康橋悅生活
KANGQIAO SERVICE GROUP

Kangqiao Service Group Limited
康橋悅生活集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2205)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

FINANCIAL HIGHLIGHTS

1. Revenue for the six months ended June 30, 2026 was approximately RMB469.9 million, representing an increase of 3.2% as compared to the corresponding period in 2025.

2. Revenue by business lines for the Reporting Period was as follows: (i) revenue from property management services was approximately RMB380.0 million, accounting for 80.8% of the total revenue, representing an increase of 7.4% as compared to the corresponding period in 2025; (ii) revenue from value-added services to non-property owners was approximately RMB12.5 million, accounting for 2.7% of the total revenue, representing a decrease of 20.6% as compared to the corresponding period in 2025; (iii) revenue from community value-added services was approximately RMB45.4 million, accounting for 9.7% of the total revenue, representing a decrease of 0.2% as compared to the corresponding period in 2025; and (iv) revenue from city services was approximately RMB32.0 million, accounting for 6.8% of the total revenue, representing a decrease of 20.4% as compared to the corresponding period in 2025.

3. Gross profit for the Reporting Period was approximately RMB106.4 million, representing an increase of 8.0% as compared to the corresponding period in 2025. Gross profit margin was 22.6%, representing an increase of 1.0 percentage points as compared to the corresponding period in 2025.

4. Profit for the Reporting Period was approximately RMB37.6 million, representing a decrease of 13.2% as compared to the corresponding period in 2025. Profit for the Reporting Period attributable to owners of the Company was approximately RMB28.8 million, representing a decrease of 13.9% as compared to the corresponding period in 2025.

5. The contracted GFA in respect of property management services during the Reporting Period was approximately 70.0 million sq.m., representing an increase of 2.4% as compared to approximately 68.3 million sq.m. for 2025, among which, approximately 57.4 million sq.m. or 82.0% were from third party property developers. The GFA under management was approximately 47.9 million sq.m., representing an increase of 3.7% as compared to approximately 46.2 million sq.m. for 2025, among which, approximately 37.5 million sq.m. or78.2% were from third party property developers.

6. The Board has resolved not to declare any interim dividend for the six months ended June 30, 2026.

The board (the "**Board**") of directors (the "**Director(s)**") of Kangqiao Service Group Limited (the "**Company**") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "**Group**" or "**Kangqiao Service**") for the six months ended June 30, 2026 (the "**Reporting Period**") with comparative figures for the corresponding period in 2025 as follows:

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

For the six months ended June 30, 2026

(All amounts expressed in RMB thousand unless otherwise stated)

		Six months ended June 30,	
	Notes	**2026**	2025
		(Unaudited)	(Unaudited)
Revenue	5	**469,947**	455,202
Cost of sales	6	**(363,571)**	(356,713)
Gross profit		**106,376**	98,489
Administrative expenses	6	**(33,089)**	(21,791)
Selling and marketing expenses	6	**(2,890)**	(2,491)
Net impairment losses on financial assets		**(23,179)**	(18,071)
Other income		**308**	179
Other gains/(losses) - net		**409**	(521)
Operating profit		**47,935**	55,794
Finance income		**1,310**	1,850
Finance costs		**(254)**	(838)
Finance income - net		**1,056**	1,012
Share of profit of investments accounted for using the equity method		**781**	48
Profit before income tax		**49,772**	56,854
Income tax expenses	7	**(12,151)**	(13,503)
Profit for the period		**37,621**	43,351
Profit attributable to:			
– Owners of the Company		**28,819**	33,483
– Non-controlling interests		**8,802**	9,868
		37,621	43,351

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

For the six months ended June 30, 2026

(All amounts expressed in RMB thousand unless otherwise stated)

	Notes	Six months ended June 30, 2026 (Unaudited)	Six months ended June 30, 2025 (Unaudited)
Other comprehensive income			
Item that may be reclassified to profit or loss			
– Exchange difference on translation of foreign operations		**(1,222)**	(799)
Total comprehensive income for the period		**36,399**	42,552
Total comprehensive income attributable to:			
– Owners of the Company		**27,597**	32,684
– Non-controlling interests		**8,802**	9,868
		36,399	42,552
Earnings per share			
– Basic and diluted (expressed in RMB per share)	8	**0.041**	0.048

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

June 30, 2026

(All amounts expressed in RMB thousand unless otherwise stated)

	Notes	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
ASSETS			
Non-current assets			
Property and equipment		**12,225**	11,119
Intangible assets		**44,769**	46,718
Investment properties		**21,903**	22,724
Right-of-use assets		**1,475**	2,479
Investments accounted for using the equity method		**6,284**	4,797
Deferred income tax assets		**98,559**	88,784
Prepayments	9	**42,075**	42,075
Restricted cash		**332**	7,697
		227,622	226,393
Current assets			
Inventory		**18,758**	18,765
Prepayments	9	**2,688**	2,857
Trade and other receivables	9	**1,535,183**	1,418,935
Financial assets at fair value through profit or loss		**23,100**	-
Cash and cash equivalents		**134,693**	157,629
Restricted cash		**2,145**	209,215
		1,716,567	1,807,401
Total assets		**1,944,189**	2,033,794
EQUITY			
Equity attributable to owners of the Company			
Share capital		**5,831**	5,831
Other reserves		**502,975**	504,197
Retained earnings		**205,481**	176,662
		714,287	686,690
Non-controlling interests		**63,775**	61,197
Total equity		**778,062**	747,887

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

June 30, 2026

(All amounts expressed in RMB thousand unless otherwise stated)

	Notes	**As at June 30, 2026 (Unaudited)**	As at December 31, 2025 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		**3,839**	4,231
Deferred income tax liabilities		**5,233**	1,763
Contract liabilities		**5,442**	13,183
		14,514	19,177
Current liabilities			
Contract liabilities		**226,871**	162,330
Trade and other payables	10	**354,708**	364,266
Provisions for litigation		**550,190**	726,725
Current income tax liabilities		**14,866**	7,472
Lease liabilities		**4,978**	5,937
		1,151,613	1,266,730
Total liabilities		**1,166,127**	1,285,907
Total equity and liabilities		**1,944,189**	2,033,794

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on October 8, 2020 as an exempted company with limited liability under the Companies Act, Cap. 22 (Revised) of the Cayman Islands. The address of its registered office is Floor 4, Willow House, Cricket Square, Grand Cayman, KY1-9010, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in provision of property management services, related value-added services and city services in the People's Republic of China (the "**PRC**"). The ultimate controlling entity of the Group is Hung Fai Property Limited, which is controlled by Mr. Song Gewei ("**Mr. Song**" or the "**Controlling Shareholder**").

