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**Jinke 金科服务**

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**Jinke Smart Services Group Co., Ltd.**

**金科智慧服務集團股份有限公司**

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

**(Stock Code: 9666)**

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

### **RESULTS HIGHLIGHTS**

- During the Period, total revenue of the Group was approximately RMB2,334.7 million, representing a decrease of approximately 3.1% from approximately RMB2,410.2 million for the corresponding period in 2024. During the Period, revenue generated from residential property services, enterprise services and other services contributed approximately 74.8%, 20.6% and 4.6% to the total revenue, respectively.
- Revenue generated from residential property services of the Group amounted to approximately RMB1,746.7 million, representing a slight decrease from approximately RMB1,775.2 million for the corresponding period in 2024. In particular, revenue generated from basic property management services of core business slightly decreased to RMB1,630.9 million, representing a decrease of approximately 0.5% from approximately RMB1,639.1 million for the corresponding period in 2024. The GFA under management of the Group slightly decreased by approximately 1.9% from 207.4 million sq.m. as at 31 December 2024 to 203.3 million sq.m. as at 30 June 2025, of which 44.2% belonged to properties developed by Independent Third Parties. As at 30 June 2025, the Group's contracted GFA reached approximately 219.6 million sq.m., approximately 46.8% of which was attributable to properties developed by Independent Third Parties.
- Revenue generated from enterprise services of the Group amounted to approximately RMB479.9 million, representing a decrease of approximately 8.4% from approximately RMB523.9 million for the corresponding period in 2024.
- The Group's gross profit for the Period amounted to approximately RMB457.6 million, representing a decrease of approximately 1.4% from RMB464.2 million for the corresponding period in 2024. The Group's comprehensive gross profit margin for the Period was 19.6%.
- The Group's profit for the Period amounted to approximately RMB72.3 million, and the profit attributable to owners of the Company for the Period amounted to approximately RMB65.0 million.
- As at 30 June 2025, the Group had cash and cash equivalents and term deposits and restricted cash and current financial assets at fair value through profit or loss in aggregate of approximately RMB2,651.2 million.

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Jinke Smart Services Group Co., Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**” or “**we**”) for the six months ended 30 June 2025 (the “**Period**”), together with comparative figures for the six months ended 30 June 2024, as follows:

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2025*

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
	Note	(Unaudited)	(Unaudited)
Revenue	4	2,334,689	2,410,155
Cost of sales	5	(1,877,114)	(1,945,947)
Gross profit		457,575	464,208
Selling and marketing expenses	5	(27,058)	(10,375)
Administrative expenses	5	(176,661)	(304,254)
Net impairment losses on financial assets		(175,485)	(332,787)
Other income	6	25,288	29,579
Other losses -net	7	(11,167)	(35,456)
<b>Operating profit/(loss)</b>		<b>92,492</b>	<b>(189,085)</b>
Finance income		9,369	16,848
Finance costs		(4,187)	(5,895)
Finance income-net		5,182	10,953
Share of net profits of associates and joint ventures accounted for using the equity method		14,681	11,213
Impairment loss on investment in an associate		(11,996)	(17,727)
<b>Profit/(loss) before income tax</b>		<b>100,359</b>	<b>(184,646)</b>
Income tax expenses	8	(28,091)	(5,655)
<b>Profit/(loss) and total comprehensive income for the period</b>		<b>72,268</b>	<b>(190,301)</b>
<b>Profit/(loss) and total comprehensive income attributable to:</b>			
– Owners of the Company		65,020	(194,430)
– Non-controlling interests		7,248	4,129
		<b>72,268</b>	<b>(190,301)</b>
<b>Earnings/(losses) per share (expressed in RMB per share)</b>			
– Basic earnings/(losses) per share	9	0.11	(0.32)
– Diluted earnings/(losses) per share	9	0.11	(0.32)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2024 <i>RMB'000</i> <i>(Audited)</i>
	Note		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		133,500	144,319
Right-of-use assets		222,371	220,876
Investment properties		12,918	13,297
Goodwill	14	268,257	268,257
Other intangible assets	14	208,995	222,083
Investments in associates and joint ventures		175,255	178,948
Other receivables	10	75,532	76,444
Prepayments for acquisition of equity interests	10	25,355	6,825
Term deposits		159,621	296,873
Financial assets at fair value through profit or loss (“FVPL”)		45,577	45,844
Deferred income tax assets		565,948	564,422
		<u>1,893,329</u>	<u>2,038,188</u>
<b>Current assets</b>			
Inventories		25,449	26,880
Other assets		15,427	13,361
Loan receivable	11	304,950	308,505
Trade and bill and other receivables and prepayments	10	1,565,279	1,498,675
Financial assets at FVPL		223,224	97,233
Restricted cash		151,881	227,589
Term deposits		136,393	98,828
Cash and cash equivalents	12	1,980,039	2,406,107
		<u>4,402,642</u>	<u>4,677,178</u>
<b>Total assets</b>		<u><u>6,295,971</u></u>	<u><u>6,715,366</u></u>

