PRC (the "Policies"), which is effective from 1 January 2021 to 31 December 2030. Certain subsidiaries of the Group established in the PRC are entitled to tax benefits applicable to entities under the Policies and enjoy a preferential PRC Corporate Income Tax rate of 15% for the calendar years from 2021 to 2030.
- (iii) Certain subsidiaries have been approved as Small Low-profit Enterprises. The entitled subsidiaries are subject to a preferential income tax rate of 5% during the six months ended 30 June 2024 and 2025, respectively.
- (iv) Certain subsidiaries are entitled to an additional 100% deduction for its employment of disabled individuals costs incurred.

6 EARNINGS PER SHARE

(a) Basic and diluted earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB30,855,000 (six months ended 30 June 2024: RMB29,673,000) and 66,666,800 ordinary shares (30 June 2024: 50,000,000 shares).

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the six months ended 30 June 2025 and 2024.

7 INVESTMENT PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2025, several lease agreements for the Group's warehouses and office buildings expired, resulting in a decrease in the original value of the right-of-use assets by RMB690,000.

The leases of warehouse and office buildings are fixed lease payment term, the amount of fixed payments for the interim reporting period is summarised below:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Warehouse	114	57
Office buildings	697	453

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

7 INVESTMENT PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT – continued

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2025, the Group acquired items of property, plant and machinery with a cost of RMB4,836,000 (six months ended 30 June 2024: RMB39,511,000).

Items of plant and machinery with a net book value of RMB2,589,000 were disposed of by the Group during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB9,000), resulting in a loss on write-off of RMB96,000 (six months ended 30 June 2024: RMB6,000).

8 TRADE AND OTHER RECEIVABLES

As of the end of the Reporting Period, the aging analysis of trade receivables and bills receivables (which are included in trade and other receivables), based on the date of revenue recognition is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	261,880	182,324
1 to 2 years	24,191	30,904
2 to 3 years	7,120	4,948
Trade receivables and bills receivable, net of loss allowance	293,191	218,176
Other receivables, net of loss allowance	35,011	33,252
Financial assets measured at amortised cost	328,202	251,428
Tax recoverable	430	1,246
	328,632	252,674

9 CASH AND CASH EQUIVALENTS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Cash on hand	6	2
Cash at bank	360,625	426,890
Cash and cash equivalents in the statement of financial position	360,631	426,892
Less: restricted cash at bank	(9)	(2,358)
Cash and cash equivalents in the cash flow statement	360,622	424,534

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

10 TRADE AND OTHER PAYABLES

As of the end of the Reporting Period, the ageing analysis of trade payables and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	163,497	139,831
Over 1 year	9,247	17,625
Total trade payables	172,744	157,456
Amounts due to related parties	3,814	6,624
Other payables and accrued expenses	297,329	334,368
Financial liabilities measured at amortised cost	470,073	491,824
Other taxes payable	6,684	5,257
	476,757	497,081

As at 30 June 2025, RMB52,809,000 of the Group was trade payables for supplier finance arrangement (31 December 2024: RMB 15,876,000). The Group participates in a supplier finance arrangement under which its suppliers may elect to receive early payment of their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

The Group has not derecognised the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement.

From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating; however, the arrangement does provide willing suppliers with the benefit of early payment. Additionally, the Group does not incur any additional interest towards the bank on the amounts due to the suppliers. The Group therefore includes the amounts subject to the arrangement within trade payables because the nature and function of these payables remains the same as those of other trade payables.

All payables under the arrangement are classified as current as at 30 June 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

11 CAPITAL, RESERVES AND DIVIDENDS

Dividends

No dividends were paid or declared by the Company or its subsidiaries comprising the Group during the six months ended 30 June 2024 and 2025, respectively.

12 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2024 and 30 June 2025, respectively.

13 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	3,829	3,429
Retirement scheme contributions	354	360
	4,183	3,789

(b) Significant related party transactions

During the six months ended 30 June 2025, the Group entered into the following transactions with its related parties:

Nature of related party transactions	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Render of services	26,660	25,359
Purchase of services	4,529	5,832
Payments for business combinations under common control	–	25,000
Expense relating to short-term leases	547	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

13 MATERIAL RELATED PARTY TRANSACTIONS – continued

(c) Balances with related parties

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Related party balances		
Trade in nature (Note (i))		
Trade receivables	44,757	37,899
Prepayments	1,329	1,510
Trade payables	7,542	8,407
Contract liabilities	317	42
Lease liabilities	611	1,026
Non-trade in nature		
Other receivables	1,212	293
Other payables	3,814	6,624

Note:

- (i) The trade related balances with the related parties arose from the sale or purchase of goods or services with the related parties.

14 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD


There were no other material events undertaken by the Group subsequent to the end of the Reporting Period.

DEFINITIONS

In this interim report unless the context otherwise requires, the following terms shall have the meaning set out below.

"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"China" or "PRC"	the People's Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires, excluding Taiwan, the Macau Special Administrative Region and Hong Kong
"Company"	Xi'an Kingfar Property Services Co., Ltd.* (西安經發物業股份有限公司), a company incorporated in the People's Republic of China with limited liability on 5 December 2000 and converted into a joint stock company with limited liability on 29 December 2020
"Corporate Governance Code"	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"GFA"	gross floor area
"Global Offering"	has the same meaning as defined in the Prospectus
"Group"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are listed and trading on the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	3 July 2024, the date on which dealings in the H Shares on the Stock Exchange first commence
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

DEFINITIONS



"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Net Proceeds"	the net proceeds raised by the Company from the Global Offering
"Prospectus"	the prospectus of the Company dated 24 June 2024
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the six months ended 30 June 2025
"SFO"	the 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 share(s) with nominal value of RMB1.00 each in the share capital of our Company, comprising H Shares and Unlisted Domestic Shares
"Shareholder(s)"	holder(s) of the Share(s)
"sq.m."	square meter(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	the supervisor(s) of the Company
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"Unlisted Domestic Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"% "	per cent

* The English translation and/or transliteration of the names of PRC nationals, entities, enterprises, government authorities, departments, facilities, certificates, titles, laws and regulations included in this prospectus is included for identification purposes only. In the event of any inconsistency between the English translation and/ or transliteration and the Chinese versions, the Chinese versions shall prevail.