The interim condensed consolidated balance sheet as at June 30, 2026, and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes (collectively defined as the "**Interim Financial Information**") of the Group have been approved for issuance by the Board on August 26, 2026.

The Interim Financial Information is presented in Renminbi ("**RMB**"), unless otherwise stated.

The Interim Financial Information has not been audited.

2 BASIS OF PREPARATION

(a) Compliance with HKAS

This Interim Financial Information for the six months ended June 30, 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting". The Interim Financial Information for the six months ended June 30, 2026 should be read in conjunction with the consolidated financial statements for the year ended December 31, 2025 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**"), and any public announcements made by the Group during the Reporting Period.

(b) Going concern basis

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing the Group's ability to continue as a going concern.

On December 25, 2024, Kangqiao Yueshenghuo Service Group Co., Ltd. * (康橋悅生活服務集團有限公司) (the "**Kangqiao Yueshenghuo**"), a wholly- owned subsidiary of the Company, received a civil judgement (the "**Civil Judgment**") from the Intermediate People's Court of Zhengzhou City, Henan Province* (河南省鄭州市中級人民法院) (the "**Court**") in relation to the litigation (the "**Litigation**") initiated by a bank in the PRC (the "**Bank**") as the plaintiff against Kangqiao Yueshenghuo concerning a purported promissory letter signed (the "**Purported Promissory Letter**"). Following the Civil Judgment, the Bank filed an appeal (the "**Appeal**") on January 8, 2025. On February 26, 2025, Henan Province High People's Court* (河南省高級人民法院) (the "**High Court**") issued a summons. The Appeal was heard on March 7, 2025.

On February 12, 2026, Kangqiao Yueshenghuo received a civil judgment (the "**Second Civil Judgment**") from the High Court in relation to the Appeal. Pursuant to the Second Civil Judgment, the High Court determined that the Purported Promissory Letter constitutes a valid guarantee and is legally binding on Kangqiao Yueshenghuo. Consequently, Kangqiao Yueshenghuo is liable for approximately RMB473,700,000, being the principal amount under certain loan agreements, together with interest calculated at the agreed interest rate up to the date of repayment. As of June 30, 2026, the Court has deducted certain bank amount of Kangqiao Yueshenghuo amounting to approximately RMB214,473,000. Based on the assessment made by the management, the estimated remaining liabilities were approximately RMB550,190,000 as at June 30, 2026, which have been recognised as provision of litigation in the Interim Financial Information.

2 BASIS OF PREPARATION(CONTINUED)

The directors have reviewed the Group's cash flow forecasts which cover a period of not less than twelve months from the end of the reporting period. Taking into account of the plans and measures as described above, the directors are of the opinion that the Group will have sufficient working capital to maintain its operations and to meet its financial obligations as and when they fall due for at least twelve months from the end of the reporting period. The directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

The plans and measures that the Company's directors will take, which involve material uncertainties, including but not limited to, Mr. Song, (who is the controlling shareholder of the Company and a connected person of the borrower of the loan), has committed to fully compensate and indemnify for any losses that may be suffered or incurred by the Company, in accordance with applicable laws and regulations; immediately obtaining the required funds from Mr. Song; and, if necessary, to discuss repayment schedule with the bank.

Should the Group fail to achieve the abovementioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify its non-current liabilities as current liabilities with consideration of the contractual terms or to make provision for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those applied in the preparation of the Group's consolidated financial statements for the period ended December 31, 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKAS 9 and HKAS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The nature and impact of the amended HKFRS Accounting Standard are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments are not expected to have any significant impact on the interim condensed consolidated financial information.

(b) Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(All amounts expressed in RMB thousand unless otherwise stated)

3 SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

(c) Annual Improvements to HKFRS Accounting Standards – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 SEGMENT INFORMATION

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

During the six months ended June 30, 2026 and 2025, the Group is principally engaged in provision of property management services, related value-added services and city services in the PRC. Management of the Company reviews the operating results of the business as a single reportable segment as the nature of services, the type of customers for services, the method used to provide their services and the nature of regulatory environment are the same in different regions.

During the six months ended June 30, 2026 and 2025, all the revenue of the Group was derived in the PRC. As at June 30, 2026, substantially all assets of the Group were located in the PRC.

5 REVENUE

Revenue of the Group mainly comprises of proceeds from the provision of property management services, related value-added services and city services. An analysis of the Group's revenue by categories for the six months ended June 30, 2026 and 2025 was as follows:

	Six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
Property management services	**380,009**	353,711
Value-added services to non-property owners	**12,499**	15,749
Community value-added services	**45,439**	45,534
City services	**32,000**	40,208
	469,947	455,202
Timing of revenue recognition:		
- Over time	**449,393**	433,124
- At a point in time	**20,554**	22,078
	469,947	455,202

For the six months ended June 30, 2026, revenue from entities controlled by Mr. Song contributed 0.7% (six months ended June 30, 2025: 0.9%) of the Group's revenue. None of the Group's customers contributed 10% or more of the Group's revenue during the six months ended June 30, 2026 (six months ended June 30, 2025: same).