		As at 30 June 2025 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2024 <i>RMB'000</i> <i>(Audited)</i>
	<i>Note</i>		
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		597,089	597,089
Other reserves		5,337,653	5,332,503
Accumulated losses		(2,512,820)	(2,577,840)
		<u>3,421,922</u>	<u>3,351,752</u>
<b>Non-controlling interests</b>		<u>26,311</u>	<u>30,175</u>
<b>Total equity</b>		<u>3,448,233</u>	<u>3,381,927</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		116,118	115,575
Deferred income tax liabilities		29,743	31,876
		<u>145,861</u>	<u>147,451</u>
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss		26,307	32,878
Trade and bill and other payables	13	1,874,092	2,201,744
Lease liabilities		23,008	16,115
Contract liabilities		744,434	888,442
Current income tax liabilities		34,036	46,809
		<u>2,701,877</u>	<u>3,185,988</u>
<b>Total liabilities</b>		<u>2,847,738</u>	<u>3,333,439</u>
<b>Total equity and liabilities</b>		<u><u>6,295,971</u></u>	<u><u>6,715,366</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

*Six months ended 30 June 2025*

## 1 GENERAL INFORMATION

Jinke Smart Services Group Co., Ltd. (the “Company” or “Jinke Services”, formerly known as “Jinke Property Service Group Co., Ltd.”) was established in the People’s Republic of China (the “PRC”) as a limited liability company on 18 July 2000. The address of the Company’s registered office is No. 484-1 Panxi Road, Shimahe Street, Jiangbei District, Chongqing, PRC.

The Company’s shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 17 November 2020 (the “Listing”).

The Company and its subsidiaries (the “Group”) are primarily engaged in the provision of residential property services, enterprise services and other services in the PRC.

As at 31 December 2024, the Company’s largest and second largest shareholders are Boyu Group, LLC (“Boyu”) and its subsidiaries (the “Boyu Group”), and Jinke Property Group Co., Ltd. (“Jinke Property”) and its subsidiaries (the “Jinke Property Group”), which owned 37.86% and 27.30% of the total issued share capital of the Company respectively.

The board of directors of the Company (the “Board”) was informed on 13 February 2025 that 107,797,875 shares of the Company (representing 18.05% of the total issue share capital of the Company, the “Auction Shares”) beneficially owned by Jinke Property, will be subject to a public auction (the “Auction”) in order to satisfy the debt owed by Jinke Property to Broad Gongga Investment Pte. Ltd. (the “Offeror”, an investment holding company incorporated in Singapore with limited liability which is controlled by funds managed by subsidiaries of Boyu in their capacity as the general partner of such funds).

On 28 April 2025, the Company and the Offeror jointly announced that the Offeror had won the Auction on 31 March 2025 and the Auction Shares transfer would be transferred to the Offeror once the transfer procedures are completed. According to Rule 26.1 of The Code on Takeovers and Mergers, upon completion of the Auction Shares transfer, the Offeror will be required to make a mandatory unconditional general offer in cash for all the issued shares of the Company (the “Offer”). As at 30 June 2025, the Auction Shares transfer has not been completed.

In June 2025, 54,680,000 shares of the Company beneficially owned by Jinke Property had been transferred to third-parties as a result of other public auction. Immediately following the transfer of shares, the shareholding of Jinke Property in the Company has decreased to 108,297,875 shares, representing approximately 18.14% of the total issued share capital of the Company.

Upon completion of the Auction Shares transfer, the shareholding of Boyu Group in the Company will increase to 333,846,846 shares, representing approximately 55.91% of the total issued share capital of the Company. And the shareholding of Jinke Property in the Company will decrease to 500,000 shares, representing approximately 0.08% of the total issued share capital of the Company. As at 25 August 2025, the Auction Shares transfer has not been completed.

This condensed consolidated interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board on 25 August 2025.

The condensed consolidated interim financial information has been reviewed, not audited.

