

2026 INTERIM REPORT

寶龍商業管理控股有限公司

POWERLONG COMMERCIAL MANAGEMENT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with Limited Liability)

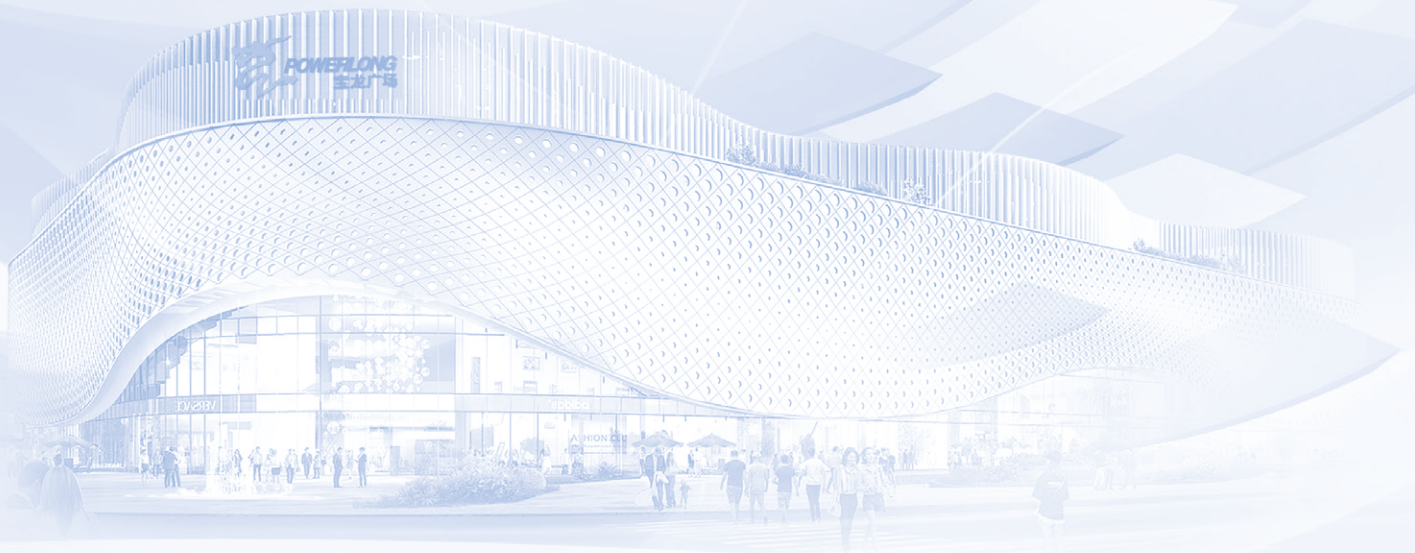
Stock code: 9909.HK

P O W E R L O N G



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Group Introduction



Powerlong Commercial Management Holdings Limited (9909.HK) (the “**Company**” or “**Powerlong CM**”) and its subsidiaries (together, the “**Group**”) is a leading commercial operational service provider in the People’s Republic of China (“**China**” or the “**PRC**”). The Company was successfully listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 December 2019 (the “**Listing Date**”), being the first commercial management operational service provider under an asset-light business model listed on the Stock Exchange. The Group focuses on the Yangtze River Delta region, especially city clusters with vast potentials for economic development. Based on local demand, it is committed to creating good city living.

The Group mainly provides commercial operational services under four brands, namely “Powerlong One Mall” (寶龍一城), “Powerlong City” (寶龍城), “Powerlong Plaza” (寶龍廣場) and “Powerlong Land” (寶龍天地). As at 30 June 2026, the Group had 92 retail commercial properties in operation, with an aggregate gross floor area (“**GFA**”)^{note} in operation of approximately 10.6 million square meters (“**sq.m.**”). As at the same date, the Group was contracted to provide commercial operational services for a total of 117 retail commercial properties with an aggregate contracted GFA of approximately 13.2 million sq.m..

The Group also provides property management services for residential properties, office buildings and serviced apartments. As at 30 June 2026, the Group was providing property management services to 126 delivered residential properties with an aggregate GFA delivered of approximately 23.0 million sq.m., and was contracted to manage 134 properties with an aggregate contracted GFA of approximately 28.9 million sq.m..

With the corporate mission of “creating space full of love”, the Group adheres to its corporate philosophy of “simple, truthful, prosper together, forward forever”, with a view to becoming a well-respected, century-lasting and world-leading operator of city space, thereby creating more room for value enhancement for customers and investors on an ongoing basis.

Note: Unless otherwise stated, all “GFA” of commercial properties referred to in this report include car parks.

Corporate Information

DIRECTORS

Executive Director

Mr. Hoi Wa Fong (Chairman of the Board)

Non-executive Directors

Ms. Hoi Wa Fan

Ms. Hoi Wa Lam

Independent non-executive Directors

Dr. Lu Xiongwen

Ms. Ng Yi Kum, Estella

Mr. Chan Wai Yan, Ronald

AUDIT COMMITTEE

Ms. Ng Yi Kum, Estella (Chairlady)

Mr. Chan Wai Yan, Ronald

Dr. Lu Xiongwen

REMUNERATION COMMITTEE

Dr. Lu Xiongwen (Chairman)

Mr. Hoi Wa Fong

Mr. Chan Wai Yan, Ronald

NOMINATION COMMITTEE

Mr. Hoi Wa Fong (Chairman)

Mr. Chan Wai Yan, Ronald

Dr. Lu Xiongwen

Ms. Ng Yi Kum, Estella

COMPANY SECRETARY

Ms. Zhang Yiting

Ms. Leung Wai Yan (resigned on 30 June 2026)

AUTHORIZED REPRESENTATIVES

Ms. Hoi Wa Lam

Ms. Zhang Yiting (appointed on 30 June 2026)

Ms. Leung Wai Yan (resigned on 30 June 2026)

REGISTERED OFFICE

Maples Corporate Services Limited

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Powerlong Tower

1399 Xinzhen Road

Minhang District

Shanghai

PRC

Postal Code: 201101

PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited

P.O. Box 1093

Boundary Hall

Cricket Square

Grand Cayman KY1-1102

Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712–1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited

Bank of Communications Co., Ltd.

Agricultural Bank of China Limited

Bank of China Limited

AUDITOR

KTC Partners CPA Limited

Certified Public Accountants

Room 1305-07, 13/F, New East Ocean Centre

9 Science Museum Road, Tsimshatsui East

Kowloon, Hong Kong

HONG KONG LEGAL ADVISOR

DLA PIPER HONG KONG

COMPANY'S WEBSITE

www.powerlongcm.com

Management Discussion and Analysis

OVERVIEW

The Group is a leading commercial operational service provider in the PRC. As at 30 June 2026, the Group had a total of 92 retail commercial properties in operation, with an aggregate GFA in operation of approximately 10.6 million sq.m.. The Group had a total of 117 retail commercial properties with an aggregate contracted GFA of approximately 13.2 million sq.m. for which the Group had been contracted to provide commercial operational services. The Company enjoys considerable brand recognition in the markets where it operates. The Company was awarded the Leading Enterprise Award in Commercial Property of the Year (年度商業地產領航企業) by Winshang.com (贏商網) in May 2026.

The Group also provides property management services for residential properties, office buildings and serviced apartments. As at 30 June 2026, the Group delivered residential property management services to 126 projects, with an aggregate GFA delivered of approximately 23.0 million sq.m., and was contracted to manage 134 projects with an aggregate contracted GFA of approximately 28.9 million sq.m..

With the mission of “creating space full of love”, the Company adheres to its corporate philosophy of “simple, truthful, prosper together, forward forever”, with a view to becoming a well-respected, century-lasting and world-leading operator of city space, thereby creating more room for value enhancement for customers and investors on an ongoing basis.

BUSINESS REVIEW

For the six months ended 30 June 2026 (the “**Reporting Period**”), the Company mainly conducted its business activities in the following business segments, namely (i) commercial operational services; and (ii) residential property management services. The Group’s revenue is mainly derived from its commercial operational services.

Commercial operational services: The Company provides full-chain services covering positioning, tenant sourcing, opening, operation and management to shopping malls and shopping streets.

It primarily includes:

- (i) Market research and positioning, business tenants sourcing and opening preparation services to property developers or property owners during the preparation stage before the opening of a retail commercial property;
- (ii) Commercial operation and management services to property owners or tenants during the operation stage of a retail commercial property; and
- (iii) Property leasing services with respect to units located within the shopping streets and shopping malls.

Residential property management services: The Group provides property management services to residential properties, office buildings and serviced apartments.

It primarily includes:

- (i) Pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance of pre-sale display units and sales offices;
- (ii) Property management services to property owners or property owners’ associations at the post-delivery stage, such as security, cleaning, gardening and repair and maintenance services; and
- (iii) Other value-added services to property owners, tenants or residents of properties under management, such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services.

Management Discussion and Analysis

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

	Six months ended 30 June			
	2026		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%
Commercial operational services	283,873	29.8	361,575	34.5
Residential property management services	34,476	13.4	43,706	17.3
Total	318,349	26.3	405,281	31.2

Commercial Operational Services

The Group provides professional commercial operational services to property owners, tenants and consumers mainly under four brands, namely, "Powerlong One Mall" (寶龍一城), "Powerlong City" (寶龍城), "Powerlong Plaza" (寶龍廣場) and "Powerlong Land" (寶龍天地).

For the six months ended 30 June 2026, the aggregate revenue of the Group's commercial operational services amounted to approximately RMB952.5 million, representing a decrease of approximately 9.2% from approximately RMB1,048.6 million for the six months ended 30 June 2025; and the Group had GFA in operation of approximately 10.6 million sq.m., representing a decrease of approximately 0.5 million sq.m. from approximately 11.1 million sq.m. for the corresponding period of 2025; 92 projects in operation, representing a decrease of 5 projects from 97 projects for the corresponding period of 2025; contracted GFA of approximately 13.2 million sq.m., representing a decrease of approximately 1.0 million sq.m. from approximately 14.2 million sq.m. for the corresponding period of 2025.

The table below sets forth a breakdown of the contracted GFA and GFA in operation as at the dates indicated and the revenue from commercial operational services segment for the periods indicated by geographic region:

	For the six months ended 30 June					
	2026			2025		
	Contracted GFA	GFA in operation	Revenue	Contracted GFA	GFA in operation	Revenue
	sq.m.	sq.m.	RMB (in thousands)	sq.m.	sq.m.	RMB
Yangtze River Delta ⁽¹⁾	8,850	7,048	664,292	9,529	7,169	756,229
Others ⁽²⁾	4,350	3,587	288,214	4,712	3,886	292,363
Total	13,200	10,635	952,506	14,241	11,055	1,048,592

Notes:

(1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.

