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POLY PROPERTY SERVICES CO., LTD.

保利物業服務股份有限公司

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

(Stock Code: 06049)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

FINANCIAL SUMMARY

	Six months ended 30 June		Change
	2025 <i>RMB million</i> (Unaudited)	2024 <i>RMB million</i> (Unaudited)	
Revenue	8,392.0	7,871.4	Increased by 6.6%
Gross profit	1,626.7	1,610.1	Increased by 1.0%
Gross profit margin	19.38%	20.46%	Decreased by 1.08 percentage points
Profit for the period	904.0	854.6	Increased by 5.8%
Net profit margin	10.8%	10.9%	Decreased by 0.1 percentage points
Profit for the period attributable to owners of the Company	890.6	846.0	Increased by 5.3%
Basic earnings per share (<i>RMB</i>)	1.6178	1.5415	Increased by 4.9%

- For the six months ended 30 June 2025 (the “**period**”), Poly Property Services Co., Ltd. (the “**Company**” or “**Poly Property**”, and together with its subsidiaries, the “**Group**” or “**we**”) recorded approximately RMB8,392.0 million of revenue, representing an increase of approximately 6.6% as compared to the corresponding period of 2024. For the six months ended 30 June 2025, revenue contribution by the Group’s three major business lines is as follows: (i) revenue from property management services increased by approximately 13.1% to approximately RMB6,324.8 million as compared to the corresponding period of 2024; (ii) revenue from value-added services to non-property owners decreased by approximately 16.1% to approximately RMB863.1 million as compared to the corresponding period of 2024; and (iii) revenue from community value-added services decreased by approximately 3.7% to approximately RMB1,204.1 million as compared to the corresponding period of 2024.
- For the six months ended 30 June 2025, the Group recorded (i) approximately RMB1,626.7 million of gross profit, representing an increase of approximately 1.0% as compared to the corresponding period of 2024, with a gross profit margin of approximately 19.38%, representing a decrease of approximately 1.08 percentage points as compared to the corresponding period of 2024; (ii) approximately RMB904.0 million of profit for the period, representing an increase of approximately 5.8% as compared to the corresponding period of 2024 with a net profit margin of approximately 10.8%, representing a decrease of approximately 0.1 percentage points as compared to the corresponding period of 2024; (iii) approximately RMB890.6 million of profit for the period attributable to owners of the Company, representing an increase of approximately 5.3% as compared to the corresponding period of 2024; and (iv) approximately RMB1.6178 of basic earnings per share.

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby announces the unaudited consolidated results of the Group for the six months ended 30 June 2025, together with comparative figures for the corresponding period of 2024, as follows:

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

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	5	8,391,965	7,871,374
Cost of services		<u>(6,765,236)</u>	<u>(6,261,240)</u>
Gross profit		1,626,729	1,610,134
Other income and other gains and losses, net	6	14,936	13,864
Selling and marketing expenses		(3,489)	(3,560)
Administrative expenses		(444,854)	(489,916)
Other expenses		(1,704)	(999)
Share of results of associates and joint venture		1,111	2,307
Finance costs		<u>(2,078)</u>	<u>(2,276)</u>
Profit before tax	7	<u>1,190,651</u>	<u>1,129,554</u>
Income tax expense	8	<u>(286,611)</u>	<u>(274,978)</u>
Profit for the period		<u>904,040</u>	<u>854,576</u>
Profit for the period attributable to:			
– Owners of the Company		890,612	845,958
– Non-controlling interests		<u>13,428</u>	<u>8,618</u>
		<u>904,040</u>	<u>854,576</u>

	<i>Notes</i>	Six months ended 30 June	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Earnings per share (expressed in RMB per share)			
– Basic	<i>10</i>	1.62	1.54
– Diluted	<i>10</i>	1.62	1.54

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		249,163	239,574
Leased assets and investment properties		607,331	729,862
Intangible assets	11	90,695	93,980
Interests in associates and joint ventures		23,738	25,174
Prepayments for property, plant and equipment	13	5,457	6,711
Deferred tax assets		57,773	56,388
Time deposits		2,017,070	1,993,544
		<u>3,051,227</u>	<u>3,145,233</u>
Current assets			
Inventories		36,003	31,635
Trade and bills receivables	12	3,926,160	2,815,815
Prepayments, deposits and other receivables	13	958,674	897,883
Cash and cash equivalents		9,648,051	9,890,671
		<u>14,568,888</u>	<u>13,636,004</u>
Current liabilities			
Trade payables	14	2,611,135	2,754,128
Accruals and other payables		2,726,136	2,008,353
Contract liabilities		1,891,542	1,823,909
Lease liabilities		46,209	42,889
Income tax payable		228,417	211,304
		<u>7,503,439</u>	<u>6,840,583</u>
Net current assets		<u>7,065,449</u>	<u>6,795,421</u>
Total assets less current liabilities		<u><u>10,116,676</u></u>	<u><u>9,940,654</u></u>

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
Non-current liabilities			
Lease liabilities		55,315	62,757
Deferred tax liabilities		5,719	6,549
		<u>61,034</u>	<u>69,306</u>
Net assets		<u>10,055,642</u>	<u>9,871,348</u>
Share capital and reserves			
Share capital	15	553,333	553,333
Reserves		9,318,934	9,147,681
		<u>9,872,267</u>	<u>9,701,014</u>
Equity attributable to owners of the Company		183,375	170,334
Non-controlling interests		<u>183,375</u>	<u>170,334</u>
Total equity		<u>10,055,642</u>	<u>9,871,348</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Poly Property Services Co., Ltd. (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 26 June 1996 under the PRC Companies Law. On 25 October 2016, the Company was converted from a limited liability company into a joint stock company with limited liability. The address of the Company’s registered office is at 48-49th Floor, Poly Plaza, No. 832 Yue Jiang Zhong Road, Hai Zhu District, Guangzhou, Guangdong Province, the PRC. The Company’s principal place of business is located at the PRC.

The Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 19 December 2019.

The Company’s immediate holding company is Poly Developments and Holdings Group Co., Ltd. (“**Poly Developments and Holdings**”) whose shares are listed on the Main Board of Shanghai Stock Exchange in the PRC. The Company’s ultimate holding company is China Poly Group Corporation Limited, a state-owned enterprise established in the PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are provision of property management services, value-added services to non-property owners and community value-added services in the PRC.

The interim condensed consolidated financial statements are presented in Renminbi (“**RMB**”) which is the functional currency of the Company, unless otherwise stated.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The interim condensed consolidated financial statements do not include all the 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 2024, which have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA.

3 ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared on the historical cost basis.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's interim condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard 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 interim condensed consolidated financial statements.

4 SEGMENT INFORMATION

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

The Group operates in the provision of property management services, value-added services to non-property owners and community value-added services and the CODM of the Company regards that there is only one segment which is used to make strategic decisions. Accordingly, no other discrete financial information is provided other than the Group's results and financial position as a whole and only entity-wide disclosures and geographical information are presented.

Geographical information

The major operating entities of the Group are domiciled in the PRC. Accordingly, all of the Group's revenue was derived in the PRC during the six months ended 30 June 2025 and 2024.

