

佳源服務控股有限公司

JIAYUAN SERVICES HOLDINGS LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

STOCK CODE : 1153



2025
INTERIM
REPORT

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Li Meng (李猛先生) (*Chairman*)
Mr. Xin Bing (辛冰先生)

Non-Executive Director

Ms. Ruan Hong (阮紅女士)

Independent Non-Executive Directors

Mr. Zhang Chen (張辰先生)
Ms. Cui Yan (崔艷女士)
Mr. Cai Sitao (蔡思韜先生)

AUDIT COMMITTEE

Ms. Cui Yan (崔艷女士) (*Chairman*)
Mr. Zhang Chen (張辰先生)
Mr. Cai Sitao (蔡思韜先生)

REMUNERATION COMMITTEE

Mr. Zhang Chen (張辰先生) (*Chairman*)
Mr. Li Meng (李猛先生)
Ms. Cui Yan (崔艷女士)

NOMINATION COMMITTEE

Mr. Li Meng (李猛先生) (*Chairman*)
Mr. Zhang Chen (張辰先生)
Ms. Cui Yan (崔艷女士)
Mr. Cai Sitao (蔡思韜先生)

AUTHORISED REPRESENTATIVES

Mr. Li Meng (李猛先生)
Ms. Leung Kwan Wai (梁君慧女士)

AUDITOR

RSM Hong Kong

LEGAL ADVISERS

As to Hong Kong law:
CLKW Lawyers LLP
(In association with Michael Li & Co.)

As to PRC law:
Zhejiang Yijingyuan Law Firm* (浙江宜景源律師事務所)

As to Cayman Islands law:
Conyers Dill & Pearman

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PRINCIPAL PLACE OF BUSINESS IN PRC

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Cricket Square
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BRANCH SHARE REGISTRAR IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

Industrial and Commercial Bank of China
China Construction Bank
Bank of China

JOINT COMPANY SECRETARIES

Mr. Wu Hao (吳昊先生)
Ms. Leung Kwan Wai (梁君慧女士)

STOCK CODE

1153

COMPANY'S WEBSITE

<http://jy-fw.cn/>

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “Board”) of directors (the “Directors”) of Jiayuan Services Holdings Limited (the “Company”) is pleased to present the interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025.

MARKET REVIEW

In the first half of 2025, the Political Bureau of the China Communist Party Central Committee put forward the initiative of “continuing to consolidate the stable momentum of the real estate market”. Governments in various regions also launched special rectification campaigns targeting issues such as the performance of property services and the embezzlement of public benefits, which is conducive to the stable and sustainable development of the property industry. Meanwhile, the continuous improvement of property service quality and the retention and acquisition of high-quality projects remain important footholds of the basic competitive strategy. In the capital market, the valuation of property enterprises is still consolidating at a historical low. No new enterprises have successfully launched initial public offerings, and mergers and acquisitions are also rare, resulting in a relatively sluggish overall market atmosphere. However, the impairment pressure on various types of assets has significantly eased, and the annual cash dividends of listed property enterprises have continued to reach a record high.

BUSINESS REVIEW

As at 30 June 2025, the Group had 265 property management projects with contracted GFA of approximately 54.2 million sq.m., representing a decrease of approximately 4.7% and 3.7%, respectively, as compared with that of 278 property management projects with contracted GFA of approximately 56.3 million sq.m. in the corresponding period in 2024. As at 30 June 2025, the Group had GFA under management of approximately 44.5 million sq.m., representing an increase of approximately 2.8% as compared with that of approximately 43.3 million sq.m. in the corresponding period in 2024. The decrease in contracted GFA was caused by the Group’s continuous disposal of property projects which are expected to lack cash flow support, while the increase in GFA under management was attributable to the partial conversion of contracted area and effective market expansion activities.

The revenue of the Group for the six months ended 30 June 2025 was approximately RMB417.0 million, representing a decrease of approximately 4.0% as compared to the corresponding period of approximately RMB434.4 million in 2024. The gross profit of the Group for the six months ended 30 June 2025 was approximately RMB133.3 million, representing a decrease of approximately 8.7% as compared to the corresponding period of approximately RMB146.0 million in 2024. The gross profit margin of the Group for the six months ended 30 June 2025 was approximately 32.0% compared with that of approximately 33.6% in the corresponding period in 2024. The net profit of the Group for the six months ended 30 June 2025 was approximately RMB143.6 million, representing a significant increase as compared to the corresponding period of approximately RMB66.0 million in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the property management service business, for the six months ended 30 June 2025, the revenue of property management service of the Group was approximately RMB388.3 million, representing a decrease of approximately 1.6% as compared to that in the corresponding period in 2024. The revenue of property management service business further increased to approximately 93.1% of the total revenue of the Group. The slight decrease in property management service business revenue was primarily due to the recognition of revenue from new projects during 2025 mainly began in the second quarter, coupled with a decline in the average property management fee.

In terms of value-added services to property developers, for the six months ended 30 June 2025, the Group's revenue from value-added services to property developers was approximately RMB2.3 million, representing a sustained and significant decrease of approximately 58.7% as compared to that in the corresponding period in 2024. The revenue from value-added services to property developers accounted for approximately 0.6% of the Group's total revenue, representing a decrease of approximately 0.7 percentage points from 1.3% as compared to that in corresponding period in 2024. The sustained and significant decrease in the revenue of value-added services to property developers was mainly due to the Group's continued withdrawal from on-site projects where the developers failed to pay service fees on time.

In terms of community value-added services, for the six months ended 30 June 2025, the revenue of community value-added services was approximately RMB26.4 million, representing a decrease of approximately 23.0% as compared to that in the corresponding period in 2024. For the six months ended 30 June 2025, the revenue of community value-added services accounted for approximately 6.3% of the Group's total revenue, representing a slight decrease of 1.6 percentage points compared with the corresponding period in 2024. The decrease in the revenue of community value-added services is mainly attributable to the Group's business model, organizational structure, and operation teams related to these services are still going through a breaking-in period after optimization and adjustment, and the relevant business processes have yet to be further refined.

FUTURE PLANS AND PROSPECTS

The Group anticipates that although competitive pressures in the property industry are unlikely to ease significantly in the foreseeable future, the industry is demonstrating clear trends of standardisation and diversification. The substantial existing market still has considerable potential to be explored. To this end, the Group plans to prioritise the following initiatives to enhance its market competitiveness.