(All amounts expressed in RMB thousand unless otherwise stated)

6 EXPENSES BY NATURE

	Six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
Employee benefit expenses	**97,976**	95,561
Greening and cleaning expenses	**93,592**	91,137
Security service costs	**74,871**	69,167
Maintenance and customer service costs	**35,579**	41,160
Utilities	**32,221**	30,598
Sales agency service costs	**10,045**	10,083
Cost of goods sold	**9,513**	9,353
Office expenses	**8,397**	4,657
Travelling and entertainment expenses	**3,553**	3,149
Decoration business costs	**146**	2,690
Amortisation of intangible assets	**1,949**	2,044
Depreciation of property and equipment	**1,727**	1,774
Depreciation of right-of-use assets	**1,004**	1,195
Depreciation of investment properties	**441**	493
Auditors' remuneration	**725**	725
Others	**27,811**	17,209
	399,550	380,995

7 INCOME TAX EXPENSES

	Six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
Current income tax		
- PRC corporate income tax	**17,356**	19,179
Deferred income tax		
- PRC corporate income tax	**(5,205)**	(5,676)
	12,151	13,503

7 INCOME TAX EXPENSES (CONTINUED)

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act Cap. 22 (Revised) of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries in the British Virgin Islands ("**BVI**") were incorporated under the International Business Companies Act of the BVI and accordingly, are exempted from BVI income tax.

Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong for the six months ended June 30, 2026 (six months ended June 30, 2025: same).

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the periods, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate is 25% for the reporting period. Under the relevant regulations of the Corporate Income Tax Law, certain subsidiaries of the Group qualifying as small enterprises earning low profits in the PRC are subject to a reduced income tax rate of 20% in the respective periods. Income tax expenses are recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

Pursuant to the Detailed Implementation Regulations of the Corporate Income Tax Law issued on December 6, 2007, dividends distributed from the profits generated by the PRC companies after January 1, 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the subsidiaries in the PRC are incorporated in Hong Kong and fulfil the requirements of the tax treaty arrangements between the PRC and Hong Kong. The Group has not accrued any withholding income tax for the undistributed earnings of its subsidiaries in the PRC during the six months ended June 30, 2026 as the Group is able to control the timing of distributions from subsidiaries and is not expected to distribute these profits out of the PRC in the foreseeable future.

8 EARNINGS PER SHARE

The 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 six months ended June 30, 2026 and 2025.

The Company did not have any potential ordinary shares outstanding during the six months ended June 30, 2026 and 2025. Diluted earnings per share was equal to basic earnings per share.

	Six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RMB thousand)	**28,819**	33,483
Weighted average number of ordinary shares in issue (in thousands)	**700,000**	700,000
Basic and diluted earnings per share attributable to the owners of the Company during the period (expressed in RMB per share)	**0.041**	0.048

(All amounts expressed in RMB thousand unless otherwise stated)

9 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at June 30, 2026	As at December 31, 2025
	(Unaudited)	(Audited)
Trade receivables (Notes (a) and (b))		
- Related parties	321, 529	335,225
- Third parties	637, 521	545,775
	959, 050	881,000
Less: allowance for impairment of trade receivables	**(310,989)**	(286,600)
	648,061	594,400
Other receivables		
- Amounts due from related parties	84, 992	81,048
- Amounts due from Controlling Shareholder/director (Note (c))	764, 663	726,725
- Loans to non-controlling interests	3, 000	-
- Cash advances to non-controlling interests	1, 749	790
- Deposits	52, 138	53,740
- Others	56, 711	40,523
	963,253	902,826
Less: allowance for impairment of other receivables	**(76,131)**	(78,291)
	887,122	824,535
Prepayments		
- Prepayments to third-party suppliers	44, 763	44,932
Less: non-current portion of prepayment (Note (d))	(42, 075)	(42,075)
	2,688	2,857
Current portion of trade and other receivables and prepayments	**1,537,871**	1,421,792

(All amounts expressed in RMB thousand unless otherwise stated)

9 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

(a) Trade receivables mainly arise from property management services income and related value-added services income and city services income.

Property management services income is received in accordance with the terms of the relevant services agreements. Property management services income is due for payment by the residents upon the issuance of demand note.

Value-added services income is usually with a credit term ranges from 0 to 180 days.

City services income is usually with a credit term ranges from 0 to 90 days.

(b) As at June 30, 2026 and December 31, 2025, the ageing analysis of the trade receivables based on recognition date was as follows:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Up to 1 year	**340,198**	426,804
1 to 2 years	**191,210**	144,437
2 to 3 years	**143,129**	109,960
Over 3 years	**284,513**	199,799
	959,050	881,000

(c) As at June 2, 2026, Mr. Song was resigned as a non-executive director of the Company.

(d) As at June 30, 2026 and December 31, 2025, the non-current portion of prepayments mainly represented a prepayment of RMB42,075,000 for the acquisition of 80% equity interest in a property management service company.

(e) As at June 30, 2026 and December 31, 2025, trade and other receivables were denominated in RMB and the carrying amounts of trade and other receivables approximated their fair values.

(All amounts expressed in RMB thousand unless otherwise stated)

10 TRADE AND OTHER PAYABLES

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Trade payables (Note (a))		
- Related parties	**3,652**	6,360
- Third parties	**104,234**	101,427
	107,886	107,787
Other payables		
- Amounts due to related parties	**21,527**	22,380
- Payables for acquisition of a subsidiary	**5,100**	5,100
- Deposits	**66,842**	98,396
- Accrued payroll	**37,799**	40,590
- Other tax payables	**5,909**	7,241
- Others	**109,645**	82,772
	246,822	256,479
Trade and other payables	**354,708**	364,266

(a) As at June 30, 2026 and December 31, 2025, the ageing analysis of the trade payables based on the invoice date was as follows:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Up to 1 year	**88,975**	91,435
1 to 2 years	**13,492**	10,531
2 to 3 years	**1,261**	413
Over 3 years	**4,158**	5,408
	107,886	107,787

(b) As at June 30, 2026 and December 31, 2025, trade and other payables were mainly denominated in RMB and the carrying amounts of trade and other payables approximated their fair values.