(2) Comprises cities except those covered in (1) above.

Management Discussion and Analysis

Projects for which Contracts were Terminated

The Group's retail commercial property projects for which contracts were terminated during the six months ended 30 June 2026 are shown in the following table:

No.	Name of project	Date of termination of contract month-year	City	Geographic region	Source of project	Management model	Total GFA (sq.m.)	Shopping mall (sq.m.)	Commercial Street (sq.m.)	Car Park (sq.m.)
Powerlong Plaza										
1	Jiyuan Powerlong Plaza (濟源寶龍廣場)	January 2026	Jiyuan	Others	Third Party	Net earning sharing	94,255	94,255	–	–
2	Xuzhou Hexin Powerlong Plaza (徐州和信寶龍廣場)	January 2026	Xuzhou	Yangtze River Delta	Third Party	Net earning sharing	197,251	80,931	–	116,320
3	Ningbo Fenghua Powerlong Plaza (寧波奉化寶龍廣場)	March 2026	Fenghua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	80,187	34,700	8,887	36,600
4	Yancheng Jianhu Powerlong Plaza (鹽城建湖寶龍廣場)	June 2026	Yancheng	Yangtze River Delta	Third Party	Entrusted management	96,182	62,045	–	34,137
Total							467,875	271,931	8,887	187,057

Occupancy Rate

The table below sets forth the average occupancy rate and GFA in operation of retail commercial properties that had commenced operation as at 30 June 2026 by product category.

Product category	Average occupancy rate ⁽¹⁾		GFA in operation as of 30 June 2026
	30 June 2026	31 December 2025	
	%	%	(in thousand sq.m.)
Powerlong One Mall	99.1	99.1	171
Powerlong City	97.6	97.6	596
Powerlong Plaza	91.2	91.0	8,530
Powerlong Land	90.7	90.2	559
Powerlong Xinghui	86.6	92.0	779
Total	91.3	91.5	10,635

- (1) Occupancy rate is calculated as actual leased area divided by available lease area of a retail commercial property as of the end of each relevant period based on internal records. The occupancy rate only applies to retail commercial properties for which the Group has provided tenant sourcing services and may be higher or lower in different periods within one year.

Management Discussion and Analysis

Pipeline Projects in the Second Half of 2026

The Group's retail commercial property projects planned for opening in the second half of 2026 are shown in the following table:

No.	Name of project	Opening date ⁽¹⁾ <i>month-year</i>	City	Geographic region	Source of project	Management model	Expected total GFA <i>(sq.m.)</i>
Powerlong Plaza							
1	Xiangtang Powerlong Plaza (香塘寶龍廣場)	September 2026	Taicang	Yangtze River Delta	Third Party	Net earning sharing	70,000
2	Cangnan Powerlong Plaza (蒼南寶龍廣場)	September 2026	Wenzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	100,000
Sub-total							170,000
Powerlong Xinghui							
1	Tongxiang Zhenshi (桐鄉振石)	September 2026	Jiaxing	Yangtze River Delta	Third Party	Net earning sharing	31,171
Sub-total							31,171
Total							201,171

(1) Opening dates of all the projects are only estimated dates. Actual opening dates are subject to progress of the relevant projects.

Management Discussion and Analysis

Residential Property Management Services

For the six months ended 30 June 2026, revenue of the Group's residential property management service business segment amounted to approximately RMB256.6 million, representing an increase of approximately 1.7% from approximately RMB252.3 million for the six months ended 30 June 2025; and the Group had GFA delivered of approximately 23.0 million sq.m., representing a decrease of approximately 0.7 million sq.m. from 23.7 million sq.m. for the corresponding period of 2025; 126 projects delivered, representing a decrease of two projects from 128 projects for the corresponding period of 2025; contracted GFA of approximately 28.9 million sq.m., representing a decrease of approximately 1.2 million sq.m. from approximately 30.1 million sq.m. for the corresponding period of 2025.

The table below sets forth a breakdown of the contracted GFA and GFA delivered as at the dates indicated and the Group's revenue from residential property management service segment for the periods indicated by geographic region:

	For the six months ended 30 June					
	2026			2025		
	Contracted	GFA	Revenue	Contracted	GFA	Revenue
	GFA	delivered		GFA	delivered	
	sq.m.	sq.m.	RMB (in thousands)	sq.m.	sq.m.	RMB
Yangtze River Delta ⁽¹⁾	18,446	13,836	154,333	19,690	14,744	156,368
Others ⁽²⁾	10,439	9,148	102,260	10,439	8,964	95,978
Total	28,885	22,984	256,593	30,129	23,708	252,346

Notes:

(1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.

(2) Comprises cities except those covered in (1) above.

Management Discussion and Analysis

WORK PLAN FOR THE SECOND HALF OF 2026

Stepping in 2026, China's consumer market has shown a stable and improving trend under the dual effects of policy support and structural upgrading, with the foundational role of consumption in driving economic growth continuing to be consolidated. In the first half of 2026, the gross domestic product (GDP) increased by 4.7% year-on-year and reached approximately RMB69.6 trillion. Final consumption expenditure contributed 2.1 percentage points to the growth of GDP, remaining as the primary driver of economic growth. In terms of the consumption end, the total retail sales of consumer goods in the first half of 2026 increased by 1.3% year-on-year. Service consumption maintained relatively rapid growth, and the consumer market exhibited development characteristics of "stable aggregate volume, optimized structure, and upgraded quality". Against the backdrop of intensifying competition among inventory assets, physical retail continued to unlock consumer potential through spatial renewal, content innovation, and service upgrades. Projects in multiple cities achieved steady increases in both foot traffic and sales through differentiated operations.

As a leading provider of commercial operational services in China, the Group deeply focuses on the core regions of the Yangtze River Delta and establishes sustainable competitive strengths based on its core mission of "creating space full of love" to let every commercial space become a value link between people and life, brands and growth, and cities and warmth. In the first half of 2026, the commercial real estate industry entered a phase of rivalry among inventory assets, with intensifying market competition and a broad shift from scale-driven growth to capability-driven operations. The Group responded with professional resilience and broke through with integrated operational efficiency, achieving steady improvement in overall operating indicators during the first half of the year. Looking ahead to the second half of the year, the Group will focus on the strategic direction of the "Five Major Battles" for in-depth operations and will carry out core work in the following three aspects:

(I) Focus on Enhancing Spatial Value and Deepen Intelligent Operational Empowerment

With spatial value enhancement as the core, benchmark flagship projects will be created to continue to advance space renovation and iconic site development. Through business format optimization and traffic flow upgrades, underperforming spaces will be revitalized to achieve renewal of inventory asset value. Concurrently, intelligent operations will be deepened to promote comprehensive data integration and AI technology empowerment. An AI-powered tenant sourcing review system will be launched, which covers commercial terms approval across projects, so as to continuously optimize the approval process. By leveraging digital tools to enhance operational efficiency and decision-making precision, a new dual-driven asset operation model centered on "space + technology" will be established.

(II) Upgrade Renewed Service Experience and Focus on Growth in Core Indicators

A standardized rebranding framework will be implemented to focus on quality improvement across five key customer-facing areas, enhance membership engagement and store conversion and drive a deep transition from foot traffic operation to customer retention realization, so as to achieve a dual breakthrough in both brand experience and user value. At the same time, guided by the three major strategies of "renewal, quality enhancement, and revitalization", core indicators such as occupancy rates and collection rates will be closely monitored, efforts on underperforming projects will be prioritized, and diverse leasing strategies will be implemented, including the introduction of established brands, joint promotional launches with influencers, and first-store and experience-oriented formats. These efforts will drive breakthroughs in co-branded initiatives and occupancy of large-floor spaces, ensuring steady achievement of annual operational targets.

(III) Strengthen Organizational Capability Construction and Cultivate a Strong Base for Talent Development

With the core of building a "highly competent, strong reserve, youthful and sustainable" top-ranking team, organizational structure will be continuously optimized, agile organizational construction will be promoted, and operational efficiency will be enhanced. A systematic AI training program for all employees will be launched. Through mechanisms such as "Battle-Training Navigation" and "Escort by the Four 'Dragons' Training Programs", a multi-tiered talent cultivation and delivery system will be established, continuously strengthening backup talent pool and talent echelon development. These efforts will develop a strong talent base for the enterprise in the long run and create a warm, dynamic, and sustainable organizational ecosystem.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group recorded revenue of approximately RMB1,209.1 million, representing a decrease of approximately RMB91.8 million as compared with approximately RMB1,300.9 million for the six months ended 30 June 2025.

The Group's revenue indicated by business segment and type of service is as follows:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	%	RMB'000	%
Commercial Operational Services				
Market research and positioning, business tenant sourcing, opening preparation services	14,398	1.2	20,826	1.6
Commercial operation and management services	862,932	71.4	915,948	70.4
Commercial property lease services	75,176	6.2	111,818	8.6
	952,506	78.8	1,048,592	80.6
Residential Property Management Services				
Pre-sale management services	386	0.1	534	0.1
Property management services	209,727	17.3	202,755	15.5
Other value-added services	46,480	3.8	49,057	3.8
	256,593	21.2	252,346	19.4
Total	1,209,099	100.0	1,300,938	100.0

Market research and positioning, business tenant sourcing and opening preparation services

The Group's market research and positioning, business tenant sourcing and opening preparation services primarily include (i) market research and positioning services; and (ii) business tenant sourcing and opening preparation services, provided to property developers or property owners before the opening of a retail commercial property.

For the six months ended 30 June 2026, the Group's revenue from market research and positioning, business tenant sourcing and opening preparation services amounted to approximately RMB14.4 million, representing a period-on-period decrease of approximately 30.9% and accounting for approximately 1.2% of the Group's total revenue.

The decrease in the revenue from market research and positioning, business tenant sourcing and opening preparation services was primarily due to the fact that the Group provided market research and positioning, business tenant sourcing and opening preparation services with respect to fewer retail commercial properties compared to the corresponding period in 2025.

Management Discussion and Analysis

Commercial operation and management services

The Group's commercial operation and management services primarily include (i) retail commercial property management services; (ii) tenant management and rent collection services; and (iii) other value-added services, provided to property owners or tenants.