The Group will further refine and quantify the requirements for internal service quality inspections, elevate the standards for internal service assessments, targeting weak links in the service process, and continuously strengthen the control over service quality.

The Group will further enhance the transparency in both the processes and outcomes of specific project services, strengthen effective communication with customers, and provide customers with regular feedback on the status of revenue and expenditure items of key concern.

The Group will further innovate effective measures for energy conservation and emissions reduction, and implement customised energy management plans for eligible residential communities.

The Group will further accelerate the effective implementation of various specific value-added services, streamline coordination from internal organisational structures and operational teams to external partners, refine business process systems, and actively expand the scale of value-added services.

The Group will further strengthen the development of market expansion teams and market information channels, intensify training for the professional capabilities of market development personnel, and enhance the Group's ability to secure high-quality projects.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The revenue of the Group derives from three types of services: (i) property management services; (ii) value-added services to property developers; and (iii) community value-added services. The revenue of the Group decreased by approximately 4.0% from approximately RMB434.4 million for the six months ended 30 June 2024 to approximately RMB417.0 million for the six months ended 30 June 2025.

The following table sets forth the details of the Group's revenue by types of services for the periods indicated:

	Six months ended 30 June					
	2025		2024		Changes	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Property management services	388,330	93.1	394,461	90.8	(6,131)	(1.6)
Value-added services to property developers	2,347	0.6	5,678	1.3	(3,331)	(58.7)
Community value-added services	26,367	6.3	34,225	7.9	(7,858)	(23.0)
	<u>417,044</u>	<u>100</u>	<u>434,364</u>	<u>100</u>	<u>(17,320)</u>	<u>(4.0)</u>

Property management services

Revenue from property management services decreased by approximately 1.6% from approximately RMB394.5 million for the six months ended 30 June 2024 to approximately RMB388.3 million for the six months ended 30 June 2025, primarily attributable to a reduction in the number of property management projects under the Group's management during the period, as well as the fact that the revenue from newly acquired projects during 2025 are mainly recognised in the second quarter, coupled with downward adjustments in the pricing of newly signed property service contracts.

Value-added services to property developers

Revenue from value-added services to property developers decreased by approximately 58.7% from approximately RMB5.7 million for the six months ended 30 June 2024 to approximately RMB2.3 million for the six months ended 30 June 2025, primarily attributable to the decrease in the number of newly-added venue services items.

Community value-added services

Revenue from community value-added services decreased by approximately 23.0% from approximately RMB34.2 million for the six months ended 30 June 2024 to approximately RMB26.4 million for the six months ended 30 June 2025, primarily due to (i) revenue from newly acquired projects during 2025 were mainly recognised in the second quarter; and (ii) the decrease in revenue from common area value-added services compared with last year due to the decrease in revenue from assisting property owners with rental of common area and advertising in common area.

Cost of services and sales

The cost of services and sales consists of (i) employee benefit expenses; (ii) maintenance expenses; (iii) expenses for utility; (iv) cleaning and security expenses; (v) greening and gardening expenses; (vi) taxes and surcharges; (vii) office and communication expenses; and (viii) other expenses such as depreciation and amortisation.

Cost of services and sales decreased by approximately 1.6% from approximately RMB288.3 million for the six months ended 30 June 2024 to approximately RMB283.7 million for the six months ended 30 June 2025, primarily due to the reduction in the number of property management projects, which led to a decline in employee headcount and consequently a decrease in employee benefit expenses.

Gross profit and gross profit margin

The gross profit of the Group decreased by approximately 8.7% from approximately RMB146.0 million for the six months ended 30 June 2024 to approximately RMB133.3 million for the six months ended 30 June 2025, which was mainly due to the decrease in revenue of the Group as a result of the decrease in business scale.

The gross profit margin decreased from approximately 33.6% for the six months ended 30 June 2024 to approximately 32.0% for the six months ended 30 June 2025. Such decrease was primarily due to (i) the reduction in the number of property management projects under the Group's management during the period, as well as the fact that revenue from newly acquired projects during 2025 were mainly recognised in the second quarter; and (ii) the downward adjustments in the pricing of newly signed property service contracts.

The following table sets forth the details of the Group's gross profit and gross profit margin by types of services for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%
Property management services	123,489	31.8	129,266	32.8
Value-added services to property developers	717	30.5	1,814	32.0
Community value-added services	9,100	34.5	14,935	43.7
	<u>133,306</u>	<u>32.0</u>	<u>146,015</u>	<u>33.6</u>

Property management services

The gross profit margin of property management services decreased from approximately 32.8% for the six months ended 30 June 2024 to approximately 31.8% for the six months ended 30 June 2025, primarily due to higher maintenance costs for newer, larger properties with modern amenities.

MANAGEMENT DISCUSSION AND ANALYSIS

Value-added services to property developers

The gross profit margin of value-added services to property developers decreased from approximately 32.0% for the six months ended 30 June 2024 to approximately 30.5% for the six months ended 30 June 2025, primarily due to the increase in cost of value-added services to property developers.

Community value-added services

The gross profit margin of community value-added services decreased from approximately 43.7% for the six months ended 30 June 2024 to approximately 34.5% for the six months ended 30 June 2025, primarily due to the increase in cost of the community value-added services.

Other income and expenses, net

The Group's other income and expenses, net decreased by approximately 45.9% from a net expenses of approximately RMB0.4 million for the six months ended 30 June 2024 to approximately RMB0.2 million for the six months ended 30 June 2025, primarily due to the increase in value-added tax refund.

Selling and marketing expenses

Selling and marketing expenses decreased from approximately RMB3.2 million for the six months ended 30 June 2024 to approximately RMB2.8 million for the six months ended 30 June 2025, representing a decrease of approximately 13%, primarily due to the reduced expenses on marketing activities and employee benefits, which is in line with the decrease in the number of property management projects under the Group's management.

Administrative expenses

Administrative expenses increased from approximately RMB30.4 million for the six months ended 30 June 2024 to approximately RMB31.1 million for the six months ended 30 June 2025, representing an increase of approximately 2.3%. The increase in administrative expenses was due to the increase in employee benefit expenses for management and administrative staff as a result of the steady growth in average salary of senior management.

Finance costs

Finance costs represented interest expenses on bank borrowings and interest expenses on lease liabilities.