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

5 REVENUE

Revenue mainly comprises of proceeds from providing property management services, value-added services to non-property owners and community value-added services. The disaggregation of the Group's revenue by category for the six months ended 30 June 2025 and 2024 was as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Property management services	6,324,751	5,593,282
Value-added services to non-property owners		
– Pre-delivery services and other value-added services to non-property owners	747,462	856,498
Community value-added services	1,204,133	1,249,912
Revenue from contracts with customers	8,276,346	7,699,692
Value-added services to non-property owners		
– Rental income	115,619	171,682
Total	8,391,965	7,871,374
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Property management services		
– Over time	6,324,751	5,593,282
Value-added services to non-property owners		
– Over time	747,462	856,498
– Over the lease term	115,619	171,682
Community value-added services		
– Over time	850,847	845,343
– At a point in time	353,286	404,569
Total	8,391,965	7,871,374

6 OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income:		
Bank interest income	34,481	34,461
Other interest income (<i>Note (a)</i>)	5,600	6,601
Government grants (<i>Note (b)</i>)	6,371	12,301
Penalty income	6,972	3,030
Others	18,158	941
	<u>71,582</u>	<u>57,334</u>
Other gains and losses, net:		
Gain on modification of lease contracts, net	975	351
(Loss)/gain on disposal of property, plant and equipment, net	(354)	134
Impairment loss on trade and bills receivables	(52,299)	(48,611)
(Impairment loss)/reversal of impairment loss on deposits and other receivables	(4,685)	4,452
Exchange (loss)/gain, net	(283)	204
	<u>(56,646)</u>	<u>(43,470)</u>
	<u>14,936</u>	<u>13,864</u>

Notes:

- (a) Other interest income mainly arose from the deposits maintained with a fellow subsidiary of the Company, Poly Finance Company Limited (“**Poly Finance**”).
- (b) Government grants mainly represented the financial support received from the local government as an incentive for business development and there are no unfulfilled conditions attached to the government grants.

7 PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	45,175	45,120
Depreciation of leased assets and investment properties	138,057	142,173
Amortisation of intangible assets (included in “Cost of services”)	4,256	5,005
	<u>187,488</u>	<u>192,298</u>
Finance costs – interest on lease liabilities	2,078	2,276
Cost of goods sold	322,140	374,306
Staff costs (including directors’ emoluments):		
– Salaries and bonus	1,400,023	1,565,935
– Pension costs, housing funds, medical insurances and other social insurances	265,221	286,254
– (Reversal of)/provision for equity-settled share-based expenses	(18,406)	14,974
	<u>1,646,838</u>	<u>1,867,163</u>

8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax – PRC Enterprise Income Tax (“EIT”)	288,729	282,370
Deferred tax	(2,118)	(7,392)
	<u>286,611</u>	<u>274,978</u>

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for the six months ended 30 June 2025 and 2024.

The PRC EIT represents tax charged on the estimated assessable profits arising in the PRC. In general, the Group’s subsidiaries operating in the PRC are subject to PRC EIT rate of 25% (six months ended 30 June 2024: 25%), except for certain subsidiaries which are entitled to preferential tax rates, as determined in accordance with the relevant tax rules and regulations in the PRC.

9 DIVIDENDS

During the six months ended 30 June 2024, final dividend of RMB552,226,733 (tax inclusive) in respect of 2023 was declared and paid in July 2024.

During the six months ended 30 June 2025, final dividend of RMB737,040,089 (tax inclusive) in respect of 2024 was declared and paid in July 2025.

No interim dividend was declared for the six months ended 30 June 2025 and 2024.

10 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to owners of the Company	890,612	845,958
	Six months ended 30 June	
	2025	2024
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>Note (a)</i>)	550,501	548,776
Effect of shares under restricted share incentive scheme (<i>Note (b)</i>)	293	306
Weighted average number of ordinary shares for the purpose of diluted earnings per share (<i>Note (b)</i>)	550,794	549,082

Notes:

- (a) On 18 February 2022, the shareholders of the Company approved the adoption of a restricted share incentive scheme. During the six months ended 30 June 2025, 1,579,776 (six months ended 30 June 2024: 1,363,098) H shares of the Company were vested, and 40,738 (six months ended 30 June 2024: 76,000) H shares of the Company were lapsed and sold to the secondary market by an independent trustee appointed by the Company (Note 16).
- (b) Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares to assume conversion of all dilutive potential ordinary shares. During the six months ended 30 June 2025 and 2024, the number of shares calculated as above was compared with the number of shares that would have been issued, assuming the conversion of the restricted shares granted under the restricted share incentive scheme (Note 16), with the difference being adjusted in arriving at the weighted average number of shares for diluted earnings per share.

11 INTANGIBLE ASSETS

	Property management contracts RMB'000	Goodwill RMB'000	Total RMB'000
COST			
At 1 January 2024 (Audited), 31 December 2024 (Audited) and 1 January 2025 (Audited)	85,000	63,993	148,993
Acquisition of a subsidiary	<u>–</u>	<u>971</u>	<u>971</u>
At 30 June 2025 (Unaudited)	<u>85,000</u>	<u>64,964</u>	<u>149,964</u>
ACCUMULATED AMORTISATION			
At 1 January 2024 (Audited)	45,127	–	45,127
Amortisation	<u>9,886</u>	<u>–</u>	<u>9,886</u>
At 31 December 2024 and 1 January 2025 (Audited)	55,013	–	55,013
Amortisation	<u>4,256</u>	<u>–</u>	<u>4,256</u>
At 30 June 2025 (Unaudited)	<u>59,269</u>	<u>–</u>	<u>59,269</u>
NET CARRYING VALUE			
At 30 June 2025 (Unaudited)	<u>25,731</u>	<u>64,964</u>	<u>90,695</u>
At 31 December 2024 (Audited)	<u>29,987</u>	<u>63,993</u>	<u>93,980</u>

12 TRADE AND BILLS RECEIVABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables		
– Related parties	826,411	580,053
– Third parties	<u>3,280,477</u>	<u>2,345,638</u>
	4,106,888	2,925,691
Less: allowances for credit losses	<u>(180,908)</u>	<u>(128,365)</u>
	3,925,980	2,797,326
Bills receivables	<u>180</u>	<u>18,489</u>
	<u><u>3,926,160</u></u>	<u><u>2,815,815</u></u>

Trade receivables mainly arise from property management services income, value-added services income to non-property owners and community value-added services income.

All of the services income are due for payment upon issuance of demand note and most of the credit term was granted to property management services provided to public service projects range from 30 to 90 days in general.

The following is an ageing analysis of trade and bills receivables net of allowance for credit losses presented based on the invoice dates:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within one year	3,654,668	2,622,102
One to two years	249,047	171,623
Over two years	<u>22,445</u>	<u>22,090</u>
	<u><u>3,926,160</u></u>	<u><u>2,815,815</u></u>

All bills received by the Group are with a maturity period of less than one year.