For the six months ended 30 June 2026, the Group's revenue from commercial operation and management services amounted to approximately RMB862.9 million, representing a period-on-period decrease of approximately 5.8% and accounting for approximately 71.4% of the Group's total revenue.

The decrease in revenue from commercial operation and management services was primarily driven by the adjustment of business structure and the decrease in revenue from certain businesses as affected by the cycle of the real estate sector.

Commercial property lease services

The Group provides commercial property lease services with respect to units located within shopping streets and shopping malls.

For the six months ended 30 June 2026, the Group's revenue derived from commercial property lease services amounted to approximately RMB75.2 million, representing a period-on-period decrease of approximately 32.8% and accounting for approximately 6.2% of the Group's total revenue.

The decrease in revenue from commercial property lease services was primarily attributable to the decrease in the number of sublease projects.

Residential Property Management Services

The Group's residential property management services primarily include (i) pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance services for pre-sale display units and sales offices; (ii) property management services such as security, cleaning, gardening and repair and maintenance services to property owners or property owners' associations at the post-delivery stages; and (iii) other value-added services such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services to property owners, tenants or residents of the Group's managed properties.

For the six months ended 30 June 2026, the Group's revenue from residential property management services amounted to approximately RMB256.6 million, representing a period-on-period increase of approximately 1.7% and accounting for approximately 21.2% of the Group's total revenue.

The increase in revenue from residential property management services was primarily attributable to the enhancement of service quality.

Management Discussion and Analysis

Revenue indicated by type of customers is as follows:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	%	RMB'000	%
Commercial operational services				
Fellow subsidiaries ⁽ⁱ⁾	109,703	9.1	106,720	8.2
Other related parties ⁽ⁱⁱ⁾	4,326	0.4	4,949	0.4
External customers ⁽ⁱⁱⁱ⁾	838,477	69.3	936,923	72.0
	952,506	78.8	1,048,592	80.6
Residential property management services				
Fellow subsidiaries ⁽ⁱ⁾	4,497	0.4	4,429	0.3
Other related parties ⁽ⁱⁱ⁾	43	0.1	254	0.1
External customers ⁽ⁱⁱⁱ⁾	252,053	20.7	247,663	19.0
	256,593	21.2	252,346	19.4
Total	1,209,099	100.0	1,300,938	100.0

Notes:

- (i) Fellow subsidiaries represented Powerlong Real Estate Holdings Limited and its subsidiaries excluding the Group (collectively, the "Remaining Powerlong Group") and other entities controlled by Mr. Hoi Kin Hong.
- (ii) Other related parties represented entities jointly controlled by the Remaining Powerlong Group.
- (iii) External customers represented independent third parties.

Revenue derived from external customers represents the largest source of the Group's revenue. For the six months ended 30 June 2026, revenue derived from external customers was approximately RMB1,090.5 million, representing a decrease of approximately RMB94.1 million from approximately RMB1,184.6 million for the six months ended 30 June 2025, and accounting for approximately 90.0% of the total revenue of the Group.

Management Discussion and Analysis

Revenue indicated by geographic regions is as follows:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	%	RMB'000	%
Commercial Operational Services				
Yangtze River Delta	664,292	54.9	756,229	58.1
Others	288,214	23.9	292,363	22.5
	952,506	78.8	1,048,592	80.6
Residential Property Management Services				
Yangtze River Delta	154,333	12.8	156,368	12.0
Others	102,260	8.4	95,978	7.4
	256,593	21.2	252,346	19.4
Total	1,209,099	100.0	1,300,938	100.0

For the six months ended 30 June 2026, the Group's commercial operational properties and residential management properties were primarily located in the Yangtze River Delta.

Cost of services

The cost of services primarily includes: (i) staff and other labour costs; (ii) depreciation expenses; (iii) utility expenses; (iv) variable lease payments; (v) short-term lease expenditure; (vi) taxes and other levies; and (vii) other miscellaneous costs.

For the six months ended 30 June 2026, the Group's cost of services was approximately RMB890.8 million, representing a period-on-period decrease of approximately 0.5%.

Gross profit and gross profit margin

The gross profit of the Group for the six months ended 30 June 2026 amounted to approximately RMB318.3 million, representing a period-on-period decrease of approximately 21.4%. For the six months ended 30 June 2025, the gross profit margin was 26.3%, representing a decrease of 4.9 percentage points as compared to 31.2% for the six months ended 30 June 2025.

The gross profit of commercial operational services for the six months ended 30 June 2026 amounted to approximately RMB283.9 million, representing a period-on-period decrease of approximately 21.5%. The gross profit margin of the Group's commercial operational services for the six months ended 30 June 2026 was 29.8%, representing a decrease of 4.7 percentage points as compared to 34.5% for the six months ended 30 June 2025, primarily due to changes in business mix, resulting in a reduced contribution from certain higher-margin businesses that were adversely affected by the downturn in the real estate sector.

The gross profit of residential property management services for the six months ended 30 June 2026 amounted to approximately RMB34.4 million, representing a period-on-period decrease of approximately 21.1%. The gross profit margin of the Group's residential property management services for the six months ended 30 June 2026 was 13.4%, representing a decrease of 3.9 percentage points as compared to 17.3% for the six months ended 30 June 2025, primarily because of the changes in business mix, resulting in a lower contribution from certain higher-margin businesses impacted by the slowdown in the real estate sector.

Management Discussion and Analysis

The Group's gross profit and gross profit margin by business segments are as follows:

	For the six months ended 30 June			
	2026		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%
Commercial operational services	283,873	29.8	361,575	34.5
Residential property management services	34,476	13.4	43,706	17.3
Total	318,349	26.3	405,281	31.2

Other income and other losses – net

Other income and other losses – net mainly represented the various subsidies income from local governments and penalty income arising from forfeited deposits from tenants due to their premature termination of contracts. For the six months ended 30 June 2026, the Group's other income and other losses – net amounted to approximately RMB103.6 million, representing a period-on-period increase of approximately 7.4%, which was mainly attributable to the increase in penalty income during the Reporting Period.

Impairment losses on financial assets – net

The Group's impairment losses on financial assets – net mainly include the allowance for impairment made in respect of operating leases and trade receivables and other receivables. For the six months ended 30 June 2026, the Group's impairment losses on financial assets – net amounted to approximately RMB94.7 million, representing a period-on-period decrease of approximately 18.6%. This was mainly because the Group performed impairment tests on the carrying amount of trade receivables and other receivables and made reasonable impairment provisions based on the principle of prudence.

Finance income/(costs) – net

The Group's finance income/(costs) – net mainly includes the net of the interest expense on lease liabilities and interest income from bank deposits.

For the six months ended 30 June 2026, the Group's net finance income amounted to approximately RMB8.6 million, as compared to the net finance costs of approximately RMB7.7 million for the corresponding period in 2025. This was mainly because of the decrease in interest expense on lease liabilities resulting from the decrease in the number of sublease projects.

Income tax expense

The Group's income tax expense mainly comprises PRC corporate income tax. The effective income tax rate of the Group remained relatively stable at approximately 29.6% and 27.4% for the six months ended 30 June 2026 and 2025, respectively.

Profit for the period

For the six months ended 30 June 2026, the Group's profit attributable to the shareholders of the Company (the "Shareholders") was approximately RMB139.7 million, representing a decrease of approximately 23.6% as compared with approximately RMB182.8 million for the six months ended 30 June 2025.

Management Discussion and Analysis

Operating lease and trade receivables

The Group's operating lease and trade receivables primarily arose from property leasing services for units located within the shopping malls and shopping streets as well as the provision of various services under the Group's commercial operational services segment and residential property management services segment. As at 30 June 2026, the Group's operating lease and trade receivables were approximately RMB437.6 million, representing an increase of approximately 3.9% as compared with approximately RMB421.1 million as of 31 December 2025, primarily attributable to the increase in service fee receivables.

Trade and other payables

The Group's trade and other payables primarily represent amounts due to suppliers/subcontractors for the purchase of services and goods and amounts due to related parties, cash received on behalf of tenants or residents, deposits received from tenants or residents and others. As at 30 June 2026, the Group's trade and other payables amounted to approximately RMB1,098.7 million, representing a decrease of approximately 6.0% as compared with approximately RMB1,168.2 million as of 31 December 2025. This was primarily attributable to the decrease in deposits received from tenants.

Contract liabilities

Contract liabilities mainly represent advance payments made by the customers of the Group's commercial operational services and residential property management services. As at 30 June 2026, contract liabilities amounted to approximately RMB294.1 million, representing an increase of approximately 3.7% as compared with approximately RMB283.5 million as of 31 December 2025. This was primarily attributable to the decrease in revenue recognized by the Group in relation to contract liabilities upon completion of services.

Pledge of assets

As at 30 June 2026, none of the Group's assets were pledged (31 December 2025: Nil).

Contingent liabilities

As at 30 June 2026 and 31 December 2025, the Group did not have any material contingent liabilities.

Gearing ratio

Gearing ratio is calculated based on total liabilities divided by total assets. As at 30 June 2026, the Group's gearing ratio was 0.37 (31 December 2025: 0.41).

Foreign exchange risk

The Group's businesses are principally conducted in RMB and the Group's exposure to foreign currency risk is minimal. As at 30 June 2026, the Group had not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

As at 30 June 2026, major non-RMB assets and liabilities of the Group were cash and bank balances denominated in US dollar and Hong Kong dollar. Fluctuations in the exchange rate of RMB against US dollar and Hong Kong dollar could affect the Group's results of operations. The Group closely monitors the fluctuations in exchange rate and will consider hedging its exposure to foreign exchange risk as and when appropriate.

Liquidity and capital resources

The Group has maintained stable financial condition and sufficient liquidity. As at 30 June 2026, the Group's cash and bank balances amounted to approximately RMB4,507.5 million, representing an increase of approximately 0.7% as compared with approximately RMB4,478.0 million as of 31 December 2025. This was primarily attributable to the Group's stepped up efforts in collection.

Borrowings

As at 30 June 2026, the Group had no interest-bearing borrowings (31 December 2025: Nil).