Income tax expenses

Income tax expenses were approximately RMB23.8 million for the six months ended 30 June 2024, representing a decrease of approximately 3.2%, to approximately RMB23.1 million for the six months ended 30 June 2025.

Profit and total comprehensive income for the period

As a result of the foregoing, the profit and total comprehensive income for the period increased from approximately RMB66.0 million for the six months ended 30 June 2024 to approximately RMB143.6 million for the six months ended 30 June 2025.

The profit and total comprehensive income attributable to owners of the Company for the period increased significantly from approximately RMB63.2 million for the six months ended 30 June 2024 to approximately RMB140.1 million for the six months ended 30 June 2025.

Property and equipment

The property and equipment of the Group decreased from approximately RMB22.7 million as of 31 December 2024 to approximately RMB21.2 million as of 30 June 2025, representing a decrease of approximately 6.4%, mainly due to the depreciation of property and equipment during the period.

Intangible assets

The intangible assets of the Group comprise property management contracts and goodwill resulting from equity acquisition and the purchase of software.

The intangible assets of the Group decreased from approximately RMB111.3 million as of 31 December 2024 to approximately RMB106.7 million as of 30 June 2025, mainly attributable to the amortisation of intangible assets during the period.

Trade and other receivables

Trade receivables mainly arise from provision of property management services, value-added services to property developers and community value-added services. Trade receivables of the Group, net of allowance for impairment, decreased from approximately RMB350.9 million as of 31 December 2024 to approximately RMB347.4 million as of 30 June 2025, representing a decrease of approximately 1.0%. Such decrease was primarily due to the decrease in the number of property management projects managed by the Group during the period.

Other receivables mainly consist of deposits and payments made on behalf of customers. Other receivables, net of allowance for impairment increased from approximately RMB56.6 million as of 31 December 2024 to approximately RMB81.6 million as of 30 June 2025, representing an increase of approximately 44.2%.

Trade and other payables

Trade payables represent the obligations to pay for goods and services acquired in the ordinary course of business from sub-contractors. Trade payables decreased from approximately RMB78.1 million as of 31 December 2024 to approximately RMB73.4 million as of 30 June 2025, representing a decrease of approximately 6.0%, mainly due to the Group's implementation of the business strategy of reducing procurement costs and reducing the ageing of trade payables.

Other payables mainly represent (i) utility and other payables (such as receivables from residents and related parties, which are collected by the Group on behalf of and payable to the relevant suppliers); (ii) owners' maintenance fund (being various proceeds collected on behalf of the owner) (iii) deposits received (such as home decoration deposits and supplier performance bonds); (iv) payroll payable; and (v) consideration payable for business combinations. Other payables increased from approximately RMB295.6 million as of 31 December 2024 to approximately RMB334.7 million as of 30 June 2025, primarily due to payable on unauthorised guarantee of approximately RMB28.0 million.

Contract liabilities

Contract liabilities mainly arise from property management fee received upfront as of the beginning of a billing cycle but not recognised as revenue. Contract liabilities decreased from approximately RMB121.7 million as of 31 December 2024 to approximately RMB74.0 million as of 30 June 2025, primarily due to the withdrawal from less profitable property projects and a slower pace of business expansion, which led to a reduction in the number of properties managed by the Group.

Liquidity, financial resources and capital structure

As of 30 June 2025, the total cash and cash equivalents and restricted bank deposits of the Group amounted to approximately RMB44.1 million and approximately RMB1.7 million, respectively. As of 31 December 2024, the total cash and cash equivalents and restricted bank deposits of the Group amounted to approximately RMB60.8 million and approximately RMB2.5 million, respectively. The restricted bank deposits remained stable throughout the corresponding periods.

As at 30 June 2025, the Group had bank borrowings of approximately RMB12.9 million which will be repayable within one year or on demand (31 December 2024: RMB18.6 million, among which approximately RMB12.1 million were repayable within one year or on demand). As at 30 June 2025, all current bank borrowings of the Group were denominated in RMB and bear interest at fixed interest rates. As at 30 June 2025 and 31 December 2024, all bank borrowings were secured by 100% equity interest of Shanghai Baoji Property Management Co., Ltd..

The Group's financial position improved substantially. As of 30 June 2025, the Group's net current liabilities amounted to approximately RMB165.2 million while the Group's net current liabilities amounted to approximately RMB305.2 million as of 31 December 2024. As of 30 June 2025, the Group's current ratio (current assets/current liabilities) was approximately 0.75, while the Group's current ratio was approximately 0.61 as of 31 December 2024.

The gearing ratio, calculated as the total liabilities divided by the total assets of the Group, as at 30 June 2025, was 95.1% (six months ended 30 June 2024: 107.2%).

Capital commitments

As at 30 June 2025, the Group did not have any material capital commitments.

Contingent liabilities

In addition to the unauthorised Pledged Shares and unauthorised guarantee for which provisions and liabilities have been accounted for with details as below, certain subsidiaries of the Company are defendants in certain claims, lawsuits, arbitrations and potential claims relating to property management contract and employment dispute. The directors of the Company after due consideration of each case and with reference to legal advice, consider the claims would not result in any material adverse impact on the interim condensed consolidated financial position or results and operations of the Group.

Unauthorised shares pledged

As detailed in the announcement of the Company dated 30 September 2024 and the notes to the audited consolidated financial results of the Group for the year ended 31 December 2022, during the Independent Internal Control Review, it was identified that during the financial year ended 31 December 2022 Zhejiang Heyuan Property Services Co., Ltd.* (浙江禾源物業服務有限公司) (“Zhejiang Heyuan”), an indirect wholly-owned PRC subsidiary of the Company entered into the share pledge agreement (the “Share Pledge Agreement”) with Mr. Zang Ping (“Mr. Zang”), an independent third party, pursuant to which, among others, Zhejiang Heyuan, agreed to pledge its equity interest in Zhejiang Jiayuan Services (currently known as Zhejiang Zhixiang Dacheng Property Services Group Co., Ltd (浙江智想大成物業服務集團有限公司), also an indirect wholly-owned PRC subsidiary of the Company) in the principal amount of RMB500,000,000, and all underlying interest thereof (the “Pledged Shares”) to Mr. Zang. The pledge was to secure the repayment obligation of Mr. Shum, as borrower, in respect of the loan agreement dated 31 March 2022 entered into between (i) Mr. Zang as the lender; (ii) Mr. Shum (沈玉興), also known as Mr. Shum Tin Ching (沈天晴) (“Mr. Shum”), the then ultimate controlling shareholder of the Company as at the material time of entering into of the Share Pledge Agreement, as the borrower; and (iii) Jiayuan Chuangsheng Holding Group Co., Ltd.* (佳源創盛控股集團有限公司), a company ultimately and beneficially wholly-owned by Mr. Shum as the guarantor in relation to the provision of the loan in the principal amount of RMB80,000,000.