13 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Prepayments		
– Prepayments for property, plant and equipment	5,457	6,711
– Prepayments to suppliers	82,775	95,070
	<u>88,232</u>	<u>101,781</u>
Deposits and other receivables		
– Deposits	200,229	188,605
– Payments on behalf of property owners	595,897	546,377
– Interest receivables	14,805	7,560
– VAT receivables	97,041	85,364
– Others	12,534	14,687
	<u>920,506</u>	<u>842,593</u>
Less: allowances for credit losses	(44,607)	(39,780)
	<u>875,899</u>	<u>802,813</u>
	<u>964,131</u>	<u>904,594</u>
	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Analysed for reporting purposes:		
Non-current portion	5,457	6,711
Current portion	958,674	897,883
	<u>964,131</u>	<u>904,594</u>

14 TRADE PAYABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Related parties	146,114	85,861
Third parties	<u>2,465,021</u>	<u>2,668,267</u>
	<u><u>2,611,135</u></u>	<u><u>2,754,128</u></u>

Most of the credit terms on purchase of goods and services provided from suppliers are 30 to 90 days.

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

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within one year	2,512,116	2,654,253
One to two years	85,178	84,277
Over two years	<u>13,841</u>	<u>15,598</u>
	<u><u>2,611,135</u></u>	<u><u>2,754,128</u></u>

15 SHARE CAPITAL

	Domestic shares		Listed H shares		Total	
	Number '000	Amount <i>RMB'000</i>	Number '000	Amount <i>RMB'000</i>	Number '000	Amount <i>RMB'000</i>
Registered, issued and fully paid:						
At 1 January 2024 (Audited), 31 December 2024 (Audited) and 1 January 2025 (Audited)	400,000	400,000	153,333	153,333	553,333	553,333
Conversion of domestic shares to H shares	<u>(193,667)</u>	<u>(193,667)</u>	<u>193,667</u>	<u>193,667</u>	<u>—</u>	<u>—</u>
At 30 June 2025 (Unaudited)	<u><u>206,333</u></u>	<u><u>206,333</u></u>	<u><u>347,000</u></u>	<u><u>347,000</u></u>	<u><u>553,333</u></u>	<u><u>553,333</u></u>

The shares mentioned above rank pari passu in all respects with each other.

16 RESTRICTED SHARE INCENTIVE SCHEME

At the Company's extraordinary general meeting held on 18 February 2022, the shareholders of the Company approved the adoption of restricted share incentive scheme (the "**Scheme**"), with a duration of 10 years. Under the Scheme, the Company may grant restricted shares to qualified participants ("**Scheme Participants**"), subject to the fulfilment of certain performance conditions and service conditions.

All shares granted are subject to a lock-up period of 24 months commencing from the grant date, followed by an unlocking period of 24 months to 60 months. During the lock-up period, the shares granted to the Scheme Participants are not entitled to the right of disposal, such that the shares shall not be transferred, used as collateral or used for debt repayment. After the expiry of the lock-up period, if all conditions for unlocking have been fulfilled, Scheme Participants will be entitled to the related shares. The relevant shares granted shall be unlocked in three tranches in proportion, and unlocking proportion for the first, second and third tranches shall be 33%, 33% and 34% respectively.

On 26 April 2022 ("**First Grant Date**"), the Board approved to implement the initial grant ("**Initial Grant**") pursuant to the Scheme. The first tranche of 4,282,400 restricted shares were actually granted at a grant price of HK\$25.71 per share. The fair value of the shares granted on the First Grant Date, determined based on the difference between the closing price on the First Grant Date and the grant price, was HK\$24.94 per share.

On 20 January 2023 ("**Reserved Grant Date**"), the Board approved to implement the reserved grant ("**Reserved Grant**") pursuant to the Scheme. The reserved tranche of 770,800 restricted shares were actually granted at a grant price of HK\$25.71 per share. The fair value of the shares granted on the Reserved Grant Date, determined based on the difference between the closing price on the Reserved Grant Date and the grant price, was HK\$32.04 per share.

During the year ended 31 December 2024, upon the expiration of the two-year lock-up period and the fulfilment of the unlocking conditions of the first tranche of the Initial Grant, 1,363,098 H shares of the Company were vested to 159 grantees, except for 116,536 H shares of the Company that were lapsed and sold in the secondary market by an independent trustee (the "**Trustee**").

During the six months ended 30 June 2025, upon the expiration of the two-year lock-up period and the fulfilment of the unlocking conditions for first tranche of the Reserved Grant and the second tranche of the Initial Grant, 236,148 H shares and 1,343,628 H shares of the Company were vested to 31 grantees and 156 grantees, respectively, except for 40,738 H shares of the Company that were lapsed and sold in the secondary market by the Trustee.

The following table discloses movements in the number of restricted shares granted for the six months ended 30 June 2025 and for the year ended 31 December 2024:

	Weighted average fair value (per share) (HK\$)	Number of restricted shares
At 1 January 2024 (Audited)	26.05	4,948,800
Vested during the year	24.94	(1,363,098)
Lapsed during the year	28.30	(116,536)
At 31 December 2024 and 1 January 2025 (Audited)	26.40	3,469,166
Vested during the period	26.00	(1,579,776)
Lapsed during the period	24.94	(40,738)
At 30 June 2025 (Unaudited)	26.78	1,848,652

As instructed by the Board, the Trustee is appointed to purchase certain number of H shares from the secondary market for the Scheme, and the purchased shares will be held by the Trustee until such shares are vested in accordance with the provisions of the Scheme. Upon vesting, the Trustee will transfer the shares to the Scheme Participants. If the performance conditions or service conditions are not fulfilled and the corresponding tranche of shares granted to be vested cannot be unlocked, the restricted shares not being unlocked shall be purchased back by the Trustee or other third parties in accordance with the Scheme.

Movements in shares held by the Trustee under the Scheme were as follows:

	Number of restricted shares	Amount RMB'000
At 1 January 2024 (Audited)	4,948,800	166,009
Vested during the year	(1,363,098)	(45,726)
Lapsed during the year	(116,536)	(3,909)
	<hr/>	<hr/>
At 31 December 2024 and 1 January 2025 (Audited)	3,469,166	116,374
Vested during the period	(1,579,776)	(52,994)
Lapsed during the period	(40,738)	(1,367)
	<hr/>	<hr/>
At 30 June 2025 (Unaudited)	<u>1,848,652</u>	<u>62,013</u>

The Group recognised the total share-based payment expenses of RMB4,241,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB14,974,000) in relation to the restricted shares granted by the Company based on the best available estimate of the number of shares expected to be vested.

During the six months ended 30 June 2025, the Group reversed share-based payment expenses recognised in previous years of RMB22,647,000 (six months ended 30 June 2024: nil) in total as some of the performance conditions for the third tranche of unlocking of the Initial Grant and Reserved Grant were not met.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading comprehensive property management services provider in China with extensive property management scale and central state-owned enterprise background. According to the ranking of 2025 Top 100 Property Management Companies in China by the China Index Academy, the Group ranked second among the Top 100 Property Management Companies in China and the first among state-owned property management companies. The Group adheres to its corporate mission of “serving people by managing and achieving (善治善成, 服務民生)”, and is committed to providing customers with quality services that meet the needs of a better life, and has won a good reputation in the industry. Our brand was valued at approximately RMB26.8 billion in 2024. The Group has actively pushed forward the “Comprehensive Property” strategy and its business portfolio covers residential communities, commercial and office buildings and public and other properties. As at 30 June 2025, the Group’s contracted gross floor area (“GFA”) and GFA under management was approximately 996.1 million square meters (“sq.m.”) and 833.7 million sq.m. respectively, covering 191 cities across 30 provinces, municipalities and autonomous regions in China.