Management Discussion and Analysis

HUMAN RESOURCES

The Group believes that the expertise, experience and professional development of the employees contribute to the growth of the Group. The human resources department of the Company is responsible for the recruitment, training and management of the Group's employees. As at 30 June 2026, the Group had 4,295 (31 December 2025: 5,517) employees. The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. The Group's success depends on the Group's ability to attract, retain and motivate qualified personnel. As part of the Group's retention strategy, the Group offers employees performance-based cash bonuses and other incentives in addition to basic salaries. The Group also participates in various employee social security plans for its employees, including housing provident fund, pension, medical insurance, social insurance and unemployment insurance. In relation to staff training, the Group also provides different types of programs for its staff to improve their skills and develop their respective expertise. During the six months ended 30 June 2026, the Group did not experience any significant labour disputes or difficulty in recruiting employees.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "Use of Net Proceeds" of the Company's annual results announcement dated 30 March 2026, the Company had not authorized any plan for other material investments or acquisition of capital assets as at 30 June 2026.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this report, the Company had no significant investments, and had not conducted any material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

Other Information

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the directors of the Company (the “**Directors**”) or the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as contained in Appendix C3 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) were as follows:

(i) Long position in shares and underlying shares of the Company

Name of Director	Personal interests	Beneficiary of a trust	Number of ordinary shares		Total	Approximate percentage of holding ⁽¹⁾
			Interest of a controlled corporation	Other interests		
Mr. Hoi Wa Fong	–	–	17,442,000 ⁽²⁾	1,500,000 ⁽³⁾	18,942,000	2.95%

Notes:

- (1) The calculation of the percentages is based on the total number of issued shares of the Company (i.e. 642,900,000 shares) as at 30 June 2026.
- (2) Huihong Management (PTC) Limited (“**Huihong Management**”), the trustee of the Huihong Trust, is wholly-owned by Mr. Hoi Wa Fong for the purpose of a share award scheme (the “**Huihong Share Award Scheme**”) to be adopted at least six months after the Listing. The Huihong Share Award Scheme was adopted by Huihong Management on 31 December 2020. Further details are set out in the announcement of the Company dated 31 December 2020. By virtue of the SFO, Mr. Hoi Wa Fong is deemed to be interested in the shares held by Huihong Management.
- (3) These shares are held by Sky Infinity Holdings Limited, which is wholly-owned by Sky Infinity Family Limited, which is in turn 100% owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Sky Infinity Trust, a discretionary trust of which Mr. Hoi Wa Fong is the settlor. Pursuant to the SFO, Mr. Hoi Wa Fong is deemed to be interested in the shares held under the Sky Infinity Trust.

Other Information

(ii) Long position in shares of associated corporations

Name of Director	Name of associated corporation	Personal interests	Interests of spouse	Number of ordinary shares		Total	Approximate percentage of holding ⁽¹⁾
				Interests of a controlled corporation	Other interests		
Mr. Hoi Wa Fong	Powerlong Real Estate Holdings Limited ("Powerlong Holdings")	—	503,400	—	597,568,000 ⁽²⁾	598,071,400	14.44%
Ms. Hoi Wa Fan	Powerlong Holdings	61,470,000	—	226,623,000 ⁽³⁾	—	288,093,000	6.96%

Notes:

- (1) The calculation of the percentages is based on the total number of issued shares of Powerlong Holdings (i.e. 4,140,403,000 shares) as at 30 June 2026.
- (2) These shares are held by Sky Infinity Holdings Limited, which is wholly-owned by Sky Infinity Family Limited, which is in turn 100% owned by TMF (Cayman) Ltd. in its capacity as the trustee of the Sky Infinity Trust, a discretionary trust of which Mr. Hoi Wa Fong is the settlor. Pursuant to the SFO, Mr. Hoi Wa Fong is deemed to be interested in the shares held under the Sky Infinity Trust.
- (3) These shares are held by Walong Holdings Limited and Mantong (HK) Trading Co., Ltd, which are wholly and beneficially owned by Ms. Hoi Wa Fan.

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executives of the Company had, or were deemed to have, any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

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

As at 30 June 2026, so far as the Directors are aware, the following persons (other than the Directors or the chief executive of the Company) and companies had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

(i) Long position in shares of the Company

Name of Shareholder	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding ⁽¹⁾
Mr. Hoi Kin Hong ⁽²⁾	Settlor of a discretionary trust	405,000,000	63.00%
Powerlong Real Estate (BVI) Holdings Limited ("Powerlong BVI Holding") ⁽²⁾	Beneficial owner	405,000,000	63.00%
Powerlong Holdings ⁽²⁾	Interest in a controlled corporation	405,000,000	63.00%
Skylong Holdings Limited ⁽²⁾	Interest in a controlled corporation	405,000,000	63.00%
Skylong Family Limited ⁽²⁾	Interest in a controlled corporation	405,000,000	63.00%
TMF (Cayman) Ltd. ⁽²⁾	Trustee	405,000,000	63.00%
Ms. Wong Lai Chan ⁽³⁾	Interest of spouse	405,000,000	63.00%

Notes:

1. The calculation of the percentages is based on the total number of issued shares of the Company (i.e. 642,900,000 shares) as at 30 June 2026.
2. Powerlong BVI Holding is wholly-owned by Powerlong Holdings, which is in turn owned as to approximately 44.15% by Skylong Holdings Limited, which is wholly-owned by Skylong Family Limited, which is in turn wholly-owned by TMF (Cayman) Ltd. in its capacity as the trustee of The Skylong Trust, a discretionary trust of which Mr. Hoi Kin Hong is the settlor. By virtue of the SFO, each of Powerlong Holdings, Skylong Holdings Limited, Skylong Family Limited, TMF (Cayman) Ltd. and Mr. Hoi Kin Hong is deemed to be interested in the same number of shares in which Powerlong BVI Holding is interested in.
3. Ms. Wong Lai Chan is the spouse of Mr. Hoi Kin Hong. By virtue of the SFO, Ms. Wong Lai Chan is deemed to be interested in the same number of shares in which Mr. Hoi Kin Hong is interested in.

INTERIM DIVIDEND

At the Board meeting held on 27 August 2026, the Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: nil).

Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence in the Company and the Company's accountability. The Company therefore strives to attain and maintain effective corporate governance practices and procedures.

The Company has adopted the principles and code provisions of Part 2 of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company with effect from the Listing Date.

The Directors are of the view that the Company had complied with all the applicable code provisions set out in Part 2 of the CG Code during the Reporting Period, except for the deviation from the code provision C.1.7 of the CG Code.

As stipulated in code provision C.1.7 of the CG Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The director liability insurance taken out by the Company for the Directors has lapsed on 1 April 2025. Despite reasonable efforts, the Company has yet to identify a suitable director liability insurance policy with reasonable premium while providing adequate cover to the Directors. The Company will continue to seek appropriate insurance cover in this regard.

Other Information

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors. Having made specific enquiry by the Company to all the Directors, the Directors confirmed that they were in compliance with the required standard as set out in the Model Code during the Reporting Period. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code throughout the Reporting Period.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of any treasury shares) during the Reporting Period. As at 30 June 2026, the Company did not hold any treasury shares.

USE OF NET PROCEEDS

(i) Use of Net Proceeds from Initial Public Offering and Over Allotment

The Company was listed on the main board of the Stock Exchange on 30 December 2019. The net proceeds from the Listing was approximately HK\$1,380.5 million (equivalent to approximately RMB1,236.9 million). On 22 January 2020, the Company exercised the over-allotment option and issued 22,500,000 shares at a price of HK\$9.5 per share. Discounting the transaction costs attributable to the exercise of the over-allotment option, net proceeds from the over-allotment amounted to approximately HK\$208.0 million (equivalent to approximately RMB184.6 million). The Company intends to apply the proceeds from the over-allotment in proportion to the use of proceeds stated in the prospectus of the Company dated 16 December 2019 (the "**Prospectus**"). The net proceeds from the initial public offering and the over allotment amounted to approximately HK\$1,588.5 million (the "**Net IPO Proceeds**").

As set out in the Prospectus, the Company intended to use such proceeds for the purposes as follows: (i) approximately 50% of the proceeds will be used to pursue strategic acquisitions of other small to medium-sized commercial operational service providers in order to scale up its commercial operational service business and expand its commercial operational service portfolio; (ii) approximately 25% of the proceeds will be used to upgrade its information technology systems for digitization and smart operation and management, aiming to enhance consumer experience, improve the quality of services provided to the Group's tenants and improve operational efficiency; (iii) approximately 10% of the proceeds will be used to make equity investment in certain tenants with an aim of establishing close strategic cooperation with them; (iv) approximately 5% of the proceeds will be used for the renovation of retail commercial properties developed or owned by independent third parties under the asset-light business model; and (v) approximately 10% of the proceeds will be used for general business purpose and as working capital of the Group.

On 30 June 2023, the Company revised the use of the unutilised Net IPO Proceeds. For details, please refer to the Company's announcement dated 30 June 2023.

Other Information

As at 30 June 2026, the use of the Net IPO Proceeds together with the expected timeline of use are as follows:

	Intended use of the Net IPO Proceeds as stated in the Prospectus	Intended use of the Net IPO Proceeds subsequent to re-allocation	Unutilised Net IPO Proceeds as at 1 January 2026	Actual use of the Net IPO Proceeds during the six months ended 30 June 2026	Unutilised Net IPO Proceeds as of 30 June 2026	Expected timetable
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
(i) Pursue strategic acquisition of and investment in other commercial operational service providers	794.3	238.3	202.0	—	202.0	On or before 31 December 2026
(ii) Upgrade the information technology systems	397.1	238.3	141.9	10.0	131.9	On or before 31 December 2026
(iii) Make equity investment in certain tenants and suppliers	158.8	158.8	85.4	—	85.4	On or before 31 December 2026
(iv) Renovation of retail commercial properties developed or owned by independent third parties	79.5	79.5	45.0	—	45.0	On or before 31 December 2026
(v) General business purpose and working capital	158.8	158.8	—	—	—	—
(vi) Rental expenses for properties under sub-lease services model	—	714.8	605.9	14.3	591.6	On or before 31 December 2026
Total	1,588.5	1,588.5	1,080.2	24.3	1,055.9	

The expected timeline for the unutilised Net IPO Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group's business and the market conditions.

As at 30 June 2026, the remaining Net IPO Proceeds that had not yet been utilised were deposited into licensed banks in Hong Kong and mainland China.

Other Information

(ii) Use of Net Proceeds from Subscription

Reference is made to the proceeds of approximately HK\$273.4 million (the “**Subscription Proceeds**”) from the subscription of 11,250,000 new shares of the Company by Mr. Chen Deli, details of which are set out in the Company’s announcement dated 10 September 2020 and the Company’s circular dated 6 November 2020.