Mr. Zang had brought a legal proceeding in the PRC against Mr. Shum and Jiayuan Chuangsheng in July 2022. In September 2022, a civil mediation paper was issued, affirming the lender’s right to enforce repayment of the loan’s principal and interest, and to receive preferential rights to proceeds from the auction or sale of pledged properties and the Pledged Shares. In March 2023, the court granted an enforcement order, and ordered for the resumption for the execution of such case to be resumed in March 2024. As at December 2024, one of the pledged properties was successfully auctioned. By June 2025, two additional properties have been successfully auctioned.

The Group recognised a provision of approximately RMB58,924,000 for loss on unauthorised Pledged Shares as at 30 June 2025.

For details, please refer to the announcement of the Company dated 25 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Unauthorised Guarantees to the then ultimate controlling shareholder

Reference is made to the announcement of the Company dated 13 November 2024, 13 December 2025 and 16 May 2025 (the “**Unauthorised Guarantee Announcements**”), respectively, in relation to, among others, the provision of the unauthorised guarantee by the Group to the then ultimate controlling shareholder during the year ended 31 December 2023.

Each of Jiayuan Chuangsheng Holding Group Co., Ltd.* (佳源創盛控股集團有限公司) (“**Jiayuan Chuangsheng**”) (a company ultimately and beneficially wholly-owned by Mr. Shum), Zhejiang Heyuan Property Services Co., Ltd.* (浙江禾源物業服務有限公司) (“**Zhejiang Heyuan**”) (an indirect wholly-owned subsidiary of the Company) and Zhejiang Zhixiang Dacheng Property Services Group Co., Ltd.* (浙江智想大成物業服務集團有限公司) (formerly known as Zhejiang Jiayuan Property Services Group Co., Ltd.* (浙江佳源物業服務集團有限公司) at the material time) (“**Zhejiang Zhixiang Dacheng**”) (an indirect wholly-owned subsidiary of the Company) has entered into the guarantee agreements (the “**Guarantee Agreements**”) with Shanghai Jinyuan Investment Centre (Limited Partnership)* (上海金轅投資中心(有限合夥)) (“**Shanghai Jinyuan**”) and Shanghai Zhijin, Asset Management Co., Ltd.* (上海智金資產管理有限公司) (“**Shanghai Zhijin**”), both independent third parties, pursuant to which, among others, each of Jiayuan Chuangsheng, Zhejiang Heyuan and Zhejiang Zhixiang Dacheng has agreed to provide joint liability guarantees for the payment obligations of Chaohu Xutong Business Management Co., Ltd.* (巢湖市旭彤商業管理有限公司) (“**Chaohu Xutong**”) under the equity transfer agreement dated 27 July 2023 (the “**Equity Transfer Agreement**”) entered into between Chaohu Xutong as transferee and Shanghai Jinyuan and Shanghai Zhijin as the transferors in relation to, among others, the transfer of the entire equity interest in Hefei Hongguo Hotel Management Co., Ltd.* (合肥弘果酒店管理有限公司) to Chaohu Xutong at a consideration of RMB123 million (the “**Consideration**”).

In December 2023, Shanghai Jinyuan and Shanghai Zhijin filed a request for arbitration (“**Arbitration Request**”) to the Shanghai Arbitration Commission (the “**SAC**”) requested, among others, (a) Chaohu Xutong to pay the Consideration; and (b) Jiayuan Chuangsheng, Zhejiang Heyuan and Zhejiang Zhixiang Dacheng to be jointly liable for the liability of Chaohu Xutong under the Equity Transfer Agreement.

In April 2024, the legal adviser of Zhejiang Heyuan and Zhejiang Zhixiang Dacheng, without being properly authorised, attended the arbitration hearing and entered into a settlement agreement (the “**Settlement Agreement**”). Subsequently, the SAC issued the Arbitration Mediation Statement ((2024) Huzhonganzi No. 0279 ((2024)滬仲案字第 0279號)) to confirm the terms of the Settlement Agreement.

On 8 October 2024, based on the Arbitration Mediation Statement, the Shanghai No. 2 Intermediate People’s Court accepted the Arbitration Request and issued an enforcement notice (the “**Enforcement Notice**”) to Zhejiang Heyuan and Zhejiang Zhixiang Dacheng ordering for the compulsory enforcement of the Arbitration Mediation Statement and certain bank accounts of Zhejiang Heyuan and Zhejiang Zhixiang Dacheng of up to the amount of approximately RMB124 million be frozen. The Board only became aware of the Arbitration Mediation Statement and the Enforcement Notice upon discovering that certain bank accounts of Zhejiang Heyuan and Zhejiang Zhixiang Dacheng have been frozen.

In May 2025, Shanghai Jinyuan and Shanghai Zhijin as applicants and Chaohu Xutong, Jiayuan Chuangsheng, Zhejiang Heyuan and Zhejiang Zhixiang Dacheng as enforcees (the “**Enforcees**”) entered into an enforcement settlement agreement (the “**Enforcement Settlement Agreement**”), pursuant to which, among others, each of Shanghai Jinyuan and Shanghai Zhijin have agreed to settle all the obligations of the Enforcees under the Equity Transfer Agreement and the Guarantees in the amount of RMB86,000,000, of which (i) RMB43,000,000 were satisfied by Jiayuan Chuangsheng or its related parties by way of assignment of 1,034 car parking spaces; and (ii) the remaining RMB43,000,000 would be satisfied by Zhejiang Heyuan and Zhejiang Zhixiang Dacheng in cash in four instalments. As at 30 June 2025, the Group has settled RMB15,000,000 in accordance with the terms of the Enforcement Settlement Agreement, whilst the outstanding RMB28,000,000 will be due in full by 31 December 2025. As a result, the Group recorded a reversal of loss on unauthorised guarantee amounting to RMB109,340,000 during the period, comprising (i) RMB66,340,000, being the difference between the provision and the settlement amount, and (ii) RMB43,000,000 attributable to the car parking spaces. The remaining provision of RMB43,000,000 was reclassified as other payables, contingent on the payment schedule and potential recoveries from Jiayuan Chuangsheng.