11 PROVISIONS FOR LITIGATION

On August 8, 2024, Kangqiao Yueshenghuo, a wholly- owned subsidiary of the Company, has received a summons (the "**Summons**") and a notice of appearance issued by the Intermediate People's Court of Zhengzhou City, Henan Province* (河南省鄭州市中級人民法院) (the "**Court**"), informing that the Court has accepted the case filed by a bank (the "**Bank**") in PRC as the plaintiff against Kangqiao Yueshenghuo in relation to a debt undertaking dispute litigation (the "**Litigation**"). The dispute arises from the fact that Henan Chengqiao Properties Limited* (河南誠橋置業有限公司) ("**Henan Chengqiao**"), a company which Mr. Song is the controlling shareholder, had defaulted on certain loan agreements (the "**Loan**") with the Bank. For the purpose of the application of the Loan, Kangqiao Yueshenghuo had purportedly signed a promissory letter (the "**Purported Promissory Letter**") to the Bank which was signed solely to satisfy the Bank's internal review procedures. The Loan was secured by a piece of land owned by Henan Chengqiao (the "**Collateral**").

The Bank had subsequently obtained two Enforcement Certificates* (執行證書) against Henan Chengqiao. The Bank has subsequently applied for compulsory enforcement actions (強制執行) against Henan Chengqiao with the Court and proceeded with the compulsory enforcement actions against Henan Chengqiao. The Bank is seeking to recover compensation from Kangqiao Yueshenghuo pursuant to the Purported Promissory Letter. The total amount demanded from the Bank under the Summons is approximately RMB607,760,000 plus all litigation costs, legal costs, preservation costs, and other costs incurred to collect the Bank's debt in the case.

On December 25, 2024, Kangqiao Yueshenghuo received a civil judgement (the "**Civil Judgment**") from the Court in relation to the Litigation. Pursuant to the Civil Judgement, the Bank should have known at the time that Kangqiao Yueshenghuo failed to follow the proper approval procedures in executing the Purported Promissory Letter. The Bank had also failed to fulfil its duty of reasonable diligence and cannot be considered a bona fide counterparty. As such, the Purported Promissory Letter is invalid as a guarantee.

While the Purported Promissory Letter was ruled by the Court to be invalid, both the creditor and the guarantor were found to be at fault. Consequently, Kangqiao Yueshenghuo remains liable for 40% of any remaining debt unpaid after the realisation of the Collateral. As at December 31, 2024, based on valuation performed by an independent professional valuer on the Collateral and assessment by the Board, the Company's liabilities were approximately RMB193,602,000, including potential liabilities and other related costs incurred. The final amount will depend on the actual value of the Collateral as determined by court auction, sale, discount or other means.

Following the Civil Judgment, the Bank has filed an appeal (the "**Appeal**") on January 8, 2025. On February 12, 2026, Kangqiao Yueshenghuo received a civil judgment in relation to the Appeal (the "**Second Civil Judgement**") from the Henan High People's Court* (河南省高級人民法院) (the "**High Court**"). Pursuant to the Second Civil Judgment, the High Court held that Henan Chengqiao is neither a shareholder nor the de facto controller of Kangqiao Yueshenghuo, and that the guarantee provided by Kangqiao Yueshenghuo in favour of Henan Chengqiao does not fall within the statutory circumstances permitted under paragraphs 2 and 3 of Article 16 of the Company Law of the PRC. The High Court further held that the findings in the Civil Judgment that the Bank had failed to fulfil its duty of reasonable review and was not a bona fide counterparty was insufficiently substantiated. Accordingly, the High Court determined that the Purported Promissory Letter constitutes a valid guarantee and is legally binding on Kangqiao Yueshenghuo. Consequently, Kangqiao Yueshenghuo is liable for RMB473,700,000, being the principal amount under certain loan agreements entered into by Henan Chengqiao, together with interest calculated at the agreed interest rate up to the date of repayment.

11 PROVISIONS FOR LITIGATION (CONTINUED)

Kangqiao Yueshenghuo filed an application for retrial with The Supreme People's Court of the People's Republic of China on April 14, 2026 in respect of the Second Civil Judgment. The application is made based on the Company's view, having considered the advice of its PRC legal advisor, that the appellate court erred in concluding that Henan Chengqiao was neither a shareholder nor the de facto controller of Kangqiao Yueshenghuo, and that the guarantee provided by Kangqiao Yueshenghuo in favour of Henan Chengqiao did not fall within the statutory circumstances permitted under paragraphs 2 and 3 of Article 16 of the Company Law of the PRC. The Company further considers that the appellate court erred in overturning the first instance court's finding that the Bank had failed to fulfil its reasonable review obligations and was not a good faith counterparty. Such errors involve incorrect determinations of basic facts and misapplication of law, and therefore warrant a retrial in accordance with the law.

As of June 30, 2026, the court has deducted certain bank amount of Kangqiao Yueshenghuo amounting to approximately RMB214,473,000. Based on the assessment made by the management, the estimated remaining liabilities were approximately RMB550,190,000 as at June 30, 2026, which have been recognised as provision of litigation in the Interim Financial Information. Mr. Song has committed to fully compensate and indemnify for any losses that are suffered or may be suffered by the Company in relation to the Litigation.

* *For identification purpose only.*

12 DIVIDENDS

The Board does not recommend any payment of an interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: same).

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

(1) Business Overview

The Group's business covers a variety of property types, including residential property, non-residential property (such as commercial properties, office buildings, industrial parks, hospitals and other public infrastructure), and provision of city services (such as rail transit sanitation, city environmental sanitation and other services). The Group's business involves property management services, value-added services to non-property owners, community value-added services and city services. All business areas are interconnected and market-oriented for balanced development. During the Reporting Period, the Group's revenue was approximately RMB469.9 million, representing an increase of 3.2% as compared to approximately RMB455.2 million for the corresponding period in 2025.