On 30 June 2023, the Company revised the use of the unutilised Subscription Proceeds. For details, please refer to the Company’s announcement dated 30 June 2023.

The following table sets forth the status of use of Subscription Proceeds as at 30 June 2026 together with the expected timeline of use:

	Original allocation of the Subscription Proceeds	Planned use of the Subscription Proceeds after re-allocation	Unutilised Subscription Proceeds as at 1 January 2026	Actual use of the Subscription Proceeds during the six months ended 30 June 2026	Unutilised Subscription Proceeds as of 30 June 2026	Expected timetable
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
(i) Personnel expansion: attract and recruit additional management personnel to the Group’s projects and headquarters	82.0	82.0	—	—	—	—
(ii) Property leasing business: develop three leasing projects, namely Shaoxing Keqiao Powerlong Plaza (紹興柯橋寶龍廣場), Hangzhou Qingshan Lake Powerlong Plaza (杭州青山湖寶龍廣場) and Taizhou Duqiao Powerlong Plaza (台州杜橋寶龍廣場)	109.4	109.4	44.3	24.3	20.0	On or before 31 December 2026
(iii) IT infrastructure enhancement: create the “Precise Consumer Traffic System” which uses face recognition technology instead of traditional sensors to achieve accurate data collection and perform precise analysis on consumer traffic statistics	82.0	—	—	—	—	—
(iv) Upgrade the information technology systems	—	82.0	82.0	—	82.0	On or before 31 December 2026
Total	273.4	273.4	126.3	24.3	102.0	

The expected timeline for the unutilised Subscription Proceeds is based on the Directors’ best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group’s business and the market conditions.

As at 30 June 2026, the unutilised Subscription Proceeds were deposited into licensed banks in Hong Kong and mainland China.

Other Information

CHANGES IN THE DIRECTORS' INFORMATION

Mr. Chan Wai Yan, Ronald, an independent non-executive Director, has been appointed as a member of the Board of the Hong Kong Academy for Wealth Legacy of the Financial Services Development Council since January 2026.

Save as disclosed above, there was no change in any information of each Director that is required to be disclosed under Rule 13.51B(1) of the Listing Rules since the publication of the annual report 2025 of the Company.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company did not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules during the six months ended 30 June 2026.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the audit committee include, but not limited to (i) review and supervise the financial reporting process and internal control system of the Group, risk management and internal audit; (ii) provide advice and comments to the Board; and (iii) perform other duties and responsibilities as may be assigned by the Board.

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Ms. Ng Yi Kum, Estella, Mr. Chan Wai Yan, Ronald and Dr. Lu Xiongwen. Ms. Ng Yi Kum, Estella is the chairlady of the Audit Committee. Among them, Ms. Ng Yi Kum, Estella has the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed the interim report for the six months ended 30 June 2026 in conjunction with the Company's management. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a nomination committee and a remuneration committee.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

The Group did not have any material events subsequent to the Reporting Period up to the date of this report.

On behalf of the Board

HOI Wa Fong

Chairman

Hong Kong, 27 August 2026

Report on Review of Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

To the Board of Directors of Powerlong Commercial Management Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial statements set out on pages 26 to 56, which comprises the interim condensed consolidated statement of financial position of Powerlong Commercial Management Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) as at 30 June 2026 and the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim financial statements, including material accounting policy information. The Main Board Listing 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” as issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial statements 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” as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

KTC Partners CPA Limited

Certified Public Accountants (Practising)

Ng Yan Chak

Audit Engagement Director

Practising Certificate Number: P08328

Hong Kong, 27 August 2026

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
	Notes		
Revenue	6	1,209,099	1,300,938
Cost of services	7	(890,750)	(895,657)
Gross profit		318,349	405,281
Selling and marketing expenses	7	(45,502)	(43,881)
Administrative expenses	7	(93,023)	(92,273)
Other income and other losses – net	9	103,633	96,514
Impairment losses on financial assets-net		(94,735)	(116,393)
Fair value gains on financial assets – net		237	4
Operating profit		188,959	249,252
Finance costs	10	(11,701)	(28,577)
Finance income	10	20,292	20,866
Finance income/(costs) – net	10	8,591	(7,711)
Share of results of joint ventures		616	(172)
Share of results of associates		(85)	1,160
Profit before income tax		198,081	242,529
Income tax expenses	11	(58,584)	(66,465)
Profit and total comprehensive income for the period		139,497	176,064
Profit and total comprehensive income attributable to:			
– Shareholders of the Company		139,657	182,806
– Non-controlling interests		(160)	(6,742)
		139,497	176,064
Earnings per share for profit attributable to shareholders of the Company for the period (expressed in RMB cents per share)			
– Basic and diluted earnings per share	12	21.72	28.43

The above interim condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Financial Position

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Assets			
Non-current assets			
Property and equipment	13	27,757	30,768
Financial assets at fair value through profit or loss		8,472	9,999
Investment properties	14	342,218	463,244
Intangible assets		2,729	3,058
Goodwill	15	20,640	20,640
Deferred income tax assets		196,418	187,903
Investments in joint ventures		1,609	993
Investments in associates		41,520	41,605
		641,363	758,210
Current assets			
Inventories		9,280	9,001
Operating lease and trade receivables	16	437,614	421,132
Prepayments and other receivables	17	151,550	148,885
Current income tax recoverables		134	134
Cash and bank balances	18	4,507,510	4,478,046
		5,106,088	5,057,198
Total assets		5,747,451	5,815,408
Equity			
Share capital and share premium	19	1,014,085	1,014,085
Other reserves	20	23,617	23,617
Retained earnings		2,555,072	2,415,415
Capital and reserves attributable to shareholders of the Company		3,592,774	3,453,117
Non-controlling interests		6,739	6,899
Total equity		3,599,513	3,460,016

Interim Condensed Consolidated Statement of Financial Position

		30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
	Notes		
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		1,209	1,281
Lease liabilities	22	365,640	524,152
		366,849	525,433
Current liabilities			
Trade and other payables	23	1,098,682	1,168,201
Advances from lessees		34,068	33,968
Current income tax liabilities		294,745	262,599
Lease liabilities	22	59,538	81,671
Contract liabilities	6(b)	294,056	283,520
		1,781,089	1,829,959
Total liabilities		2,147,938	2,355,392
Total equity and liabilities		5,747,451	5,815,408

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

The interim financial information on pages 26 to 56 was approved by the board of directors of the Company on 27 August 2026 and was signed on its behalf.

Hoi Wa Fong
Director

Hoi Wa Lam
Director

Interim Condensed Consolidated Statement of Changes in Equity

		Attributable to owners of the Company							
		Share capital RMB'000 (Note 19)	Share premium RMB'000 (Note 19)	Shares held for shares award scheme RMB'000 (Note 19)	Other reserves RMB'000 (Note 20)	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Notes									
Six months ended 30 June 2026									
(Unaudited)									
	Balance as at 1 January 2026	5,747	1,008,338	–	23,617	2,415,415	3,453,117	6,899	3,460,016
Comprehensive income									
	Profit for the period	–	–	–	–	139,657	139,657	(160)	139,497
Total comprehensive income									
		–	–	–	–	139,657	139,657	(160)	139,497
Balance at 30 June 2026									
	(Unaudited)	5,747	1,008,338	–	23,617	2,555,072	3,592,774	6,739	3,599,513
Six months ended 30 June 2025									
(Unaudited)									
	Balance as at 1 January 2025	5,747	998,653	–	29,869	2,181,899	3,216,168	8,640	3,224,808
Comprehensive income									
	Profit for the period	–	–	–	–	182,806	182,806	(6,742)	176,064
Total comprehensive income									
		–	–	–	–	182,806	182,806	(6,742)	176,064
Transactions with owners									
	– Derecognition of non-controlling interests on disposal of subsidiary	–	–	–	–	–	–	(1,069)	(1,069)
	– Shares Incentive Scheme – value of employee service	20	–	–	3,433	–	3,433	–	3,433
	– Dividends	–	–	–	–	–	–	(8,620)	(8,620)
	– Vesting of awarded shares	–	9,685	–	(9,685)	–	–	–	–
Total transactions with owners									
		–	9,685	–	(6,252)	–	3,433	(9,689)	(6,256)
Balance at 30 June 2025									
	(Unaudited)	5,747	1,008,338	–	23,617	2,364,705	3,402,407	(7,791)	3,394,616

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

Interim Condensed Consolidated Statement of Cash Flows

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
	Notes		
Cash flows of operating activities			
Cash generated from operations		101,322	264,490
PRC corporate income tax paid		(35,025)	(42,185)
Net cash generated from operating activities		66,297	222,305
Cash flows of investing activities			
Purchases of property and equipment	13	(2,423)	(3,159)
Net proceeds from disposals of property and equipment	13	762	852
Disposal of a subsidiary		24,000	—
Net proceeds from disposals of intangible assets		—	4
Purchases of Investment properties		—	(14,662)
Deposit paid for the exclusive sales agency rights		(8,997)	(6,561)
Net proceeds from disposals of financial assets at fair value through profit or loss		1,764	2,300
Net cash generated from/(used in) investing activities		15,106	(21,226)
Cash flows of financing activities			
Dividends paid		—	(265)
Payments of principal and interest elements of lease	22(b)	(44,655)	(49,999)
Net cash used in financing activities		(44,655)	(50,264)
Increase in cash and cash equivalents		36,748	150,815
Cash and cash equivalents at the beginning of the period		4,437,354	4,116,404
Foreign exchange on cash and cash equivalents	9	(154)	(322)
Cash and cash equivalents at end of the period	18	4,473,948	4,266,897

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

Notes to the Interim Condensed Consolidated Financial Information

1 GENERAL INFORMATION

Powerlong Commercial Management Holdings Limited (the “**Company**”) was established in the Cayman Islands on 25 March 2019 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 Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company and its subsidiaries (the “**Group**”) are primarily engaged in the operating rights to the holding of investment properties to generate rental income and the provision of commercial operational services and residential property management services in the People’s Republic of China (the “**PRC**”).

The Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 December 2019.

The Company’s direct holding company is Powerlong Real Estate (BVI) Holdings Limited (“**Powerlong BVI Holdings**”). The Company’s indirect holding company is Powerlong Real Estate Holdings Limited (“**Powerlong Holdings**”) whose shares have been listed on the Main Board of the Stock Exchange since 14 October 2009. As at 30 June 2026, Mr. Hoi Kin Hong (“**Mr. Hoi**”) held approximately 44.15% of the issued share capital of Powerlong Holdings. In the opinion of the directors of the Company, the ultimate holding company of the Group is Skylong Holdings Limited and the ultimate controlling party of the Group is Mr. Hoi.