The Group’s revenue is derived from three main business lines, namely (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

Property management services – representing approximately 75.4% of the total revenue

For the six months ended 30 June 2025, the Group’s revenue from property management services amounted to approximately RMB6,324.8 million, representing an increase of approximately 13.1% as compared to the corresponding period of 2024, which was mainly due to the expansion of GFA under management and the increase in the number of projects under management of the Group.

The following table sets out the changes in the Group's contracted management scale:

Source of projects	As at 30 June					
	2025		Number of contracted projects	2024		Number of contracted projects
	Contracted GFA '000 sq.m.	Percentage of contracted GFA %		Contracted GFA '000 sq.m.	Percentage of contracted GFA %	
Poly Developments and Holdings Group (<i>Note 1</i>)	360,691	36.2	1,753	349,986	36.8	1,663
Third parties (<i>Note 2</i>)	635,376	63.8	1,516	599,879	63.2	1,505
Total	<u>996,067</u>	<u>100.0</u>	<u>3,269</u>	<u>949,865</u>	<u>100.0</u>	<u>3,168</u>

Note 1: The related information of “Poly Developments and Holdings Group” set out in the section headed “Management Discussion and Analysis” in this announcement includes properties developed, solely or jointly with other parties, by Poly Developments and Holdings Group Co., Ltd. and its subsidiaries, joint ventures and associates.

Note 2: The GFA from “Third parties” as set out in the section headed “Management Discussion and Analysis” in this announcement excludes projects that do not clearly stipulate the agreed GFA in the contracts. With the Group enhancing its market expansion, certain third-party project contracts only stipulate the total contract price rather than the GFA.

The Group continues to benefit from the steady development of Poly Developments and Holdings Group, its controlling shareholder, with the newly acquired deliverables continuously optimized. For the fifteenth consecutive year, Poly Developments and Holdings Group has been recognized as the “Leading Brand in China’s Real Estate Industry (中國房地產行業的領導公司品牌).” During the period, Poly Developments and Holdings Group achieved a contracted sales amount of RMB145.17 billion, ranking first in the industry. As at 30 June 2025, the contracted GFA from Poly Developments and Holdings Group was approximately 360.7 million sq.m.

The Group remains committed to market-oriented development. During the period, it newly expanded third-party projects with single-year contract value of approximately RMB1,406.1 million, representing a year-on-year increase of 17.2%, maintaining its position among the top tier in the industry in terms of expansion scale. The Group focuses on enhancing the quality of expansion efforts, deeply tapping into large-scale high-quality clients within premium and core city clusters, with the single-year contract value of newly expanded third-party projects with single-year contract value exceeding RMB10 million accounted for 56.2%. During the period, the single-year contract value of newly expanded third-party projects in the top 50 core cities accounted for 84.6%, representing a year-on-year increase of 5.1 percentage points, with Beijing, Guangzhou and Tianjin each achieving over RMB100 million in expansion performance during the period. As at 30 June 2025, the contracted GFA from third-party projects was approximately 635.4 million sq.m., accounting for approximately 63.8% of the total contracted GFA.

The following table sets out a breakdown of the Group's revenue, GFA under management and the number of projects under management by the source of projects for the periods or as at the dates indicated:

Source of projects	For the six months ended 30 June or as at 30 June									
	2025					2024				
	Revenue		GFA under management		Number of projects under management	Revenue		GFA under management		Number of projects under management
	RMB'000	%	'000 sq.m.	%		RMB'000	%	'000 sq.m.	%	
Poly Developments and Holdings Group (Note)	3,546,400	56.1	284,050	34.1	1,548	3,275,508	58.6	265,647	35.1	1,383
Third parties (Note)	2,778,351	43.9	549,653	65.9	1,364	2,317,774	41.4	491,188	64.9	1,284
Total	<u>6,324,751</u>	<u>100.0</u>	<u>833,703</u>	<u>100.0</u>	<u>2,912</u>	<u>5,593,282</u>	<u>100.0</u>	<u>756,835</u>	<u>100.0</u>	<u>2,667</u>

Note: See note 1 and note 2 on page 20.

The Group has achieved steady growth in the GFA under management from projects developed by Poly Developments and Holdings Group. As at 30 June 2025, the GFA under management from projects developed by Poly Developments and Holdings Group was approximately 284.1 million sq.m., representing an increase of approximately 6.2 million sq.m. as compared to the end of 2024. For the six months ended 30 June 2025, revenue from the property management services of projects developed by Poly Developments and Holdings Group was approximately RMB3,546.4 million, representing a growth of approximately 8.3% as compared to the corresponding period in 2024, and accounting for approximately 56.1% of the total revenue from property management services.

After years of market expansion and accumulation, the growth of third-party projects has become a key driver of the Group's scaled development. As at 30 June 2025, the GFA under management from third-party projects reached 549.7 million sq.m., representing an increase of approximately 24.0 million sq.m. as compared to the end of 2024, accounting for approximately 65.9% of the total GFA under management. The revenue from property management services for third-party projects continued to grow at a rapid pace, reaching approximately RMB2,778.4 million for the six months ended 30 June 2025, representing a growth of approximately 19.9% as compared to the corresponding period in 2024. Such revenue accounted for approximately 43.9% of the total revenue from property management services, representing an increase of approximately 2.5 percentage points year-on-year.

The following table sets out a breakdown of the Group’s revenue, GFA under management and the number of projects under management by property type for the periods or as at the dates indicated:

Source of projects	For the six months ended 30 June or as at 30 June									
	2025					2024				
	Revenue		GFA under	Number		Revenue		GFA under	Number	
	<i>RMB'000</i>	%	<i>'000 sq.m.</i>	of projects	%	<i>RMB'000</i>	%	<i>'000 sq.m.</i>	of projects	%
			management	under				management	under	
				management					management	
Residential communities	3,606,319	57.0	321,048	38.5	1,724	3,272,984	58.5	299,034	39.5	1,556
Non-residential										
properties	2,718,432	43.0	512,655	61.5	1,188	2,320,298	41.5	457,801	60.5	1,111
– Commercial and office										
buildings	1,148,136	18.2	45,337	5.4	485	884,880	15.8	35,828	4.7	433
– Public and other										
properties	1,570,296	24.8	467,318	56.1	703	1,435,418	25.7	421,973	55.8	678
Total	<u>6,324,751</u>	<u>100.0</u>	<u>833,703</u>	<u>100.0</u>	<u>2,912</u>	<u>5,593,282</u>	<u>100.0</u>	<u>756,835</u>	<u>100.0</u>	<u>2,667</u>

For residential communities, the Group has established the “I-TRUST” service system, centered on the core values of “Under-control, Intelligent, Specialized, Rich-atmosphere, Transparent, and Taking-care”, continuously upgrading its three major property service brands: “Oriental Courtesy (東方禮遇)”, “Elegant Life (四時雅集)” and “Harmony Courtyard (親情和院)” and setting a new benchmark for quality services. Leveraging its strong brand reputation, the Group has intensified its expansion of existing residential projects in high-tier cities such as Beijing, Shanghai and Hangzhou. During the period, the Group newly expanded 19 existing residential projects, with single-year contract value reaching RMB93.12 million, representing a year-on-year increase of 47.9%. As at 30 June 2025, the GFA under management of the Group in residential communities was approximately 321.0 million sq.m. For the six months ended 30 June 2025, revenue from property management services for residential communities amounted to approximately RMB3,606.3 million, representing an increase of approximately 10.2% as compared to the corresponding period of 2024.