Save as disclosed above, as at 30 June 2025, the Group did not have any other material contingent liabilities.

Pledge of assets

As at 30 June 2025, the Group has the following pledge of material assets:

100% equity interest of the subsidiary, Shanghai Jiayuan Baoji Property Services Co., Ltd. was pledged as security for bank borrowings.

The Group has pledged the Pledged Shares as described in the subsection “Contingent liabilities – Unauthorised shares pledged” above, which was without the permission or authorisation of the Board and senior management of the Company.

Foreign exchange risk

Almost all of the Group’s operating activities were carried out in the People’s Republic of China with most of the transactions denominated in RMB. The Board expected that the RMB exchange rate would not have a material adverse effect on the operations of the Group. The Group will closely monitor the fluctuations of the RMB exchange rate and adopt prudent measures to reduce potential foreign exchange risk. As at 30 June 2025, the Group did not engage in hedging activities for managing the foreign exchange risk.

Interest rate risk

Except for the interest-bearing bank borrowings, the Group was not exposed to material risk directly relating to changes in market interest rate as at 30 June 2025.

SIGNIFICANT INVESTMENT HELD

The Group had no significant investment held as at 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2025, save as disclosed in the annual results announcement of the Company for the year ended 31 December 2024, the Group did not have other future plans for material investments and capital assets.

EMPLOYEES AND REMUNERATION POLICY

The Group had 5,685 full-time employees as at 30 June 2025. The total staff costs for the six months ended 30 June 2025 were approximately RMB190.0 million. Employees' remuneration package includes salary, performance bonus and other welfare subsidies. The remuneration of employees is determined in accordance with the Group's remuneration and welfare policies, the employees' positions, performance, company profitability, industry level and market environment.

EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Company or by the Group after 30 June 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company and its management are committed to maintaining good corporate governance with an emphasis on the principles of transparency, accountability and independence to all Shareholders. The Company believes that good corporate governance is an essence for a continual growth and enhancement of shareholders' value. The Company has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules") as the basis of the Company's corporate governance practices. During the six months ended 30 June 2025, the Company has complied with the code provisions as set out in the CG Code save for the deviations with the code provision C.2.1 which is explained below. The Company periodically reviews its corporate governance practices with reference to the latest development of corporate governance. The Directors use their best endeavours to procure the Company to continue to comply with the CG Code.

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Mr. Li Meng was appointed as the chairman of the Board with effect from 10 December 2024. Currently, no chief executive officer has been appointed by the Company. As all major decisions were made in consultation with members of the Board and relevant Board committee, and there have been three independent non-executive Directors on the Board offering independent perspective, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board shall nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances, to maintain a high standard of corporate governance practices of the Company.

The Board will continue to review and consider appointing a chief executive officer as and when appropriate by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding securities transactions by the Directors. Having made specific inquiries of all Directors, the Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2025.

CHANGES IN INFORMATION IN RESPECT OF DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Rule 13.51B(1) of the Listing Rules, there are no changes in information of Directors and senior management since the date of the 2024 annual report up to the date of this interim report.

AUDIT COMMITTEE

The Audit Committee of the Company has three members comprising three independent non-executive Directors, namely Ms. Cui Yan (chairman of the Audit Committee), Mr. Zhang Chen and Mr. Cai Sitao. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed with the management of the Company on financial reporting matters including a review of the unaudited interim financial information of the Group for the six months ended 30 June 2025.

The Company's independent external auditor, RSM Hong Kong, has reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 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.

INTERIM DIVIDEND

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the six months ended 30 June 2025.

As of 30 June 2025, there were no treasury shares held by the Company.

SHARE SCHEMES

During the six months ended 30 June 2025, the Company had no share option scheme or share award scheme.

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

As at 30 June 2025, none of the Directors and chief executive of the Company and their respective close associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were 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 or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OR DEBENTURES

So far as the Directors are aware as of 30 June 2025, the following persons (other than the Directors or chief executives of the Company) had the following interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO or required to be disclosed under Divisions 2 and 3 of Part XV of the SFO:

Name of substantial Shareholder	Nature of interest	Number of shares or securities held	Approximate percentage of interest in the Company
Valuable Capital Group Limited ("VCGL")	Interest in controlled corporation	450,162,046 (L) ⁽²⁾	73.59%
Consolidated Capital Group Holding Limited ("CGHL")	Interest in controlled corporation	450,162,046 (L) ⁽²⁾	73.59%
Valuable Capital Limited ("VCL")	Beneficial owner	450,000,000 (L) ⁽²⁾	73.56%
	A concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	162,046 (L) ⁽²⁾	0.03%
Linkto Tech Limited ("Linkto")	A concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	450,000,000 (L) ⁽³⁾	73.56%
	Beneficial owner	162,046 (L) ⁽²⁾	0.03%
First Leading Trading Limited	Beneficial owner	32,124,000 (L)	5.25%

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company. The letter "S" denotes the person's short position in the shares of the Company.
- (2) As at 30 June 2025, VCL is directly and wholly owned by CGHL, which is in turn directly and wholly owned by VCGL. Accordingly, each of CGHL and VCGL is deemed to be interested in the 450,162,046 Shares held by VCL by virtue of Part XV of the SFO.
- (3) As at 30 June 2025, Linkto and VCL are concert parties to an agreement to buy shares described in s.317(1)(a) of the SFO, and accordingly, pursuant to s.317 and s.318 of the SFO, Linkto is deemed to be interested in the 450,000,000 Shares beneficially owned by VCL and VCL is deemed to be interested in the 162,046 Shares beneficially owned by Linkto.
- (4) As at 30 June 2025, the total number of issued shares of the Company was 611,709,000.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any person who had an interest or short position in the shares and the 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 pursuant to section 336 of the SFO.

INDEPENDENT REVIEW REPORT



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TO THE BOARD OF DIRECTORS OF JIAYUAN SERVICES HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information of Jiayuan Services Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 20 to 36 which comprises the interim condensed consolidated statement of financial position of the Group as at 30 June 2025 and the related interim condensed consolidated statement of 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 selected explanatory notes. 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 Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion 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 HKICPA. 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 financial information is not prepared, in all material respects, in accordance with HKAS 34.