## 2 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings, the adoption of new and amended HKFRSs effective for the financial period beginning on 1 January 2025 below.

### (a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the financial period beginning on 1 January 2025:

Amendments to HKAS 21 and HKFRS 1

Lack of Exchangeability

The adoption of these standards and the new accounting policies disclosed did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments.

### (b) New standards and amendments not yet effective for the financial period beginning on 1 January 2025 and not early adopted by the Group.

Up to the date of issuance of this report, the Hong Kong Institute of Certified Public Accountants has issued the following new standards and amendments to existing standards which are not yet effective and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 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	To be determined

The Group has already commenced an assessment of the impact of these new standards and amendments. According to the preliminary assessment made by the Group, no significant impact on the Group's consolidated financial statements is expected when they become effective.

### 3 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 performance of the operating segment, has been identified as the executive directors of the Company.

During the six months ended 30 June 2025 and 2024, the Group is principally engaged in the provision of residential property services, enterprise services and other services in the PRC.

During the six months ended 30 June 2025 and 2024, all the segments are domiciled in the PRC and all the revenue are derived in the PRC, and the segments are principally engaged in the provision of similar services to similar customers. All operating segments of the Group were aggregated into a single operating segment.

These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets and liabilities.

As at 30 June 2025, all of the assets were located in the PRC except for cash and cash equivalents of HK\$222,758,000 (equivalent to RMB203,144,000) (31 December 2024:HK\$211,828,000 (equivalent to RMB196,159,000)) and US\$123,000 (equivalent to RMB880,000) (31 December 2024:US\$17,000 (equivalent to RMB119,000)) and term deposits of US\$800,000 (equivalent to RMB5,727,000) (31 December 2024:US\$890,000(equivalent to RMB6,398,000)) in Hong Kong.

### 4 REVENUE

In order to implement the Group’s operating policy of focusing on its principal businesses and deepening its strategic layout, the Group has adjusted its business lines: (1) classified the original space property management services and community value-added services into “residential property services” and “enterprise services” according to the service formats of the projects; (2) consolidated the original group catering business of the local catering services into enterprise services to further strengthen the advantages of IFM services; and (3) consolidated other non-core businesses into “other services” to enhance the concentration of service resources.

After the adjustment, the Group’s revenue for the six months ended 30 June 2025 was generated from three major business lines: (i) residential property services; (ii) enterprise services; and (iii) other services. Comparative figures for the six months ended 30 June 2024 have also been restated to a consistent basis of comparison as if the Group’s business lines had been adjusted at the beginning of that period.

Revenue mainly comprises of proceeds from residential property services, enterprise services and other services. An analysis of the Group’s revenue by category for the six months ended 30 June 2025 and 2024 is as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Recognized over time</b>		
Residential property services	<b>1,742,261</b>	1,773,138
– Property management services	<b>1,630,857</b>	1,639,097
– Diversified value-added services	<b>93,187</b>	97,000
– Non-property owners value-added services	<b>18,217</b>	37,041
Enterprise services	<b>386,837</b>	399,004
Other services	<b>19,955</b>	15,392
	<b>2,149,053</b>	2,187,534

	Six months ended 30 June	
	2025	2024
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Recognized at a point in time</b>		
Residential property services	4,438	2,016
– Diversified value-added services	4,438	2,016
Enterprise services	93,035	124,911
Other services	88,163	95,694
	185,636	222,621
	2,334,689	2,410,155

For the six months ended 30 June 2025 and 2024, all customers individually contributed less than 10% of the Group's revenue.

## 5 EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Employee benefit expenses	821,415	985,754
Greening and cleaning expenses	403,534	408,633
Security charges	283,338	261,133
Utilities	151,546	149,925
Maintenance costs	113,192	108,068
Consumables, food, beverages and raw materials	50,613	59,110
Depreciation and amortization charges	45,837	48,726
Travelling and entertainment expenses	17,929	21,971
Cost of goods sold	17,594	17,578
Community activities expenses	15,279	17,957
Office expenses	12,071	17,746
Professional fee	12,003	25,315
Taxes and other levies	9,861	10,393
Short-term lease expenses	3,726	5,281
Bank and other payment platforms charges	1,979	9,620
Impairment charges of investment properties	–	4,803
Auditor's remuneration		
– Audit services	1,415	2,556
– Non-audit services	499	486
Others	119,002	105,521
Total cost of sales, selling and marketing expenses and administrative expenses	2,080,833	2,260,576



## 6 OTHER INCOME

	Six months ended 30 June	
	2025	2024
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest income from loans to related parties	12,154	10,994
Government grants <i>(Note (a))</i>	6,411	10,117
Interest income from term deposits	4,165	5,983
Interest income on finance lease	1,937	2,428
Others	621	57
	<u>25,288</u>	<u>29,579</u>

(a) The government grants mainly represent financial subsidies granted by local government. There are no unfulfilled conditions or other contingencies attached to these grants.