For commercial and office buildings, the Group has established the property service brand of “Nebula Ecology (星雲企服)” to provide customers with “trinity” services including property management, asset management and corporate services. The Group delivered high-quality services backed by state-owned capital to provide production and operation support for businesses across all scenarios, including production, operations, office work and living. During the period, the Group continued to explore customers from key industries such as finance, energy, automotive and consumer goods. In particular, as of 30 June 2025, the Group had served 7 bank headquarters, with sector-specific advantages rapidly consolidating. Meanwhile, the Group closely aligned with the professional and efficient service needs of clients in industries such as high-end manufacturing, new energy and the internet, deepening its IFM integrated facility and equipment service layout and client development, and winning service procurement from leading industry clients including JD Group, NetEase Group, Haier Group and new energy vehicle manufacturers. During the period, the single-year contract value of newly expanded projects from third party’s commercial and office buildings by the Group amounted to RMB510.1 million. As of 30 June 2025, the GFA under management of the Group in commercial and office buildings was approximately 45.3 million sq.m. For the six months ended 30 June 2025, revenue from property management services for commercial and office buildings amounted to approximately RMB1,148.1 million, representing an increase of approximately 29.8% as compared to the corresponding period of 2024.

For public and other properties, the Group has established the property service brand of “Poly Public Services (保利公共服務)”, covering a number of sub-sectors such as urban scenic areas, higher education and teaching and research properties, railways and transportation properties, hospital properties, government offices and urban public facilities, etc. The Group leveraged property management services as its foundation, refining specialized services tailored to sub-sectors and enhancing asset management capabilities to drive the transformation of public property services into comprehensive operation service products. In the urban scenic area sub-sector, the Group has established an integrated operational model combining “property services + IP development + commercial operations,” and implemented scenic area comprehensive operation services in multiple projects such as Shenzhen Xichong International Coastal Tourism Scenic Area (深圳西湧國際濱海旅遊景區), Guangzhou Huadu Zhudong Village (廣州花都竹洞村) and Guangzhou Huangpu Changzhou Island (廣州黃埔長洲島). During the period, for Guangzhou Haizhu Wetland Park Project (廣州海珠濕地公園項目), the Group expanded its service scope beyond property management to include ticketing operations, scenario planning, event hosting and other cultural tourism services, achieving content integration and service upgrade. For the six months ended 30 June 2025, the Group’s newly expanded public and other property projects reached a single-year contracted value of approximately RMB699.6 million. For the six months ended 30 June 2025, revenue from public and other properties was approximately RMB1,570.3 million, representing an increase of approximately 9.4% as compared to the corresponding period in 2024, accounting for approximately 24.8% of the total revenue from property management services.

Steady increase in the average property management fee per unit

Benefiting from higher pricing standards for new projects, the average property management fee per unit of the Group experienced a steady upward trend.

The following table sets out the average property management fee per unit of residential communities for the periods indicated:

	For the six months ended 30 June		Changes (RMB)
	2025 (RMB/sq.m./month)	2024	
Residential communities	2.47	2.33	Increased by 0.14
– Poly Developments and Holdings Group	2.56	2.44	Increased by 0.12
– Third parties	1.95	1.82	Increased by 0.13

Value-added services to non-property owners – representing approximately 10.3% of the total revenue

The Group provides value-added services to non-property owners (mainly property developers), including (i) pre-delivery services to property developers to assist with their sales and marketing activities at property sales venues and display units, mainly including visitor reception, cleaning, security inspection and maintenance; (ii) office leasing; and (iii) other value-added services to non-property owners, such as consultancy, inspection, delivery and repair and maintenance, etc.

The following table sets out a breakdown of the Group's revenue from value-added services to non-property owners by service type for the periods indicated:

Type of services	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>Percentage of revenue %</i>	<i>RMB'000</i>	<i>Percentage of revenue %</i>
Pre-delivery services	409,406	47.4	535,377	52.1
Office leasing	115,619	13.4	171,682	16.7
Other value-added services to non-property owners	338,056	39.2	321,121	31.2
Total	863,081	100.0	1,028,180	100.0

For the six months ended 30 June 2025, the Group's revenue from value-added services to non-property owners amounted to approximately RMB863.1 million, representing a decrease of approximately 16.1% as compared to the corresponding period of 2024, which was mainly due to (i) the decrease in the number of pre-delivery service projects provided by the Group; and (ii) the decline in the revenue from the Group's office leasing business as a result of changes in market. During the period, the Group's revenue from value-added services to non-property owners amounted to approximately RMB338.1 million, representing a year-on-year increase of 5.3%, which was largely due to the Group's accelerated expansion into engineering services such as house repairs, which drove steady growth in incremental scale of business.

Community value-added services – representing approximately 14.3% of the total revenue

The Group focuses on community asset operation and community living scenarios to create a value-added service ecosystem covering home furnishing services, parking space agency services, house rental and sales agency services, community retail, housekeeping services, parking lot services, space operations and other services, which has been designed to meet the tailor-made service needs of property owners in community scenarios and enhance the convenience and happiness of living.

For the six months ended 30 June 2025, the Group's revenue from community value-added services amounted to approximately RMB1,204.1 million, representing a decrease of approximately 3.7% as compared to the corresponding period of the previous year, and accounting for approximately 14.3% of the total revenue. The Group continued to focus on core categories, strengthen the development of core products, and systematically enhance its industrial capabilities. It achieved stable recovery in core business lines such as community retail and parking space agency services, effectively responding to multiple challenges such as fluctuations in the community consumption market and intensified competition.

FUTURE DEVELOPMENT

2025 marks the final year of the “14th Five-Year Plan”, during which China's economy continues to demonstrate resilient growth. The property services industry is entering a critical phase of development characterized by quality-driven, lean and digital transformation. In the first half of the year, the Group maintained prudent operations, winning market share through quality service and lean management, achieving steady growth in business scale and further strengthening management efficiency. In the second half of the year, the Group will focus on four key dimensions: enhancing growth momentum, strengthening quality foundations, improving organizational efficiency and leveraging technological empowerment. These efforts aim to achieve a dynamic balance between scale and efficiency, as well as a deep integration of service and innovation, while seizing the current development opportunities in the industry.

In the dimension of growth momentum, we will focus on core products and key markets, deepen product capabilities and business layout, and promote steady business development. **In terms of market expansion**, we will strengthen the planning and layout of expansion, upgrade expansion strategies based on insights from data, and achieve an optimal combination of business portfolio, regional density and customers. At the same time, we will deepen the expansion of service boundaries, strengthen full-cycle services for commercial and office buildings, and promote comprehensive operational solutions in the public services sector to accelerate the unleashing of the potential in the scale of high-value-added business growth drivers, further promoting the balanced improvement of scale growth, profitability optimization and cash flow security. **In terms of value-added services**, we will focus on strengthening the capabilities of three core business lines: home services, asset operations and engineering maintenance. Through more targeted resource allocation and mechanism innovation, we will refine product design, ensure service delivery, accelerate the creation of business benchmarks and the replication of professional capabilities, and build an ecosystem where basic property management and value-added services mutually promote each other, thereby fostering new growth curve for the future.