Certified Public Accountants

29 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	6	417,044	434,364
Cost of services and sales		<u>(283,738)</u>	<u>(288,349)</u>
Gross profit		133,306	146,015
Other income and expenses, net	7	(216)	(399)
Other gains and losses, net	8	375	(1,584)
Impairment losses on financial assets		(29,578)	(13,183)
Loss on unauthorised Pledged Shares	18(a)	(12,062)	(5,881)
Reversal of loss/(loss) on unauthorised guarantee	18(b)	109,340	(753)
Selling and marketing expenses		(2,792)	(3,209)
Administrative expenses		(31,107)	(30,420)
Finance costs	10	(417)	(655)
Share of results of an associate		<u>(176)</u>	<u>(100)</u>
Profit before taxation		166,673	89,831
Income tax expense	11	<u>(23,088)</u>	<u>(23,843)</u>
Profit and total comprehensive income for the period	9	<u>143,585</u>	<u>65,988</u>
Profit and total comprehensive income for the period attributable to:			
– Owners of the Company		140,063	63,178
– Non-controlling interests		<u>3,522</u>	<u>2,810</u>
		<u>143,585</u>	<u>65,988</u>
Earnings per share attributable to owners of the Company (expressed in RMB per share)			
– Basic and diluted	12	<u>0.23</u>	<u>0.10</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	Note		
ASSETS			
Non-current assets			
Property and equipment	14	21,231	22,692
Right of use assets		2,063	2,301
Intangible assets		106,690	111,340
Interest in an associate		1,259	1,435
Deferred income tax assets		69,732	68,758
		<u>200,975</u>	<u>206,526</u>
Current assets			
Inventories		661	680
Trade and other receivables	15	438,176	414,548
Restricted bank deposits		1,657	2,515
Cash and cash equivalents		44,096	60,762
		<u>484,590</u>	<u>478,505</u>
Total assets		<u>685,565</u>	<u>685,031</u>
EQUITY			
Equity/(deficit in equity) attributable to owners of the Company			
Share capital	16	5,225	5,225
Reserves		4,380	(135,683)
		<u>9,605</u>	<u>(130,458)</u>
Non-controlling interests		<u>23,696</u>	<u>22,390</u>
Total equity/(deficit in equity)		<u>33,301</u>	<u>(108,068)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	Note		
LIABILITIES			
Non-current liabilities			
Bank borrowings		–	6,454
Lease liabilities		1,603	1,826
Deferred income tax liabilities		916	1,086
		<u>2,519</u>	<u>9,366</u>
Current liabilities			
Contract liabilities		73,993	121,664
Bank borrowings		12,930	12,127
Lease liabilities		442	434
Provisions	18	58,924	199,202
Trade and other payables	17	408,055	373,674
Current income tax liabilities		95,401	76,632
		<u>649,745</u>	<u>783,733</u>
Total liabilities		<u>652,264</u>	<u>793,099</u>
Total equity and liabilities		<u>685,565</u>	<u>685,031</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company			Non-controlling interests	Total (deficit in equity)/ equity
	Share capital	Reserves	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025 (audited)	5,225	(135,683)	(130,458)	22,390	(108,068)
Total comprehensive income:					
Profit for the period	–	140,063	140,063	3,522	143,585
Transactions with owners in their capacity as owners:					
Dividend paid	–	–	–	(2,216)	(2,216)
Balance at 30 June 2025 (unaudited)	<u>5,225</u>	<u>4,380</u>	<u>9,605</u>	<u>23,696</u>	<u>33,301</u>
Balance at 1 January 2024 (audited)	5,225	(143,840)	(138,615)	26,814	(111,801)
Total comprehensive income:					
Profit for the period	–	63,178	63,178	2,810	65,988
Transactions with owners in their capacity as owners:					
Disposals of interest in subsidiaries to non-controlling interests	–	–	–	(1,023)	(1,023)
Balance at 30 June 2024 (unaudited)	<u>5,225</u>	<u>(80,662)</u>	<u>(75,437)</u>	<u>28,601</u>	<u>(46,836)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cash flows from operating activities		
Cash (used in)/generated from operations	(2,157)	29,202
Income tax paid	(5,463)	(3,332)
Net cash (used in)/generated from operating activities	(7,620)	25,870
Cash flows from investing activities		
Purchases of property and equipment	(1,228)	(4,551)
Proceeds from disposals of property and equipment	627	–
Proceeds from disposals of subsidiaries	–	(65)
Interest received	54	125
Net cash used in investing activities	(547)	(4,491)
Cash flows from financing activities		
Payments on leases	(254)	–
Interests paid on bank borrowings	(378)	(691)
Repayment of bank borrowings	(5,651)	(5,651)
Dividend paid to non-controlling interests	(2,216)	–
Net cash used in financing activities	(8,499)	(6,342)
Net (decrease)/increase in cash and cash equivalents	(16,666)	15,037
Cash and cash equivalents at beginning of the period	60,762	48,041
Cash and cash equivalents at end of the period	44,096	63,078

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

Jiayuan Services Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 5 March 2020 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is at the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. On 9 December 2020, the Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) by way of initial public offering.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in the provision of property management services, value-added services to property developers and community value-added services in the People’s Republic of China (the “PRC”).

In the opinion of the directors of the Company, Valuable Capital Limited (“VCL”), a limited company incorporated in Hong Kong, is the immediate holding company of the Company. Valuable Capital Group Ltd, a limited liability company incorporated in the Cayman Islands, is the ultimate holding company of the Company.

Unless otherwise stated, this condensed consolidated interim financial information for the six months ended 30 June 2025 (“Interim Financial Information”) is presented in Renminbi (“RMB”).

The Interim Financial Information has been reviewed, not audited.

1.2 Basis of preparation

The unaudited Interim Financial Information has been prepared in accordance with Hong Kong Accounting Standard 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The Interim Financial Information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2024. The accounting policies and methods of computation used in the preparation of this Interim Financial Information are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 December 2024.

2 ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

The Group has applied new and amended standards effective for the financial period beginning on 1 January 2025. The adoption of these new and revised standards does not have any significant impact on the Interim Financial Information of the Group.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the annual consolidated financial statements of the Group for the year ended 31 December 2024.

4 SIGNIFICANT CHANGES IN PRINCIPAL SUBSIDIARIES AND ASSOCIATES

There was no significant change in principal subsidiaries and associates of the Group during the six months ended 30 June 2025.