As of June 30, 2026, the Group provided property management services, value-added services or city services in 36cities in the PRC, with a number of 339 projects under management and a contracted gross floor area (the "**GFA**") of approximately 70.0 million sq.m., representing an increase of 2.4% as compared to the corresponding period in 2025, among which, approximately 57.4 million sq.m. or 82.0% were from third party property developers. The GFA under management was approximately 47.9 million sq.m., representing an increase of 3.7% as compared to approximately 46.2 million sq.m. for the corresponding period in 2025, among which, approximately 37.5 million sq.m. or 78.2% were from third party property developers.

(2) Four Major Business Lines

The Group is a reputable comprehensive property management services provider in the PRC, with a leading position in Henan. In April 2026, the Group was awarded the title of "2026 China Top 100 Property Management Companies" by China Index Academy, with its overall industry strength ranking increased by one place to 22nd as compared with the year of 2025. The Group generates its revenue mainly from four business lines: (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) city services.

Property management services — the Group provides property owners, property developers, residents of residential properties as well as tenants in non-residential properties with a wide range of property management services, which typically include security, cleaning, greening, gardening, repairs and maintenance services. The Group's portfolio of properties under management comprises of residential properties and non-residential properties, such as commercial properties, office buildings, industrial parks, hospitals and other public infrastructure. Revenue from property management services was approximately RMB380.0 million, accounting for 80.8% of the total revenue, representing an increase of 7.4% as compared to the corresponding period in 2025, which was mainly attributable to the increase in the total GFA under management as a result of the Group's business expansion.

Value-added services to non-property owners — the Group provides value-added services to non-property owners, primarily property developers, mainly consisting of (i) office management services to property developers' sales offices and show flats, such as visitor reception, cleaning and security services; (ii) pre-delivery services that the Group offers to property developers at different stages of delivery of properties from the perspective of property owners and future property management services, primarily including optimization of construction blueprints at the drawing design stage, quality control during the construction process and measurement and inspection of completed units prior to delivery; (iii) sales agency services in which the Group mainly facilitates property developers in selling their first-hand properties prior to property delivery; (iv) construction site management services in which the Group provides daily security maintenance services to constructors and property developers, such as video surveillance, emergency response, access control and visitor management; and (v) consultancy services for property developers and property management companies in relation to sales and management of projects. Revenue from value-added services to non-property owners provided by the Group was approximately RMB12.5 million, representing a decrease of 20.6% as compared to that of approximately RMB15.7 million for the corresponding period in 2025. The decrease in the revenue from value-added services to non-property owners was due to the shrinking of real estate business.

Community value-added services — the Group also provides a comprehensive range of community value-added services to property owners and residents to improve their living experiences and to preserve and increase the value of their assets. These services primarily include (i) home-living services, such as housekeeping and cleaning services, home maintenance services, decoration and move-in furnishing services and shopping services; (ii) community operation services with respect to managing community spaces and utilizing public resources, such as assisting third-party vendors in seeking suitable places to operate or promote their businesses, facilitating their promotional events, daily cleaning and equipment maintenance; and (iii) asset operation services, primarily including property agency services with respect to second-hand properties and unsold parking spaces after property delivery, as well as rental service in relation to parking spaces and shops. Revenue from community value-added services provided by the Group was approximately RMB45.4 million, representing a decrease of 0.2% as compared to that of approximately RMB45.5 million for the corresponding period in 2025.

City services — the Group provides a wide range of city services, which mainly include (i) rail transit sanitation services; (ii) city environmental sanitation; (iii) waste sorting and treatment; (iv) installation of road facilities; (v) landscaping project; (vi) old communities renovation; and (vii) setting up smart block construction set up, etc. During the Reporting Period, the Group's revenue from the city services was approximately RMB32.0 million, representing a decrease of 20.4% as compared to that of approximately RMB40.2 million for the corresponding period in 2025, which was primarily due to the Group's withdrawal from projects with low profitability and difficult payment collection.

II. OUTLOOK AND STRATEGY

The Group is committed to becoming a better life and smart city service provider, and has always adhered to the original intention of providing customers with "satisfaction + surprise" and worked hard to move forward. In the second half of 2026, the Group shall continue to improve its product strength, organizational strength, operational strength, digital science strength and brand strength to ensure service standardization, product standardization, product branding and brand value. The Group shall adhere to the bottom line of safety in projects, the property owner and the employees, the bottom line of providing services with quality corresponding to price, the bottom line of providing best service under the same price, the bottom line of standardization of service products, the bottom line of the performance of employees and the bottom line of business performance. Efforts will be made to expand the non-residential properties and city services business lines horizontally, in order to gradually realize the balanced development trend of the three pillars of "Joyful Living" (悅生活) (for residential properties), "Joyful Commercial Property Management" (悅商管) (for non-residential properties) and "Joyful City Service" (悅城服) (for city service). The vertical industry sector will be deeply cultivated and incubated, in order to realize the service ecology with the characteristics of the Group with people as the core.

Under the clear strategic layout of the Group, it will be able to continue to increase its market capitalization by continuously expanding its scale, securing contracted GFA as well as expanding the portion of the GFA from third party property developers, the portion of non-residential properties and the scale of city services, and thereby calmly responding to the intensive competition in the capital market and generating returns to the Shareholders, customers and employees of the Company.

III. FINANCIAL REVIEW

Revenue

The Group's revenue was mainly generated from four major businesses: (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) city services. During the Reporting Period, the Group's revenue was approximately RMB469.9 million, representing an increase of 3.2% as compared to approximately RMB455.2 million for the corresponding period in 2025.