In the dimension of quality foundations, we firmly believe that only by embedding quality service into the organization's DNA can we earn long-term customer reputation and market trust. We will leverage the "three-dimensional standardization" system to promote the upgrading of business standardization, standardized processes and process digitalization. In the second half of the year, the Group will prioritize advancing the digitalization of quality operations, accelerating the intelligent upgrade of the customer response center and work order system. We will build a "quality digital brain" supported by the data middle platform, leveraging real-time data collection on equipment status, environmental indicators and work order timeliness, and deeply integrating artificial intelligence ("AI") algorithms. This will drive service management from "post-event correction" to "pre-event prediction" and transform service processes from traditional operations to intelligent operations.

In the dimension of organizational efficiency, we prioritize "talent strategy" to drive professional capability development and management efficiency improvements. In terms of talent team building, the Group implements a talent management system that emphasizes "selecting excellent candidates and performance-based nominations", while strengthening market-benchmarking talent recruitment mechanisms and increasing strategic talent deployment in core areas such as market expansion, value-added services and technology application. In terms of incentive mechanisms, the Group will focus on both short-term and long-term operational goals, optimize incentive allocation, and drive operational breakthroughs and capability development to build long-term competitive barriers. In terms of operational efficiency, the Group will firmly advance project integration by sector to unleash economies of scale, and deepen digital applications such as integrated business and financial dashboards to enhance management penetration, achieving reduced organizational levels and improved management efficiency.

In the dimension of technological empowerment, the Group will deepen the intelligent application of tools such as robots and Large Language Models in property service scenarios, making technology applications a core driver for reshaping service processes and cultivating differentiated competitiveness. In terms of basic services, the Group will accelerate the scale deployment of cleaning robots and contactless access devices, while exploring the application of intelligent equipment in high-repetition operational scenarios across various business sectors. This will reduce reliance on manual labor while enhancing service consistency. In terms of customer interaction, the Group will explore the deep empowerment of Large Language Models in scenarios such as customer analysis, intelligent customer service responses, and intelligent work order scheduling. By embedding technology into the service value chain, the Group aims to enhance service response efficiency and service experience. In terms of management and operation, the Group will strengthen its comprehensive data middle platform capabilities to provide decision-making support for business planning, cost estimation and risk early-warning, thereby constructing an intelligent closed-loop ecosystem of "perception – analysis – decision – execution".

FINANCIAL REVIEW

Revenue

The Group's revenue is derived from three main business lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services.

The following table sets out a breakdown of the revenue by business line for the periods indicated:

	Six months ended 30 June				
	2025		2024		Growth rate %
	<i>RMB'000</i>	<i>Percentage of revenue %</i>	<i>RMB'000</i>	<i>Percentage of revenue %</i>	
Property management services	6,324,751	75.4	5,593,282	71.0	13.1
Value-added services to non-property owners	863,081	10.3	1,028,180	13.1	-16.1
Community value-added services	1,204,133	14.3	1,249,912	15.9	-3.7
Total	<u>8,391,965</u>	<u>100.0</u>	<u>7,871,374</u>	<u>100.0</u>	<u>6.6</u>

For the six months ended 30 June 2025, total revenue of the Group amounted to approximately RMB8,392.0 million (for the six months ended 30 June 2024: approximately RMB7,871.4 million), representing an increase of approximately 6.6% as compared to the corresponding period of 2024. This was primarily attributable to the increase in revenue driven by the continuous increase in the management scale of the Group.

Cost of services

During the period, the cost of services of the Group amounted to approximately RMB6,765.2 million (for the six months ended 30 June 2024: approximately RMB6,261.2 million), representing an increase of approximately 8.0% as compared to the corresponding period of 2024. The increase in the cost of services was mainly due to the corresponding increase in subcontracting costs as a result of the continuous expansion in the management scale of the Group.

Gross profit and gross profit margin

The following table sets out a breakdown of the Group's gross profit and gross profit margin by business line for the periods indicated:

	Six months ended 30 June					
	2025			2024		
	Gross profit	Percentage of gross profit	Gross profit margin	Gross profit	Percentage of gross profit	Gross profit margin
	<i>RMB'000</i>	%	%	<i>RMB'000</i>	%	%
Property management services	1,049,125	64.5	16.59	939,047	58.3	16.79
Value-added services to non-property owners	96,790	5.9	11.21	185,537	11.5	18.05
Community value-added services	480,814	29.6	39.93	485,550	30.2	38.85
Total	<u>1,626,729</u>	<u>100.0</u>	19.38	<u>1,610,134</u>	<u>100.0</u>	20.46

For the six months ended 30 June 2025, the Group's gross profit was approximately RMB1,626.7 million, representing an increase of approximately 1.0% as compared to approximately RMB1,610.1 million for the corresponding period of 2024. The Group's gross profit margin decreased from approximately 20.46% for the corresponding period of 2024 to approximately 19.38%.

For the six months ended 30 June 2025, the Group's gross profit margin for property management services was approximately 16.59% (for the six months ended 30 June 2024: approximately 16.79%), representing a decrease of approximately 0.2 percentage points as compared to the corresponding period of 2024.

For the six months ended 30 June 2025, the Group's gross profit margin for value-added services to non-property owners was approximately 11.21% (for the six months ended 30 June 2024: approximately 18.05%), representing a decrease of approximately 6.84 percentage points as compared to the corresponding period of 2024, primarily due to the ongoing adjustments in the real estate industry and the impact of the office leasing market.

For the six months ended 30 June 2025, the Group's gross profit margin for community value-added services was approximately 39.93% (for the six months ended 30 June 2024: approximately 38.85%), representing an increase of approximately 1.08 percentage points as compared to the corresponding period of 2024.

Other income and other gains and losses, net

For the six months ended 30 June 2025, other income and other gains and losses, net was approximately RMB14.9 million, representing an increase of approximately 7.7% as compared to approximately RMB13.9 million for the six months ended 30 June 2024.

Administrative expenses

For the six months ended 30 June 2025, the total administrative expenses of the Group was approximately RMB444.9 million, representing a decrease of approximately 9.2% as compared to approximately RMB489.9 million for the six months ended 30 June 2024. The administrative expenses of the Group accounted for approximately 5.3% (for the six months ended 30 June 2024: approximately 6.2%) of the total revenue, representing a decrease of approximately 0.9 percentage points as compared to the corresponding period of 2024.

Profit for the period

For the six months ended 30 June 2025, the profit for the period of the Group was approximately RMB904.0 million, representing an increase of approximately 5.8% as compared to approximately RMB854.6 million for the corresponding period of 2024. The profit for the period attributable to owners of the Company was approximately RMB890.6 million, representing an increase of approximately 5.3% as compared to approximately RMB846.0 million for the corresponding period of 2024. The net profit margin was approximately 10.8%, representing a decrease of approximately 0.1 percentage points as compared to 10.9% for the corresponding period of 2024.