5 SEGMENT INFORMATION

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

The Group is principally engaged in the provision of property management services, value-added services to property developers and community value-added services in the PRC. The CODM reviews the operating results of the Group as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one operating segment which is used to make strategic decisions.

The Group's customers include property owners, property developers, residents and tenants (collectively "Customers") and they are all located in the PRC. No geographical segment of Customers is disclosed. The major operating entities of the Group are domiciled in the PRC. Accordingly, all of the Group's revenue were derived in the PRC during the relevant periods.

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

6 REVENUE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of services		
Property management services	388,330	394,461
Value-added services to property developers	2,347	5,678
Community value-added services	26,367	34,225
	<u>417,044</u>	<u>434,364</u>
Revenue is recognised:		
– Over time	414,308	428,588
– At a point in time	2,736	5,776
	<u>417,044</u>	<u>434,364</u>

None of the Group's Customers contributed 10% or more of the Group's revenue during the six months ended 30 June 2025 and 2024.

7 OTHER INCOME AND EXPENSES, NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Government grants	170	691
Value-added tax refund	283	65
Interest income on bank deposits	54	125
Late fees and penalties	(368)	(2,112)
Recovery of bad debt	–	1,132
Others	(355)	(300)
	<u>(216)</u>	<u>(399)</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

8 OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss on disposals of subsidiaries	–	(1,079)
Gains/(losses) on disposals of property and equipment	415	(505)
Others	(40)	–
	<u>375</u>	<u>(1,584)</u>

9 PROFIT FOR THE PERIOD

The Group's profit for the period is stated after charging the following:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Depreciation of right-of-use assets	238	–
Depreciation of property and equipment	2,446	5,646
Amortisation of intangible assets	4,650	4,738
Cost of inventories sold	2,831	2,954
Short-term lease expenses	<u>1,148</u>	<u>1,032</u>

10 FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest expense on bank borrowings	378	655
Interest expense on lease liabilities	<u>39</u>	<u>–</u>
	<u>417</u>	<u>655</u>

11 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax charge	24,232	20,459
Deferred income tax (credit)/charge	(1,144)	3,384
	<u>23,088</u>	<u>23,843</u>

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

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit generated in Hong Kong for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

Pursuant to PRC Corporate Income Tax Law and respective regulations, the corporate income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable corporate income tax rates (i.e. ranging from 5% to 25%) on the respective taxable income for the six months ended 30 June 2025.

12 EARNINGS PER SHARE – BASIC AND DILUTED

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to owners of the Company (RMB'000)	<u>140,063</u>	<u>63,178</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>611,709</u>	<u>611,709</u>
Basic earnings per share (RMB)	<u>0.23</u>	<u>0.10</u>

(b) Diluted earnings per share

For the six months ended 30 June 2025 and 2024, diluted earnings per share was the same as the basic earnings per share as there were no potentially dilutive ordinary shares outstanding in both periods.

NOTES TO THE INTERIM FINANCIAL INFORMATION

13 DIVIDENDS

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

14 PROPERTY AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property and equipment of approximately RMB1,228,000 (for the six months ended 30 June 2024: approximately RMB4,551,000).

15 TRADE AND OTHER RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables (a)	347,360	350,920
Other receivables	81,630	56,602
Prepayments	9,186	7,026
	<u>438,176</u>	<u>414,548</u>
Trade and other receivables	<u>438,176</u>	<u>414,548</u>

(a) Trade receivables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	653,376	644,230
Less: allowance for impairment	<u>(306,016)</u>	<u>(293,310)</u>
	<u>347,360</u>	<u>350,920</u>

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

The ageing analysis of the trade receivables based on invoice date and net of allowance for impairment is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0-60 days	40,871	154,770
61-180 days	36,706	12,251
181-365 days	114,745	28,134
1-2 years	64,497	48,188
2-3 years	34,493	70,541
3-4 years	40,356	26,376
4-5 years	13,178	8,915
More than 5 years	2,514	1,745
	<u>347,360</u>	<u>350,920</u>

16 SHARE CAPITAL

	Number of ordinary shares	Nominal value of shares HKD'000	Equivalent nominal value of shares RMB'000
Authorised			
At 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	<u>2,000,000,000</u>	<u>20,000</u>	<u>17,195</u>
Issued and fully paid			
At 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	<u>611,709,000</u>	<u>6,117</u>	<u>5,225</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

17 TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables (a)	73,374	78,094
Other payables		
– Utility and other charges	100,626	51,853
– Owners' maintenance fund	40,471	39,789
– Deposits received	84,088	84,042
– Loan from VCL	3,408	3,700
– Unauthorised guarantee payable (note 18 (b))	28,000	–
– Payroll payable	44,113	55,728
– Other taxes payables	15,565	16,964
– Others	18,410	43,504
	334,681	295,580
	408,055	373,674

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0-60 days	25,562	39,987
61-180 days	15,155	9,636
181-365 days	10,565	7,067
More than 1 year	22,092	21,404
	73,374	78,094

18 PROVISIONS

	Loss on unauthorised Pledged Shares RMB'000	Loss on unauthorised guarantee RMB'000	Total RMB'000
At 1 January 2025	46,862	152,340	199,202
Reclassified to other payables	–	(43,000)	(43,000)
Charged/(credited) to the consolidated statement of comprehensive income	12,062	(109,340)	(97,278)
At 30 June 2025	58,924	–	58,924
At 1 January 2024	49,315	123,000	172,315
Charged to the consolidated statement of comprehensive income	5,881	753	6,634
At 30 June 2024	55,196	123,753	178,949

a) Loss on unauthorised Pledged Shares

As detailed in the announcement of the Company dated 25 September 2024 and 30 September 2024, it was identified that in March 2022, Zhejiang Heyuan Property Services Co., Ltd. (浙江禾源物業服務有限公司) (“Zhejiang Heyuan”), an indirect wholly-owned PRC subsidiary of the Company, without the permission or authorisation of the then Board and senior management of the Company, entered into an unauthorised and undisclosed share pledge agreement. Under this agreement, Zhejiang Heyuan agreed to pledge its equity interest in Zhejiang Jiayuan Services and all underlying interest thereof (the “Pledged Shares”). The pledge was to secure the repayment obligation of Mr. Shum Tin Ching (“Mr. Shum”), the then ultimate controlling shareholder of the Company as at the material time of entering into of the agreement, as borrower, in respect of a personal loan of RMB80,000,000 from an external lender. The loan was interest-bearing at 18% per annum, repayable on 31 May 2022 and was further secured by properties held by the then related parties under Mr. Shum’s control, with joint and several guarantee obligations provided by one of the then related parties.