Powerlong Holdings and its subsidiaries exclusive of the Group are collectively referred to as the “Remaining Powerlong Group” in this interim financial information.

The unaudited condensed consolidated interim financial information is presented in thousand of Renminbi (“**RMB’000**”), unless otherwise stated. The interim financial information has been approved for issue by the board of directors (the “**Board**”) of the Company on 27 August 2026.

The interim financial information has not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting”.

The unaudited condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, the unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2025 and any public announcement made by the Company during the interim reporting period.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those set out in the Group’s annual financial statements for the year ended 31 December 2025.

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards for the first time, which are mandatory effective for the Group’s annual period beginning on 1 January 2026 for the preparation of the Group’s condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Information

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(a) Amended standards adopted by the Group

- Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments
- Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity
- Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 Annual improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

(b) New and amended, standards, interpretations issued that are not yet effective, but may be adopted early

The following new standards and amendments and interpretations to standards have been published that are not mandatory for the year beginning on 1 January 2026 and have not been early adopted by the Group:

Effective for annual periods beginning on or after		
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK-Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No mandatory effective date yet determined but available for adoption

The Group is in the process of assessing the potential impact of the new and amendments to HKFRS Accounting Standards but is not yet in a position to determine whether the new and amendments to HKFRS Accounting Standards will have a material impact on the Group's performance and financial position and on the disclosures. The new and amendments to HKFRS Accounting Standards may result in changes to how the Group's performance and financial position are prepared and presented in the future.

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

There have been no changes in the risk management department or in any risk management policies since 31 December 2025.

Notes to the Interim Condensed Consolidated Financial Information

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of interim financial information requires management to make judgements, 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 judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2025.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-makers ("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 has two business segments:

– Commercial operational services

The Group is engaged in (a) the provision of market research and positioning, business tenant sourcing and opening preparation services; (b) commercial operational services during the operation stage, including business tenant management, rent collection services and other value-added services (mainly including car parks, common areas and advertising space management services); and (c) commercial property management services including security, gardening, cleaning, repair and maintenance services.

Besides, to maximise its commercial operational efficiency, the Group leased certain retail commercial properties from third parties located in proximity to the shopping malls that are under management by the Group, and sub-leased them for long-term rental yield.

– Residential property management services

The Group provides residential property management services for residential properties, serviced apartments and office buildings, including pre-sale management services and other value-added services to property developers, property owners and residents.

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and the Group's consolidated non-current assets are substantially located in the PRC, no geographical information is presented.

Notes to the Interim Condensed Consolidated Financial Information

5 SEGMENT INFORMATION (CONTINUED)

- (a) Segment results represent the profit earned by each segment without other income and other losses – net, unallocated operating costs, finance income/costs – net, share of results of joint ventures and associates and income tax expenses. Revenue recognised at a point in time from contracts with customers represents revenue from market research and positioning services. Other revenue from contracts with customers is recognised over time. The following is the analysis of the Group's revenue and results by operating and reportable segments:

For the six months ended 30 June 2026 (Unaudited)

	Commercial operational services RMB'000	Residential property management services RMB'000	Group RMB'000
Gross segment revenue	952,506	256,593	1,209,099
Revenue from contracts with customers	877,330	256,593	1,133,923
– at a point in time	16,343	–	16,343
– over time	860,987	256,593	1,117,580
Revenue from other sources			
– rental income	75,176	–	75,176
Segment results	93,213	22,656	115,869
Other income and other losses – net			103,633
Unallocated operating costs			(30,543)
Interest expense			(11,701)
Interest income			20,292
Share of results of joint ventures			616
Share of results of associates			(85)
Profit before income tax			198,081
Income tax expenses			(58,584)
Profit for the period			139,497
Amounts included in the measure of segment results:			
Depreciation and amortisation	31,004	834	31,838
Impairment losses on financial assets-net	61,561	33,174	94,735

Notes to the Interim Condensed Consolidated Financial Information

5 SEGMENT INFORMATION (CONTINUED)

(a) (continued)

For the six months ended 30 June 2025 (Unaudited)

	Commercial operational services RMB'000	Residential property management services RMB'000	Group RMB'000
Gross segment revenue	1,048,592	252,346	1,300,938
Revenue from contracts with customers	936,774	252,346	1,189,120
– at a point in time	15,404	–	15,404
– over time	921,370	252,346	1,173,716
Revenue from other sources			
– rental income	111,818	–	111,818
Segment results	153,767	34,027	187,794
Other income and other losses – net			96,514
Unallocated operating costs			(35,056)
Interest expense			(28,577)
Interest income			20,866
Share of results of joint ventures			(172)
Share of results of associates			1,160
Profit before income tax			242,529
Income tax expenses			(66,465)
Profit for the period			176,064
Amounts included in the measure of segment results:			
Depreciation and amortisation	44,705	1,080	45,785
Impairment losses on financial assets-net	79,566	36,827	116,393

Notes to the Interim Condensed Consolidated Financial Information

5 SEGMENT INFORMATION (CONTINUED)

(b) The following is the analysis of the Group's segment assets and liabilities and capital expenditure for the period then ended:

As at 30 June 2026 (Unaudited)

	Commercial operational services RMB'000	Residential property management services RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	747,139	380,973	(8,181)	1,119,931
Other assets				4,627,520
Total assets				5,747,451
Segment liabilities	1,369,302	449,383	(8,181)	1,810,504
Other liabilities				337,434
Total liabilities				2,147,938
Capital expenditure (six months ended 30 June 2026 (Unaudited))	9,362	550	—	9,912

As at 31 December 2025 (Audited)

	Commercial operational services RMB'000	Residential property management services RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	869,206	368,257	(6,778)	1,230,685
Other assets				4,584,723
Total assets				5,815,408
Segment liabilities	1,649,647	411,895	(6,778)	2,054,764
Other liabilities				300,628
Total liabilities				2,355,392
Capital expenditure (six months ended 30 June 2025 (Unaudited))	2,564	15,257	—	17,821

Notes to the Interim Condensed Consolidated Financial Information

5 SEGMENT INFORMATION (CONTINUED)

Segment assets are reconciled to total assets as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Segment assets	1,119,931	1,230,685
Other assets		
Current income tax recoverables	134	134
Deferred income tax assets	196,418	187,903
Unallocated cash and bank balances	4,379,291	4,343,973
Unallocated property and equipment	76	116
Other corporate assets	43,129	42,598
Financial assets at fair value through profit and loss	8,472	9,999
Total assets	5,747,451	5,815,408

Segment liabilities are reconciled to total liabilities as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Segment liabilities	1,810,504	2,054,764
Other liabilities		
Current income tax liabilities	294,745	262,599
Deferred income tax liabilities	1,209	1,281
Other corporate liabilities	41,480	36,748
Total liabilities	2,147,938	2,355,392

The amounts provided to the CODM with respect to total assets and liabilities are measured in a manner consistent with that of the interim condensed consolidated financial position. These assets and liabilities are allocated based on the operations of the segment.

Segment assets consist primarily of property and equipment, investment properties, intangible assets, receivables from commercial and residential property management services and cash and bank balances other than current income tax recoverable, deferred income tax assets, unallocated cash and bank balances, unallocated property and equipment, other corporate assets and financial assets at fair value through profit or loss.

Segment liabilities consist primarily of trade and other payables, lease liabilities, contract liabilities and advances from lessees other than current income tax liabilities, deferred income tax liabilities and other corporate liabilities.

Capital expenditure comprises additions to property and equipment (Note 13), investment properties (Note 14) and intangible assets.

Notes to the Interim Condensed Consolidated Financial Information

6 REVENUE

(a) Revenue of the Group for the six months ended 30 June 2026 is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Type of services		
<i>Rental income:</i>		
– Commercial property lease income (iv)	75,176	111,818
<i>Revenue from contracts with customers within the scope of HKFRS 15:</i>		
Market research and positioning, business tenant sourcing, opening preparation services	14,398	20,826
Commercial operation and management services	862,932	915,948
– Commercial operation services during the operation stage (v)	322,898	337,035
– Commercial property management service (vi)	540,034	578,913
– Commercial operational services	877,330	936,774
Pre-sale management services	386	534
Property management services	209,727	202,755
Other value-added services	46,480	49,057
– Residential property management services	256,593	252,346
	1,209,099	1,300,938
Types of customers		
External third party customers (i)	1,090,530	1,184,586
Fellow subsidiaries (ii)	114,200	111,149
Other related parties (iii)	4,369	5,203
	1,209,099	1,300,938

Notes to the Interim Condensed Consolidated Financial Information

6 REVENUE (CONTINUED)

(a) Revenue of the Group for the six months ended 30 June 2026 is as follows: (Continued)

- (i) External customers represented independent third parties.
- (ii) For the six months ended 30 June 2026, revenue arising from the Remaining Powerlong Group contributed 9.4% of the Group's revenue (six months ended 30 June 2025: 8.5%). Other than the Remaining Powerlong Group and other entities controlled by Mr. Hoi, the Group has a large number of customers, none of which contributed 10% or more of the Group's revenue during the period (six months ended 30 June 2025: none).
- (iii) Other related parties represented associates or jointly controlled entities of the Remaining Powerlong Group.
- (iv) The owner leases the retail commercial properties as a whole to the Group at a certain price, and all income and costs of project operation are borne by the Group.

For the six months ended 30 June 2026 and 2025, commercial property lease services represent sub-lease services income of the Group.

- (v) For the six months ended 30 June 2026, the commercial operation services during the operation stage included car park revenue of approximately RMB227,666,000 (six months ended 30 June 2025: RMB225,332,000), rental management fees of approximately RMB67,927,000 (six months ended 30 June 2025: RMB83,885,000), and advertising income of approximately RMB27,305,000 (six months ended 30 June 2025: RMB27,818,000).
- (vi) For the six months ended 30 June 2026, commercial property management service included operation and management service of approximately RMB471,163,000 (six months ended 30 June 2025: RMB503,265,000), energy fees of approximately RMB38,060,000 (six months ended 30 June 2025: RMB40,217,000), garbage removal and other service fees of approximately RMB6,142,000 (six months ended 30 June 2025: RMB6,813,000), and others of approximately RMB24,669,000 (six months ended 30 June 2025: RMB28,618,000).