Current assets, reserves and capital structure

For the six months ended 30 June 2025, the Group maintained a sound financial position. As at 30 June 2025, the current assets amounted to approximately RMB14,568.9 million, representing an increase of approximately 6.8% as compared to approximately RMB13,636.0 million as at 31 December 2024. As at 30 June 2025, the cash and bank balances of the Group amounted to approximately RMB11,624.1 million, including cash and cash equivalents of approximately RMB9,648.1 million and the principal of time deposits of approximately RMB1,976.0 million, representing a decrease of approximately 2.0% as compared to approximately RMB11,866.7 million as at 31 December 2024. As at 30 June 2025, the gearing ratio of the Group was approximately 42.93%, representing an increase of approximately 1.75 percentage points as compared to approximately 41.18% as at 31 December 2024. The gearing ratio represents the ratio of total liabilities over total assets.

As at 30 June 2025, the Group's total equity was approximately RMB10,055.6 million, representing an increase of approximately RMB184.3 million or approximately 1.87% as compared to approximately RMB9,871.3 million as at 31 December 2024, which was primarily due to the contributions from the realised profits in the period.

Property, plant and equipment

The Group's property, plant and equipment primarily include self-use right-of-use assets, buildings, leasehold improvements, computer equipment, electronic equipment, transportation equipment, furniture and equipment. As at 30 June 2025, the Group's property, plant and equipment amounted to approximately RMB249.2 million, representing an increase of approximately RMB9.6 million as compared to approximately RMB239.6 million as at 31 December 2024, which was primarily due to the increase in asset procurement during the period.

Leased assets and investment properties

The Group's leased assets and investment properties mainly comprise leased assets, carpark space and clubhouses. As at 30 June 2025, the Group's leased assets and investment properties amounted to approximately RMB607.3 million, representing a decrease of approximately RMB122.5 million as compared to approximately RMB729.9 million as at 31 December 2024, which was mainly attributable to provision for depreciation.

Intangible assets

The Group's intangible assets primarily include property management contracts and goodwill obtained from the acquisition of subsidiaries. As at 30 June 2025, the Group's intangible assets amounted to approximately RMB90.7 million, representing a decrease of approximately RMB3.3 million as compared to approximately RMB94.0 million as at 31 December 2024, which was primarily due to the amortisation of property management contracts.

Trade and bills receivables

As at 30 June 2025, trade and bills receivables amounted to approximately RMB3,926.2 million, representing an increase of approximately RMB1,110.3 million as compared to approximately RMB2,815.8 million as at 31 December 2024, which was primarily due to the increase in trade receivables as a result of the continuous expansion in the management scale of the Group.

Prepayments, deposits and other receivables

Prepayments, deposits and other receivables primarily include: (i) deposits; (ii) payment on behalf of property owners and residents; (iii) VAT receivables; (iv) interest receivables; and (v) prepayments.

As at 30 June 2025, prepayments, deposits and other receivables amounted to approximately RMB958.7 million, representing an increase of approximately RMB60.8 million as compared to approximately RMB897.9 million as at 31 December 2024, which was mainly due to an increase in utility fees paid on behalf of property owners and residents as a result of the continuous expansion in the management scale of the Group.

Trade payables

As at 30 June 2025, trade payables amounted to approximately RMB2,611.1 million, representing a decrease of approximately 5.2% as compared to approximately RMB2,754.1 million as at 31 December 2024. This was primarily due to the accelerated payment progress of the outsourcing fees of the Group.

Accruals and other payables

Accruals and other payables mainly include: (i) deposits; (ii) temporary receipts from property owners; (iii) other tax payables; (iv) salary payables; and (v) dividend payables.

As at 30 June 2025, accruals and other payables amounted to approximately RMB2,726.1 million, representing an increase of approximately 35.7% as compared to approximately RMB2,008.4 million as at 31 December 2024, mainly due to the fact that, as at 30 June 2025, dividend payables amounted to approximately RMB737.0 million (31 December 2024: nil), which was the declared annual dividends for the year of 2024, have not been paid yet as at 30 June 2025.

Borrowings

As at 30 June 2025, the Group had no borrowings or bank loans.

Pledge of assets

As at 30 June 2025, the Group had no pledge of assets.

SIGNIFICANT INVESTMENT, MAJOR ACQUISITION AND DISPOSAL AND FUTURE PLANS

The Group had no significant investment, major acquisition and disposal during the period. In addition, except for the expansion plans disclosed under “Future Development” of “Management Discussion and Analysis” in this announcement and the announcement of the Company dated 31 December 2024 in relation to the updates on expected timetable for use of proceeds, the Group did not have any other specific plans on significant investment, major acquisition and disposal during the period.

PROCEEDS FROM THE LISTING

The H shares of the Company (the “**H Shares**”) were successfully listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 19 December 2019 with 133,333,400 new H Shares issued and, upon the exercise of the over-allotment option in full, 153,333,400 H Shares were issued in aggregate. Net proceeds from the listing amounted to approximately HK\$5,218.2 million after deducting the underwriting fees and relevant expenses. As of 30 June 2025, the Group has used approximately HK\$4,123.0 million of the proceeds.

Such used proceeds were allocated and used in accordance with the use of proceeds as set out in the prospectus dated 9 December 2019, the announcement on the change of use of proceeds from the global offering dated 1 April 2021, the announcement on the further change of use of proceeds from the global offering dated 16 July 2021, the announcement on the update on expected timetable for use of proceeds dated 30 December 2022, and the announcement on the further change of use of proceeds from the global offering dated 31 December 2024 (the “**Announcement**”) of the Company. The unutilised net proceeds are approximately HK\$1,095.2 million, which will be allocated and used in accordance with the use and proportions as set out in the Announcement. Details of the specific use are as follows:

Revised use of the net proceeds as stated in the Announcement	Revised percentage of net proceeds as stated in the Announcement %	Net proceeds for revised planned use as stated in the Announcement HK\$ millions	Revised and adjusted net proceeds unutilised as of 31 December 2024 HK\$ millions	Net proceeds actually utilised as of 30 June 2025 HK\$ millions	Revised net proceeds unutilised as of 30 June 2025 HK\$ millions	Expected timetable for utilising the unutilised net proceeds
To pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of the Group’s property management and value-added services businesses, which include acquiring or investing in companies engaged in businesses related to property management or value-added services, or forming joint ventures with such companies, and investing in related industrial funds with business collaborative partners	14.5	756.6	553.8	206.5	550.1	On or before 31 December 2027
To further develop the Group’s value-added services, which include the development of value-added products and services related to daily scenarios (such as communities, commercial offices and urban management) and assets (such as leasing and sales of properties, parking spaces and shops), the upgrading of hardware and the development of smart community and commercial facilities operation services, and the development of value-added services related to commercial operations such as office buildings	62.5	3,261.4	0.0	3,261.4	0.0	N/A

Revised use of the net proceeds as stated in the Announcement	Revised percentage of net proceeds as stated in the Announcement %	Net proceeds for revised planned use as stated in the Announcement HK\$ millions	Revised and adjusted net proceeds unutilised as of 31 December 2024 HK\$ millions	Net proceeds actually utilised as of 30 June 2025 HK\$ millions	Revised net proceeds unutilised as of 30 June 2025 HK\$ millions	Expected timetable for utilising the unutilised net proceeds
To upgrade the Group's systems of digitisation and smart management, which include the purchase and upgrading of hardware for building smart terminals and Internet of Things platforms, the construction and development of internal information sharing platforms and databases, the recruitment and development of professional and technical staff and information management teams, and the commencement of R&D for innovative applications related to the Group's business	5.0	260.9	186.8	80.4	180.5	On or before 31 December 2027
Working capital and general corporate purpose	18.0	939.3	419.8	574.7	364.6	On or before 31 December 2027
Total	<u>100.0</u>	<u>5,218.2</u>	<u>1,160.3</u>	<u>4,123.0</u>	<u>1,095.2</u>	

Note: For the avoidance of doubt, any discrepancy between the total and the sum of the respective amounts shown in the tables is due to rounding.