Following Mr. Shum’s failure to repay, the lender initiated legal proceedings against Mr. Shum as the borrower and a guarantor party in July 2022. In September 2022, a civil mediation paper was issued, affirming the lender’s right to enforce repayment of the loan’s principal and interest, and to receive preferential rights to the proceeds from the auction or sale of pledged properties and the Pledged Shares. In March 2023, the court granted an enforcement order, and execution proceeding resumed in March 2024. Up to December 2024, one of the pledged properties was successfully auctioned. By June 2025, two additional properties have been successfully auctioned. There were no further actions taken on the remaining pledged properties and the Pledged Shares.

The extent to which Mr. Shum will be able to repay the lender for the outstanding principal and interests of the loan remains uncertain. As at 30 June 2025, the Group recognised a provision of approximately RMB58,924,000 (31 December 2024: RMB46,862,000) for loss on unauthorised Pledged Shares representing the Group’s best estimate of the probable cash outflow arising from the obligations under the share pledge agreement, taking into account the net realisable value of the pledged properties.

18 PROVISIONS (CONTINUED)

b) Loss on unauthorised guarantee

As described in detail in the announcement dated 13 November 2024 and 13 December 2024, on 27 July 2023, two indirectly wholly-owned PRC subsidiaries of the Company, Zhejiang Heyuan and Zhejiang Jiayuan Services (collectively referred to as the “Involved Subsidiaries”), entered into unauthorised guarantee agreements with two independent third parties, as creditors (the “Creditors”), and the Involved Subsidiaries, as guarantors. These agreements, also involving a company controlled by Mr. Shum as guarantors (the “Former Related Party”), stipulated that the Involved Subsidiaries and the Former Related Party would provide joint liability guarantees for all creditors’ rights, effective for three years following the obligation fulfillment period. This arrangement was in favour of Chaohu Xutong Business Management Co., Ltd. (巢湖市旭彤商業管理有限公司) (“Chaohu Xutong”), a PRC limited liability company under Mr. Shum’s control, pursuant to an equity transfer agreement dated 27 July 2023. In this equity transfer agreement, Chaohu Xutong as transferee, agreed to acquire the entire equity interest of a target company from the two independent third parties, as transferors, at a consideration of RMB123,000,000, payable in one lump sum within 60 days from the effective date of the equity transfer agreement.

Following Chaohu Xutong’s failure to fulfill this payment, the Creditors initiated arbitration through the Shanghai Arbitration Commission (the “SAC”) in December 2023. In April 2024, without proper authorisation, the legal advisers of the Involved Subsidiaries attended the arbitration hearing and entered into a settlement agreement, mandating a combined compensation to the creditors of approximately RMB124,000,000, being the consideration and the arbitration fee, as confirmed by the SAC through an arbitration mediation statement.

In November 2024, the Company filed an application for the withdrawal of the arbitration mediation statement and the non-enforcement of the arbitration mediation statement to rigorously defend to protect and safeguard the legitimate interest of the Group.

Based on the legal advice, the creditors could legally demand payment based on the settlement agreement. Should the Involved Subsidiaries assume all payment obligations, they may seek full recovery from Chaohu Xutong and any excess amount from the related party, which has assumed joint liability for the payment obligations. According to the PRC Civil Code, guarantors share equal liability unless otherwise agreed.

18 PROVISIONS (CONTINUED)**b) Loss on unauthorised guarantee (Continued)**

The Group has recognised an expected credit loss of approximately RMB123,000,000, based on the consideration of the equity transfer associated with this unauthorised guarantee. For the six month period ended 30 June 2024, an addition provision of approximately RMB753,000 was recognised to account for the arbitration fee liable by Mr. Shum and the guarantors.

For the year ended 31 December 2024, the Group has recognised a provision for the loss on unauthorised guarantee of approximately RMB152,340,000, based on the consideration and arbitration and penalty fees stipulated in the arbitration mediation statement. This provision supersedes the financial guarantee liability of approximately RMB123,753,000 recognised as at 30 June 2024, which had been based on the equity transfer consideration associated with the unauthorised guarantee.

In May 2025, the Creditor, Chaohu Xutong, the Involved Subsidiaries, and the Former Related Party entered into an enforcement settlement agreement to settle all obligations under the unauthorised guarantee agreements for RMB86,000,000. The settlement comprises RMB43,000,000 through the assignment of 1,034 car parking spaces by the Former Related Party and RMB43,000,000 in cash payments by the Involved Subsidiaries, scheduled in four instalments, due in full by 31 December 2025.

Consequently, the Group recognised a reversal of provision of RMB109,340,000, comprising RMB66,340,000 (the difference between the provision and the settlement amount) and RMB43,000,000 attributable to the car parking spaces. The remaining provision of RMB43,000,000 was reclassified as other payables, contingent on the payment schedule and potential recoveries from the Former Related Party.

Up to June 2025, RMB15,000,000 of the unauthorised guarantee payable was settled in according to the terms of the enforcement settlement agreement. As at 30 June 2025, the Group has an unauthorised guarantee payable amounting to RMB28,000,000 outstanding, which will be due in full by 31 December 2025.

NOTES TO THE INTERIM FINANCIAL INFORMATION

19 COMMITMENTS

Operating lease commitments

The group's lease commitments under non-cancellable short-term and low-value operating leases are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
No later than 1 year	<u>148</u>	<u>226</u>

20 CONTINGENT LIABILITIES

In addition to the unauthorised Pledged Shares and unauthorised guarantee for which provisions and liabilities have been accounted for with details in note 18 to the Interim Financial Information, as at 30 June 2025, certain subsidiaries of the Company are defendants in certain claims, lawsuits, arbitrations and potential claims relating to property management contract and employment dispute. The directors of the Company after due consideration of each case and with reference to legal advice, consider the claims would not result in any material adverse impact on the interim condensed consolidated financial position or results and operations of the Group.

21 EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Company or by the Group after 30 June 2025.

22 APPROVAL OF FINANCIAL INFORMATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 was approved and authorised for issue by the Board on 29 August 2025.