(b) Liabilities related to contracts with customers

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Contract liabilities	294,056	283,520

Contract liabilities of the Group mainly arose from the advance payments made by customers while the underlying services are yet to be provided.

Notes to the Interim Condensed Consolidated Financial Information

6 REVENUE (CONTINUED)**(b) Liabilities related to contracts with customers (Continued)****(i) Revenue recognised in relation to contract liabilities**

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Six months ended 30 June	
	2026	2025
	(Unaudited) RMB'000	(Unaudited) RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
– Commercial operational services	161,899	176,511
– Residential property management services	98,550	94,656
	260,449	271,167

(ii) Unsatisfied performance obligations

For commercial operational services and residential property management services, the Group recognises revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group's performance to date, on a monthly or quarterly basis. The Group has elected the practical expedient not to disclose the remaining performance obligations for those types of contracts. The majority of the property management services contracts and property developer-related services do not have a fixed term. The term of the contracts for other value-added services is generally set to expire when the counterparties notify the Group several months in advance that the services are no longer required.

For other value-added services rendered over a short period of time, there is no unsatisfied performance obligation at the end of the respective periods.

Notes to the Interim Condensed Consolidated Financial Information

7 EXPENSES BY NATURE

	Six months ended 30 June	
	2026	2025
	(Unaudited) RMB'000	(Unaudited) RMB'000
Employee and other labour costs (Note 8)	421,519	408,164
Outsourcing staff costs	191,260	193,374
Utilities	118,286	120,095
Short-term lease expenditure (Note 22(b))	152,504	130,689
Depreciation and amortisation	31,838	45,785
Promotion and advertising expenses	36,751	30,952
Office expenses	11,312	10,207
Travelling and entertainment expenses	7,224	7,661
Variable lease payments (Note 22(b))	14,445	36,251
Taxes and other levies	4,709	6,892
Professional fees	10,520	14,229
Auditors' remuneration – Audit services	630	650
Others	28,277	26,862
Total of costs of services, selling and marketing expenses and administrative expenses	1,029,275	1,031,811

8 STAFF COSTS

	Six months ended 30 June	
	2026	2025
	(Unaudited) RMB'000	(Unaudited) RMB'000
Wages and salaries	342,870	324,700
Social insurance expenses (Note (a))	61,010	58,916
Share-based payments (Note 20)	–	3,433
Housing benefits	14,515	18,383
Other employee benefits (Note (b))	3,124	2,732
	421,519	408,164

- (a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.
- (b) Other employee benefits mainly include meal, travelling and transportation allowances.

Notes to the Interim Condensed Consolidated Financial Information

9 OTHER INCOME AND OTHER LOSSES – NET

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income		
Penalty income (Note (a))	32,554	23,328
Government grants (Note (b))	1,873	1,487
Gains on disposal of assets (Note (c))	72,630	85,071
Others	6,663	2,809
	113,720	112,695
Other losses		
Foreign exchange losses	(154)	(322)
Penalty losses	(9,933)	(15,859)
	(10,087)	(16,181)
	103,633	96,514

- (a) Penalty income mainly represented the forfeited deposits from tenants due to the premature termination of contracts, and penalty expenses mainly represented penalties relating to legal disputes.
- (b) The government grants represented mainly rewards and tax refunds from local government without attached conditions.
- (c) For the six months ended 30 June 2026, gains on disposal of assets included a gain on disposal of a subsidiary of RMB22,713,000 and a gain on modification of lease of RMB49,917,000.

10 FINANCE INCOME/(COSTS) – NET

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
<i>Interest expense in respect of:</i>		
Lease liabilities	(11,701)	(28,577)
	(11,701)	(28,577)
<i>Interest income in respect of:</i>		
Bank deposits	20,292	20,866
	20,292	20,866
Finance income/(costs) – net	8,591	(7,711)

Notes to the Interim Condensed Consolidated Financial Information

11 INCOME TAX EXPENSES

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Current income tax		
– PRC corporate income tax	67,171	78,590
Deferred income tax		
– PRC corporate income tax	(8,587)	(12,125)
	58,584	66,465

The effective income tax rate of the Group remained relatively stable at approximately 29.58% and 27.40% for the six months ended 30 June 2026 and 2025, respectively.

PRC corporate income tax

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 period, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in the PRC is 25%.

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 of the Cayman Islands and pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax. The Company's subsidiaries in the British Virgin Islands were incorporated under the International Business Companies Act (as amended) of the British Virgin Islands and, accordingly, are exempt from British Virgin Islands income tax.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these interim condensed consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil). The profit of the group entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.

PRC withholding income tax

According to the new Corporate Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividends out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

Notes to the Interim Condensed Consolidated Financial Information

12 EARNINGS PER SHARE**(a) Basic**

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 30 June 2025 and 2026.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Earnings (RMB'000)		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	139,657	182,806
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	642,900	642,900
Basic and diluted earnings per share (RMB cents per share)	21.72	28.43

(b) Diluted

Diluted earnings per share for both periods were the same as the basic earnings per share as there were no potential ordinary shares in issue during the six months ended 30 June 2026 and 2025.

Notes to the Interim Condensed Consolidated Financial Information

13 PROPERTY AND EQUIPMENT

	Leasehold improvement RMB'000	Motor vehicles RMB'000	Furniture, fitting and equipment RMB'000	Total RMB'000
Six months ended 30 June 2026 (Unaudited)				
Opening net book amount	24,568	53	6,147	30,768
Additions	1,585	11	827	2,423
Disposals	—	—	(762)	(762)
Depreciation charge	(3,958)	(7)	(707)	(4,672)
Closing net book amount	22,195	57	5,505	27,757
As at 30 June 2026 (Unaudited)				
Cost	49,840	5,151	37,929	92,920
Accumulated depreciation	(27,645)	(5,094)	(32,424)	(65,163)
Net book amount	22,195	57	5,505	27,757
Six months ended 30 June 2025 (Unaudited)				
Opening net book amount	37,278	173	7,856	45,307
Additions	2,303	9	847	3,159
Disposals	—	(50)	(802)	(852)
Depreciation charge	(3,979)	(87)	(945)	(5,011)
Closing net book amount	35,602	45	6,956	42,603
As at 30 June 2025 (Unaudited)				
Cost	48,619	5,142	37,676	91,437
Accumulated depreciation	(13,017)	(5,097)	(30,720)	(48,834)
Net book amount	35,602	45	6,956	42,603

- (a) Depreciation expenses were charged to the following categories in the interim condensed consolidated statements of profit or loss and other comprehensive income:

	Six months ended 30 June	
	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Cost of services	3,227	3,191
Administrative expenses	1,445	1,820
Total	4,672	5,011

Notes to the Interim Condensed Consolidated Financial Information

14 INVESTMENT PROPERTIES

	Leased commercial properties – right of use assets RMB'000	Investment properties RMB'000	Total RMB'000
Six months ended 30 June 2026 (Unaudited)			
Opening net book amount	426,164	37,080	463,244
Additions	7,489	–	7,489
Derecognised upon modification of lease	(101,678)	–	(101,678)
Depreciation charge	(25,901)	(936)	(26,837)
Closing net book amount	306,074	36,144	342,218
As at 30 June 2026 (Unaudited)			
Cost	555,826	37,444	593,270
Accumulated depreciation	(247,542)	(1,300)	(248,842)
Impairment	(2,210)	–	(2,210)
Net book amount	306,074	36,144	342,218
Six months ended 30 June 2025 (Unaudited)			
Opening net book amount	972,085	–	972,085
Additions	14,662	–	14,662
Disposals	(133,301)	–	(133,301)
Depreciation charge	(39,529)	–	(39,529)
Closing net book amount	813,917	–	813,917
As at 30 June 2025 (Unaudited)			
Cost	1,451,798	–	1,451,798
Accumulated depreciation	(637,881)	–	(637,881)
Net book amount	813,917	–	813,917

- (a) Depreciation expenses were charged to the following categories in the consolidated statements of profit or loss and other comprehensive income:

	Six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Cost of services	26,837	39,529

Notes to the Interim Condensed Consolidated Financial Information

15 GOODWILL

No impairment provision on goodwill was recognised as at 30 June 2026.

16 OPERATING LEASE AND TRADE RECEIVABLES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Operating lease receivables (Note (a))		
– Third parties	12,773	13,410
Trade receivables (Note (a))		
– Related parties (Note 24(d))	599,853	537,525
– Third parties	353,772	304,072
	953,625	841,597
Operating lease and trade receivables	966,398	855,007
Less: allowance for impairment	(528,784)	(433,875)
	437,614	421,132

Notes to the Interim Condensed Consolidated Financial Information

16 OPERATING LEASE AND TRADE RECEIVABLES (CONTINUED)

- (a) The Group's revenue is derived from provision of commercial operational services, residential property management services and lease of properties. Proceeds in respect of service rendering and rental income are to be received in accordance with the terms of relevant property service agreements and tenant contracts. Generally, no credit period is granted.

As at the respective balance sheet date, the ageing analysis of the gross carrying amount of the trade receivables due from related parties based on the demand note dates is as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 1 year	159,618	197,389
1–2 years	187,516	340,136
2–3 years	252,719	–
	599,853	537,525

As at the respective balance sheet date, the ageing analysis of the gross carrying amount of the operating lease and trade receivables due from third parties based on the demand note dates is as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 1 year	90,212	125,221
1–2 years	98,599	75,456
2–3 years	66,389	58,694
Over 3 years	111,345	58,111
	366,545	317,482

- (b) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2026, a provision of RMB528,784,000 was made against the gross amounts of operating lease and trade receivables (31 December 2025: RMB433,875,000).
- (c) As at 30 June 2026 and 31 December 2025, the operating lease and trade receivables were denominated in RMB, and their fair values approximated their carrying amounts.

Notes to the Interim Condensed Consolidated Financial Information

17 PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Other receivables		
– Payments on behalf of tenants or residents (Note (a))	22,218	15,549
– Related parties (Note 24(d))	12,235	12,867
– Deposit paid to a related company (Note (b) and Note 24(d))	198,000	198,000
– Deposit paid to a third party (Note (c))	3,023	3,105
– Others	5,080	3,779
	240,556	233,300
Less: allowance for impairment	(124,020)	(124,194)
	116,536	109,106
Prepayments		
– Third parties (Note (d))	33,318	18,991
– Related parties (Note 24(d))	1,696	20,788
	35,014	39,779
	151,550	148,885

- (a) Amounts mainly represented the payments of utility fees on behalf of tenants or residential communities.
- (b) Amounts represented a refundable deposit paid to a related company for the exclusive sales right of car park spaces in the PRC held by this related company.
- (c) Amounts represented a refundable deposit paid to a third party for the exclusive sales right of shops in the PRC held by this third party.
- (d) Amounts mainly represented the prepaid utility expenses for the group.
- (e) The balances of prepayments and other receivables were all denominated in RMB.