The following table sets out the Group's revenue contribution of each business line for the periods indicated:

	Six months ended June 30,			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Property management services	**380,009**	**80.8**	353,711	77.7
Value-added services to non-property owners	**12,499**	**2.7**	15,749	3.5
Community value-added services	**45,439**	**9.7**	45,534	10.0
City services	**32,000**	**6.8**	40,208	8.8
Total	**469,947**	**100.0**	455,202	100.0

Property management services

During the Reporting Period, the Group's revenue from the provision of property management services amounted to approximately RMB380.0 million, representing an increase of 7.4% as compared to approximately RMB353.7 million for the corresponding period in 2025, which was mainly attributable to the increase in the total GFA under management as a result of the Group's business expansion.

Value-added services to non-property owners

During the Reporting Period, the Group's revenue from the provision of value-added services to non-property owners amounted to approximately RMB12.5 million, representing a decrease of 20.6% as compared to approximately RMB15.7 million for the corresponding period in 2025. The decrease in revenue from value-added services to non-property owners was due to the shrinking of real estate business.

Community value-added services

During the Reporting Period, the Group's revenue from the provision of community value-added services amounted to approximately RMB45.4 million, representing a decrease of 0.2% as compared to approximately RMB45.5 million for the corresponding period in 2025.

City services

During the Reporting Period, the Group's revenue from the city services amounted to approximately RMB32.0 million, representing a decrease of 20.4% as compared to approximately RMB40.2 million for the corresponding period in 2025, which was primarily due to the Group's withdrawal from projects with low profitability and difficult payment collection.

Cost of sales

The Group's cost of sales primarily consists of employee benefit expenses, greening and cleaning expenses, security service costs, maintenance and customer service costs, utilities, sales agency service costs, cost of goods sold, depreciation and amortisation charges and others.

During the Reporting Period, the Group's cost of sales was approximately RMB363.6 million, representing an increase of approximately 1.9% as compared to approximately RMB356.7 million for the corresponding period in 2025.

Gross profit and gross profit margin

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

	Six months ended June 30,			
	2026		2025	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*
Property management services	**83,096**	**21.9**	74,939	21.2
Value-added services to non-property owners	**3,663**	**29.3**	4,012	25.5
Community value-added services	**15,548**	**34.2**	14,603	32.1
City services	**4,069**	**12.7**	4,935	12.3
Total	**106,376**	**22.6**	98,489	21.6

During the Reporting Period, the Group's gross profit margin was 22.6%, representing an increase of 1.0 percentage point as compared to 21.6% for the corresponding period in 2025.

During the Reporting Period, the gross profit margin of property management services was 21.9%, representing an increase of 0.7 percentage points as compared to 21.2% for the corresponding period in 2025.

During the Reporting Period, the gross profit margin of value-added services to non-property owners was 29.3%, representing an increase of 3.8 percentage points as compared to 25.5% for the corresponding period in 2025, which was mainly due to the downturn in the real estate market, as the Company proactively phased out low-margin, slow-payment businesses such as new home distribution services.

During the Reporting Period, the gross profit margin of community value-added services was 34.2%, representing an increase of 2.1 percentage points as compared to 32.1% for the corresponding period in 2025, which was mainly due to the addition of source supplier cooperation for some products.

During the Reporting Period, the gross profit margin of city services was 12.7%, representing a slight increase from 12.3% for the corresponding period in 2025.

Other income

During the Reporting Period, the Group's other income amounted to approximately RMB0.3 million, representing an increase of 72.1% as compared to approximately RMB0.2 million for the corresponding period in 2025, which was mainly due to the increase in government subsidies received during the Reporting Period.

Selling and marketing expenses

During the Reporting Period, the Group's selling and marketing expenses amounted to approximately RMB2.9 million, representing an increase of 16.0% as compared to approximately RMB2.5 million for the corresponding period in 2025, which was mainly due to the corresponding increase in marketing investment in tandem with the Group's revenue growth.

Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to approximately RMB33.1 million, representing an increase of 51.8% as compared to approximately RMB21.8 million for the corresponding period in 2025, which was mainly due to the increase in litigation expenses and additional compliance expenses incurred during the Reporting Period.

Income tax expenses

During the Reporting Period, the Group's income tax expenses amounted to approximately RMB12.2 million, representing a decrease of 10.0% as compared to approximately RMB13.5 million for the corresponding period in 2025, which was mainly due to the decrease in the Group's profit before tax.

Profit for the period

During the Reporting Period, the Group's profit amounted to approximately RMB37.6 million, representing a decrease of 13.2% as compared to that of approximately RMB43.4 million for the corresponding period in 2025. Net profit margin was 8.0%, representing a decrease of 1.5 percentage points from 9.5% for the corresponding period in 2025. Profit for the Reporting Period attributable to owners of the Company was approximately RMB28.8 million, representing a decrease of 13.9% as compared to that of approximately RMB33.5 million for the corresponding period in 2025, which was mainly due to the increase in administrative expenses, and credit impairment losses.

Liquidity, reserves and capital structure

The Group maintained a stable financial position and the Group has sufficient capital during the Reporting Period. As at June 30, 2026, the current assets amounted to approximately RMB1,716.6 million, representing a decrease of approximately 5.0% as compared to that of approximately RMB1,807.4 million for 2025. The Group's cash and cash equivalents were mostly denominated in RMB and amounted to approximately RMB134.7 million, representing a decrease of approximately 14.6% from approximately RMB157.6 million as at December 31, 2025. The Group's current ratio (current assets divided by current liabilities) as at June 30, 2026 was 1.5, representing a slight increase from 1.4 as at December 31, 2025. The asset-liability ratio (total liabilities divided by total assets) as at June 30, 2026 was 60.0%, representing a decrease of 3.2 percentage points from 63.2% as at December 31, 2025.

Gearing ratio is total borrowings divided by total equity. It is calculated as the sum of long-term and short-term interest-bearing bank loans and other loans as at the corresponding dates divided by total equity as at the same dates. As of June 30, 2026, the Group did not have any bank loans and other loans and the gearing ratio was nil (December 31, 2025: nil).