CONTINGENT LIABILITIES

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

FOREIGN EXCHANGE RISK

The Group conducts its business in Renminbi. Except for the bank deposits and payables denominated in foreign currencies, the Group was not subject to any significant risk relating to foreign exchange rate fluctuation. The management will continue to keep track of the foreign exchange risk and take prudent measures to mitigate exchange rate risk.

SUBSEQUENT EVENTS

The Group did not have significant subsequent events after 30 June 2025 and until the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had 30,310 employees (as at 30 June 2024: 31,840 employees). For the six months ended 30 June 2025, the total staff costs was approximately RMB1,646.8 million.

The Group has established a market-based, competitive and performance-oriented remuneration plan with reference to market standards and employee performance and contributions in order to encourage value creation of employees. The Group also provides employees with employee benefits, including pension funds, medical insurance, work injury insurance, maternity insurance, unemployment insurance and housing provident fund.

EMPLOYEE TRAINING AND DEVELOPMENT

The Group places a strong emphasis on recruiting personnel and provides employees with continuous training programmes and career development opportunities. In line with the strategy and “3+2” organizational upgrade of the Company, an internal recruitment of “Dynamic Flow Programme (活水計劃)” is launched and talents for critical positions across various business units are introduced to attract high-calibre management and professional talents internally and externally. The Group continues to refine the talent system and pipeline building by targeting key talent teams. Focusing on core property management positions of “First Positions in Project (項目一號位)”, the Group conducts competitive selection and reserve selection for project managers, and continuously upgrading the talent management system for key positions. At the same time, in order to motivate frontline employees, the Group has planned and designed the “Eight Initiatives for Spark Care (星火關愛八項舉措)”. The Group has launched a series of initiatives in three areas of employee care, diversified incentives, and organizational ecosystem, including the “high-quality development project in counties, towns, and villages (百千萬工程)” to provide basic employee protection, ensuring that care is heartfelt, contributions are reciprocated and the ecosystem is safeguarded.

INTERIM DIVIDEND

The Board of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

REVIEW OF ACCOUNTS

The audit committee of the Company (the “**Audit Committee**”) was established with written terms of reference in accordance with Appendix C1 to Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The Audit Committee is delegated by the Board to be responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assisting the Board to fulfil its responsibility over the audit of the Group.

The Audit Committee has reviewed the condensed consolidated financial statements and interim results of the Group for the six months ended 30 June 2025, and discussed with the management of the Group regarding the accounting principles and practices adopted by the Group, and internal control and financial reporting matters.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”) as its own code of corporate governance. The Company has complied with all the applicable code provisions of the Corporate Governance Code during the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct governing dealings in securities transactions by the Directors and supervisors of the Company (“**Supervisors**”).

The Company has made specific enquiries to all Directors and Supervisors and each of them has confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2025.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including the sale of treasury shares).

RESTRICTED SHARE INCENTIVE SCHEME

As approved by the extraordinary general meeting of the Company dated 18 February 2022, the Company has adopted the “First Phase Restricted Share Incentive Scheme of Poly Property Services Co., Ltd.” (the “**Restricted Share Incentive Scheme**” or the “**Scheme**”), which shall be valid and effective for a term of ten years.

The Restricted Share Incentive Scheme aims at (i) improving the corporate governance structure of the Company, establishing and enhancing the common interests of employees, shareholders and the Company as a whole; (ii) establishing benefits and risk sharing mechanisms, avoiding short term behaviours, promoting the Company’s performance improvement and facilitating the long-term stable development of the Company; (iii) effectively attracting, retaining and motivating the core staff necessary for the development of the Company, stimulating the morale of employees and reinforcing the talent base for the long-term sustainable development of the Company. The Scheme Participants include Directors (excluding independent non-executive Directors), senior management, and the cadre of management and technical personnel who have an impact on the overall performance and sustainable development of the Company.

On 26 April 2022, the Board implemented the first grant (the “**Initial Grant**”) of the restricted shares according to the Restricted Share Incentive Scheme and approved the first tranche of grant under the Initial Grant. On 20 January 2023, the Board approved the second tranche of grant (the “**Reserved Grant**”) under the Initial Grant. On 13 May 2024, the Board approved the first tranche of unlocking of the first tranche of grant under the Initial Grant. On 20 January 2025, the Board approved the first tranche of unlocking of the Reserved Grant under the Initial Grant. On 28 April 2025, the Board approved the second tranche of unlocking of the first tranche of grant under the Initial Grant. For relevant details, please refer to the announcements and circular of the Company dated 15 November 2021, 28 January 2022, 31 January 2022, 26 April 2022, 20 January 2023, 13 May 2024, 20 January 2025 and 28 April 2025 as well as the poll results of the extraordinary general meeting dated 18 February 2022, in relation to, among other things, (i) the Scheme; (ii) the Initial Grant proposal; (iii) the authorisation to the Board to implement relevant matters of the Scheme; (iv) the administrative measures for the Scheme and the appraisal measures for implementation of the Scheme; (v) the Initial Grant under the Scheme; (vi) the Reserved Grant of the Initial Grant under the Scheme; (vii) the first tranche of unlocking of the Initial Grant under the Scheme; (viii) the first tranche of unlocking of the Reserved Grant under the Scheme; and (ix) the second tranche of unlocking of the Initial Grant under the Scheme.

Details of movements in the number of restricted shares granted and related fair value under the Restricted Share Incentive Scheme are set out in note 16 to the interim condensed consolidated financial statements.

The Restricted Share Incentive Scheme is a share scheme that is funded by existing shares of the listed issuer under Rule 17.01(1)(b) of the Listing Rules. The Company will disclose further details in relation to the Restricted Share Incentive Scheme in its annual report in accordance with Rule 17.12(1) of the Listing Rules.

PUBLICATION OF ANNOUNCEMENT OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the designated website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.polywuye.com. The interim report of the Company for the six months ended 30 June 2025 containing all the information required under the Listing Rules will be published on the above websites in due course.

By Order of the Board
POLY PROPERTY SERVICES CO., LTD.
Wu Lanyu
Chairman of the Board and Executive Director

Guangzhou, the PRC, 25 August 2025

As at the date of this announcement, the executive directors of the Company are Ms. Wu Lanyu and Mr. Yao Yucheng; the non-executive directors of the Company are Mr. Liu Ping and Mr. Liu Zhihui; and the independent non-executive directors of the Company are Mr. Wang Xiaojun, Ms. Tan Yan and Mr. Zhang Liqing.