Notes to the Interim Condensed Consolidated Financial Information

18 CASH AND BANK BALANCES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Cash at banks and in hand (Note (a))	4,507,510	4,478,046
Restricted cash – others	(33,562)	(40,692)
Cash and cash equivalents	4,473,948	4,437,354

(a) Cash at banks and in hand were denominated in the following currencies:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
RMB	4,480,954	4,387,599
HK\$	6,112	13,118
US\$	20,444	77,329
	4,507,510	4,478,046

19 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Share capital HK\$'000	Share capital RMB'000	Share premium RMB'000	Total RMB'000
Authorised					
As at 1 January 2026 and 30 June 2026	2,000,000,000	20,000	17,905	–	17,905
Issued					
As at 1 January 2026 and 30 June 2026 (Unaudited)	642,900,000	6,429	5,747	1,008,338	1,014,085
	Number of ordinary shares	Share capital HK\$'000	Share capital RMB'000	Share premium RMB'000	Total RMB'000
Authorised					
As at 1 January 2025 and 30 June 2025	2,000,000,000	20,000	17,905	–	17,905
Issued					
As at 1 January 2025	642,900,000	6,429	5,747	998,653	1,004,400
Vesting of awarded shares	–	–	–	9,685	9,685
As at 30 June 2025 (Unaudited)	642,900,000	6,429	5,747	1,008,338	1,014,085

Notes to the Interim Condensed Consolidated Financial Information

20 OTHER RESERVES

	Statutory reserves RMB'000	Shares Incentive Scheme – value of employee services (Note (a)) RMB'000	Total reserves RMB'000
Balance at 1 January 2026 and 30 June 2026 (Unaudited)	23,617	–	23,617
Balance at 1 January 2025	23,617	6,252	29,869
Shares Incentive Scheme – value of employee services	–	3,433	3,433
Vesting of awarded shares	–	(9,685)	(9,685)
Balance at 30 June 2025 (Unaudited)	23,617	–	23,617

(a) Shares Incentive Scheme

On 19 July 2019, 8,778 shares were issued and allotted to Huihong Management (PTC) Limited (“**Huihong Management**”) at par value as to 10% of the Company’s equity interest before the listing of the Company. Huihong Management was incorporated in the BVI as a special purpose vehicle to hold shares to be granted to eligible grantees under a share incentive scheme (“**Share Incentive Scheme**”) to be adopted at least six months after the Listing, which is consolidated by the Company.

On 10 December 2019, the Company increased its authorized share capital to HK\$20,000,000 by the creation of 1,962,000,000 additional shares of nominal value of HK\$0.01 each. Pursuant to the written resolutions passed by the shareholders on 10 December 2019, the Company was authorized to capitalise HK\$4,499,122.22 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 449,912,222 shares for issue and allotment to the respective shareholders. Accordingly, the number of shares held by Huihong Management increased from 8,778 to 45,000,000, i.e. 10% of the Company’s equity interest before the listing.

On 21 September 2022, as the grant date, the Company has resolved to transfer, and the eligible grantees have to subscribe for a certain number of shares from Huihong Management, at the subscription price of RMB1.1111 per share upon the terms and subject to the conditions under the Shares Incentive Scheme. These shares (“**Incentive Shares**”) shall then transfer to eligible grantees after the relevant vesting conditions are fulfilled.

Under the terms of the Shares Incentive Scheme, when the vesting conditions are fulfilled, the Incentive Shares shall be vested 100%. As at 30 June 2026, total number of 27,558,000 shares were subscribed by and transferred to the grantees (as at 31 December 2025: 27,558,000 shares). For the six months ended 30 June 2026, an expense of RMB Nil was recognised in relation to the Shares Incentive Scheme (30 June 2025: RMB3,433,000).

21 DIVIDENDS

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: Nil).

Notes to the Interim Condensed Consolidated Financial Information

22 LEASES**(a) Amounts recognised in the interim condensed consolidated statement of financial position**

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Leased properties for sub-lease to tenants – Leased commercial properties (Note 14)	306,074	463,244
Lease liabilities		
Current	59,538	81,671
Non-current	365,640	524,152
	425,178	605,823

(b) Amounts recognised in interim condensed consolidated statements of profit or loss and other comprehensive income

	Six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Depreciation charge Commercial properties (Note 14)	25,901	39,529
Interest expense (included in finance income/(costs) – net) (Note 10)	11,701	28,577
Variable lease payments (included in cost of services) (Note 7)	14,445	36,251
Short-term lease expenditure for car parks and common areas and advertising space (Note 7)	152,504	130,689
Gain on modification/early termination of lease (included in other income and other losses – net) (Note 9)	49,917	86,185
Cash outflows for lease payments (including principal elements and relevant interest expense)	44,655	49,999

Notes to the Interim Condensed Consolidated Financial Information

23 TRADE AND OTHER PAYABLES

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Trade payables		
– Related parties (Note 24(d))	3	8
– Third parties	183,104	174,135
	183,107	174,143
Other payables		
– Related parties (Note 24(d))	157,188	190,461
– Receipts on behalf of tenants or residents (Note (a))	87,976	87,727
– Payables for promotion fees on behalf of owners of the commercial properties (Note (b))	28,574	37,100
– Deposits received (Note (c))	512,453	531,649
– Provision for claim	38,187	38,187
– Others	3,293	3,640
	827,671	888,764
Accrued payroll	50,357	74,730
Other taxes payable	37,547	30,564
	1,098,682	1,168,201

- (a) Amounts represented the receipts on behalf of tenants or residents to settle the utility bills.
- (b) The balance represented the receipts on behalf of owners of the commercial properties to settle the expenses relating to promotion and marketing activities of car parks, common areas and advertising spaces.
- (c) Amounts mainly represented deposits received from tenants as performance securities in relation to tenant agreements or property management service agreements.
- (d) As at 30 June 2026 and 31 December 2025, the carrying amounts of trade and other payables approximated their fair values.
- (e) As at the respective balance sheet date, the ageing analysis of the trade payables (including amounts due to related parties) based on invoice dates is as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 1 year	138,815	160,768
1–2 years	23,494	3,809
2–3 years	12,767	5,181
over 3 years	8,031	4,385
	183,107	174,143

Generally, no credit period is granted.

Notes to the Interim Condensed Consolidated Financial Information

23 TRADE AND OTHER PAYABLES (CONTINUED)

- (f) Trade and other payables (excluding accrued payroll, dividend payables and other taxes payables) were denominated in the following currencies:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
RMB	1,010,778	1,062,907

24 RELATED PARTY TRANSACTIONS**(a) Transactions with related parties**

	Six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Revenue arising from provision of services (Note (ii))		
– Entities controlled by Mr. Hoi	114,200	111,149
– Entities jointly controlled by Mr. Hoi	4,369	5,203
	118,569	116,352
Short-term lease expenditure for car parks, common areas and advertising space		
– Entities controlled by Mr. Hoi	252,180	116,581
– Entities jointly controlled by Mr. Hoi	2,458	2,173
	254,638	118,754
Purchase of low-value consuming goods		
– Entities controlled by Mr. Hoi	6,042	970
Purchase of information technology services		
– Entities jointly controlled by Mr. Hoi	8,994	1,553

- (i) All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.
- (ii) The provision of services mainly comprised of revenue from commercial operational services and residential properties management services.

Notes to the Interim Condensed Consolidated Financial Information

24 RELATED PARTY TRANSACTIONS (CONTINUED)**(b) Free trademark license agreement**

On 8 August 2019, a trademark licencing agreement was entered into between the Group and Powerlong Group Development Co., Ltd. (寶龍集團發展有限公司) ("Powerlong Group Development"), pursuant to which Powerlong Group Development agreed to irrevocably and unconditionally grant to the Group the right to (i) use; and/or (ii) sub-license to a third party due to operational needs arising from its usual and ordinary course of business and other activities, certain trademarks registered in the PRC for a perpetual term commencing from the date of the trademark licensing agreement on a royalty-free basis.

(c) Key management compensation

Compensation for key management is set out below.

	Six months ended 30 June	
	2026	2025
	(Unaudited) RMB'000	(Unaudited) RMB'000
Salaries and other short-term employee benefits	664	695

(d) Balances with related parties

	30 June 2026	31 December 2025
	(Unaudited) RMB'000	(Audited) RMB'000
Trade receivables		
– Entities controlled by Mr. Hoi	583,339	520,733
– Entities jointly controlled by Mr. Hoi	16,514	16,792
	599,853	537,525
Prepayments		
– Entities jointly controlled by Mr. Hoi	1,696	20,788
Other receivables		
– Entities controlled by Mr. Hoi	207,946	208,578
– Entities jointly controlled by Mr. Hoi	2,289	2,289
	210,235	210,867
Trade payables		
– Entities controlled by Mr. Hoi	3	8

Notes to the Interim Condensed Consolidated Financial Information

24 RELATED PARTY TRANSACTIONS (CONTINUED)**(d) Balances with related parties (continued)**

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Other payables (Note (ii))		
– Entities controlled by Mr. Hoi	147,720	183,574
– Entities jointly controlled by Mr. Hoi	9,468	6,887
	157,188	190,461
Contract liabilities		
– Entities controlled by Mr. Hoi	35,906	9,105
– Entities jointly controlled by Mr. Hoi	1,178	2,122
	37,084	11,227

- (i) The balances consisted of short-term lease payments of car parks, common areas and advertising spaces and the receipts on behalf of owners of the commercial properties to settle the expenses relating to promotion and marketing activities.

Trade receivables, other receivables, trade payables, other payables and contract liabilities due from/to related parties were unsecured and interest-free.

25 CONTINGENCIES

As at 30 June 2026 and 31 December 2025, the Group did not have any significant contingent liabilities.

26 COMMITMENTS

As at 30 June 2026, the Group's future aggregate minimum lease payments under non-cancellable short-term lease arrangements were RMB Nil, which are due within one year (as at 31 December 2025: RMB Nil).