The Group actively reviews and manages its capital structure on a regular basis and strikes a balance between maintaining higher returns for the Group's owners and the possible high level of borrowing, while maintaining the advantages and security of a stable capital position and adjusting the capital structure in response to changes in economic conditions.

Trade and other receivables

As at June 30, 2026, the Group's trade and other receivables amounted to approximately RMB 1,535.2 million, representing an increase of 8.2% from approximately RMB1,418.9 million as at December 31, 2025, which was mainly attributable to the delayed collection progress of certain trade receivables under the current economic environment. To enhance the collection efficiency of trade receivables, the Group has strengthened relevant internal control measures.

As at June 30, 2025, trade and other receivables with aging over one year amounted to approximately RMB756.0 million, representing approximately 39.3% of the Group's trade and other receivables. During the Reporting Period, the Group recovered approximately RMB27.3 million of trade and other receivables with aging over one year.

As at June 30, 2025, trade receivables due from entities controlled by Mr. Song Gewei amounted to RMB321.5 million.

Trade and other payables

As at June 30, 2026, the Group's trade and other payables amounted to approximately RMB354.7million, representing a decrease of 2.6% from approximately RMB364.3 million as of December 31, 2025, which was due to the accelerated payment progress of trade and other payables.

FOREIGN EXCHANGE RISK

The Group operates its business primarily in the PRC. RMB is the currency used by the Group for valuation and settlement of most transactions. Any depreciation of RMB would adversely affect the value of any dividends paid by the Group to Shareholders outside the PRC. The Group is currently not engaged in hedging activities that are designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange activities and make its best efforts to protect the cash value of the Group.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended June 30, 2026.

PLEDGE OF ASSETS

In May 2020, Henan Dingfeng Property Service Co., Ltd. (河南鼎峰物業服務有限公司) ("**Dingfeng Property**", whose 51% equity interests were acquired by the Group in October 2021, i.e. the "**Dingfeng Acquisition**") has provided a guarantee (the "**Dingfeng-Pingdingshan Guarantee**") for the loan repayment obligation of Pingdingshan Yufu Trading Co., Ltd. (平頂山市裕富商貿有限公司) ("**Yufu Trading**"), in favour of Henan Wugang Rural Commercial Bank Co., Ltd. (河南舞鋼農村商業銀行股份有限公司). The loan amount was RMB30 million. The loan was also secured by third parties' pledging of assets valued at around RMB18 million. Further, prior to the Dingfeng Acquisition, Henan Jiatian Industrial Group Co., Ltd. (河南佳田實業集團有限公司) ("**Jiatian**"), an independent third party, also executed a counter-guarantee (the "**Dingfeng-Pingdingshan Counter-guarantee**") to indemnify Dingfeng Property against any loss as a result of the Dingfeng-Pingdingshan Guarantee. As a measure to shield the Group against any loss as a result of the Dingfeng-Pingdingshan Guarantee, under the agreement for the Dingfeng Acquisition, the Group would be entitled to acquire at no additional cost the remaining 49% equity interest in Dingfeng Property to cover any losses as a result the Dingfeng-Pingdingshan Guarantee.

Due to the default of Yufu Trading, the bank accounts of Dingfeng Property were frozen by the court on February 9, 2023. In July 2023 and August 2023, an aggregate amount of approximately RMB12.5 million in the frozen bank account was enforced. In fulfilling its obligations under the Dingfeng-Pingdingshan Counter-guarantee and compensate the Group for its loss of the bank deposits of approximately RMB12.5 million, Jiatian transferred certain car parking spaces to the Group. In June 2025, an additional RMB0.9 million under the Dingfeng-Pingdingshan Guarantee was enforced from the Dingfeng Property.

As of June 30, 2026, an additional RMB0.9 million under the Dingfeng-Pingdingshan Guarantee was enforced from the Dingfeng Property, leaving an outstanding guarantee balance of approximately RMB0.8 million.

LITIGATION INVOLVING A NON-WHOLLY-OWNED SUBSIDIARY

In February 2021, Dingfeng Property was named as one of the guarantors under a guarantee agreement entered into in favour of Henan Zhongyu Urban Investment Development Co., Ltd.* (河南省中豫城市投資發展有限公司) ("Henan Zhongyu") in relation to a fund interest repurchase arrangement and certain pasture project investment, construction and acquisition arrangements. Under such guarantee agreement, if the relevant obligors failed to pay the repurchase price of the fund interests and other amounts due to Henan Zhongyu in full and on time, Dingfeng Property and the other guarantors may be required to assume joint and several guarantee liability.

Following the failure of the relevant obligors to pay the repurchase price of the fund interests and related amounts when due, Henan Zhongyu commenced legal proceedings against, among others, Dingfeng Property. On August 3, 2026, the People's Court of Zhengzhou High-tech Industrial Development Zone, Henan Province* (河南省鄭州高新技術產業開發區人民法院) granted an application for property preservation and ordered the freezing of bank deposits, or the seizure or attachment of other assets of equivalent value, in the amount of RMB132,858,230.35 against the relevant defendants, including Dingfeng Property.

The underlying events and the entry into the relevant guarantee agreement took place prior to the Dingfeng Acquisition and, based on the information currently available to the Group, were not disclosed to the Group by the relevant parties. The Group only became aware of the matter after Dingfeng Property received the relevant court documents in August 2026. The Group has requested the relevant shareholders of Dingfeng Property to compensate the Group and Dingfeng Property for any losses, liabilities and adverse consequences arising therefrom.

Save for the matters disclosed above and based on the information currently available to the Group, the Group is not aware of any other guarantees of the Group subsisting as at June 30, 2026.

CONTINGENT LIABILITIES

As of June 30, 2026, the Group did not have any material contingent liabilities and capital commitments.

MATERIAL ACQUISITIONS AND DISPOSALS

The Company did not have major investments, material acquisitions or disposals of subsidiaries, associates and joint ventures held as at June 30, 2026, nor were there any plans for significant investments or additions to capital assets as authorized by the Board.

SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group intends to utilize part of the net proceeds raised from the global offering to acquire property management companies and professional service companies, and to cooperate with local municipal investment companies or local property developers through capital injection or forming joint ventures according to the prospectus of the Company dated June 29, 2021 (the "**Prospectus**"). As at the date of this announcement, the Group did not have any other future plans for material investments.

LI FENG ACQUISITION

Reference is made to the announcements of the Company dated September 30, 2021 and November 12, 2021 in relation to the acquisition (the "**Lifeng Acquisition**") of 80% of the equity interests in Xi'an Lifeng Property Management Co., Ltd.(西安立豐物業管理有限公司) ("**Lifeng**"). Although the Group has completed the transfer of 80% equity interests in Lifeng and gained control of the board seats, the original shareholders' liabilities have not yet been settled, and subsequent projects have not been fulfilled and incorporated into Lifeng as agreed, as such the Board considers the Lifeng Acquisition to not have been completed as at June 30, 2026.

As at June 30, 2026, except for the rights and obligations under the first instalment (such as equity registration transfer and handover of seal, license and permit), which have been completed in accordance with the contract, the main rights and obligations under the second, third, fourth, and fifth instalments of the original cooperation agreement have not been fulfilled as scheduled. Although the Group has attempted to communicate with the equity transferor, it remains unclear when the aforementioned main rights and obligations will be fulfilled or when the Lifeng Acquisition is expected to be completed.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2026, the Group had a total of 2,451 employees (June 30, 2025: 2,322). The Group's employee benefit expenses (including Director's emoluments) amounted to RMB98.0 million for the six months ended June 30, 2026(six months ended June 30, 2025: RMB95.6 million).

The Group has a well-established recruitment and internal promotion system in place and strive to hire talented employees by offering competitive wages, bonuses, benefits, systematic training opportunities and internal promotions. The Group hires employees through a combination of online recruitment, job fairs, campus recruitment and referrals. To provide employees with fair competition opportunities, in addition to external recruitment, selections for management positions are open to all employees for their application.

The Group offers employee with benefits such as housing allowances, cultural and social events, as well as holiday and birthday gifts. The Group is also committed to embracing diversity within the Group's organization and treating all of the Group's employees with equality and respect in recruitment, training, wellness, as well as professional and personal development. While maximizing equal career opportunities for everyone, the Group will continue to promote work-life balance and create a culture of fun for all employees in the Group's workplace and pantry.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Main Board of the Stock Exchange on July 16, 2021 and the total net proceeds from the global offering, after deduction of the listing expenses, amounted to approximately HK$628.9 million.

Proceeds from the global offering are and will continue to be applied in accordance with the plans disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The following table sets forth the status of use of net proceeds from the global offering as of June 30, 2026:

Purposes	Original use of net proceeds as disclosed in the Prospectus	Revised allocation of Untilised Net Proceeds	Unutilised amount as at December 31, 2025	Actual use of net proceeds for the Reporting Period	Unutilised amount as at June 30, 2026	Expected timeline for the use of net proceeds
	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)	
Pursue selective strategic investment and acquisition opportunities to further develop strategic cooperation and expand the Group's business scale	408.8	-	-	-	-	N/A
Invest in our intelligent operational and internal management systems to improve service quality and customer experience	62.9	32.6	29.8	2.7	27.1	By December 2026
Enrich and expand the Group's service and type of product offerings to develop our diverse business line	94.3	0.6	0.6	0	0.6	By December 2026
Working capital and other general corporate purposes	62.9	277.3	200.3	127.9	72.4	By December 2026
Total	**628.9**	**310.5**	**230.7**	**130.6**	**100.1**	

As at the date of this announcement, the proceeds were deposited in short-term interest-bearing bank accounts with domestic and overseas licensed financial institutions and will continue to be used in accordance with the purposes set out in the Prospectus and are expected to be used up by December 2026.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

Save as disclosed under the section headed "LITIGATION INVOLVING A NON-WHOLLY-OWNED SUBSIDIARY", there were no material events of the Group after the Reporting Period and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted 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 of Hong Kong Limited (the "**Listing Rules**") as its code of governance. During the Reporting Period, the Company has complied with all applicable principles and code provisions under the CG Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code for dealing in the securities of the Group by the Directors. After specific enquiries made to all Directors, each of the Directors have confirmed their compliance with the required standard set out in the Model Code during the Reporting Period.

PURCHASE, SALE, OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)). As of June 30, 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Board has established an audit committee of the Company (the "**Audit Committee**") in accordance with the CG Code which consisted of three independent non-executive Directors, namely Mr. WONG Yun Pun, Dr. FAN Yun and Mr. KAM Hou Yin John. The Audit Committee is chaired by Mr. WONG Yun Pun. Mr. WONG Yun Pun is an independent non-executive Director possessing appropriate professional accounting and related financial management expertise. The primary duties of the Audit Committee are to review the financial information of the Company, and supervise the financial reporting system, risk management and internal control process of the Company.

The Audit Committee has reviewed the unaudited interim condensed consolidated results of the Group for the six months ended June 30, 2026 together with the Board, and confirmed that the unaudited interim condensed consolidated results of the Group for the six months ended June 30, 2026 have complied with all applicable accounting principles, standards and requirements, and that sufficient disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND 2026 INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kqysh.com.cn). The interim report of the Company for the six months ended June 30, 2026 will be dispatched to the Shareholders and published on the above websites in due course.

By order of the Board
Kangqiao Service Group Limited
DAI Wei
Chairman

Hong Kong, August 26, 2026

As at the date of this announcement, the Board comprises Mr. DAI Wei as the chairman and executive Director; Mr. CAI Xiqing, Mr. KANG Weiguo, Ms. WANG Na and Mr. SONG Xiangxi as the executive Directors; and Mr. KAM Hou Yin John, Dr. FAN Yun and Mr. WONG Yun Pun as the independent non-executive Directors.

**For identification purpose only*