## 7 OTHER LOSSES – NET

	Six months ended 30 June	
	2025	2024
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Losses on disposal of subsidiaries	(4,826)	(435)
Loss on provision of compensation	(3,444)	(8,035)
Net foreign exchange losses	(708)	(1,506)
Net reversal of impairment losses/(impairment losses) of prepayments	4,654	(7,032)
Fair value gains on financial instruments at FVPL	1,675	2,297
Gains on disposal of long-term assets and other assets	544	9,095
Gains on early termination of lease contracts	278	962
Impairment of goodwill	–	(14,713)
Others	(9,340)	(16,089)
	<u>(11,167)</u>	<u>(35,456)</u>

## 8 INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current income tax		
– PRC corporate income tax	33,226	51,701
Deferred income tax		
– PRC corporate income tax	(5,135)	(46,046)
	<u>28,091</u>	<u>5,655</u>

The income tax expense for the period can be reconciled to the profit/(loss) before income tax per the consolidated statement of comprehensive income as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit/(loss) before income tax	<b>100,359</b>	(184,646)
Tax charge at effective rate applicable to profits in the respective group entities	<b>15,332</b>	(37,480)
Tax effects of:		
– Expenses not deductible for tax purposes	<b>11,552</b>	5,710
– Tax effect of super deduction	<b>(425)</b>	(755)
– Effect of income not subject to income tax	<b>(2,282)</b>	(1,847)
– The impact of change in tax rate applicable to subsidiaries	<b>(2,863)</b>	1,297
– Tax losses and deductible temporary differences for which no deferred tax asset was recognized	<b>13,312</b>	33,401
– (Over-provision)/under-provision in respect of prior years	<b>(6,535)</b>	5,329
Total income tax expenses	<b>28,091</b>	5,655

### **Hong Kong profits tax**

No Hong Kong profits tax was applicable to the Group for the six months ended 30 June 2025. There was a subsidiary incorporated in Hong Kong. No Hong Kong profit tax was provided for this Hong Kong subsidiary as there was no estimated taxable profits that was subject to Hong Kong profits tax during the six months ended 30 June 2025 (six months ended 30 June 2024: same).

### **PRC corporate income tax**

Income tax provision of the Group in the respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in the PRC is 25%. The Company and most of subsidiaries of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% for certain years.

Certain operations of the Group in the PRC were qualified as “Small Low-Profit Enterprise” and taxed at reduced tax rate of 20% from 1 January 2008. During the period ended 30 June 2025, the “Small Low-Profit Enterprise” whose taxable income less than RMB3 million can enjoy the preferential income tax treatment with the income tax rate of 20% and is eligible to have their tax calculated based on 25% of their taxable income.

## 9 EARNINGS/(LOSSES) PER SHARE

- (a) The basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares during the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to owners of the Company (RMB'000)	65,020	(194,430)
Weighted average number of ordinary shares (in thousands)*	591,024	613,041
Basic earnings/(losses) per share for profit/(loss) attributable to the owners of the Company during the period (expressed in RMB per share)	0.11	(0.32)

\* Weighted average number of ordinary shares in issue has excluded shares held for share award scheme.

- (b) Diluted earnings/(losses) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended 30 June 2024, these potential ordinary shares were not included in the calculation of losses per share as their inclusion would be anti-dilutive. Accordingly, diluted losses per share for the six months ended 30 June 2024 was the same as basic losses per share.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to owners of the Company (RMB'000)	65,020	(194,430)
Weighted average number of ordinary shares (in thousands)	591,024	613,041
Adjustments for share award scheme (in thousands)	2,460	–
	593,484	613,041
Diluted earnings/(losses) per share for profit/(loss) attributable to the owners of the Company during the period (expressed in RMB per share)	0.11	(0.32)

**10 TRADE AND BILL AND OTHER RECEIVABLES AND PREPAYMENTS**

	As at <b>30 June 2025</b> <b>RMB'000</b> <b>(Unaudited)</b>	As at 31 December 2024 <b>RMB'000</b> <b>(Audited)</b>
Trade receivables <i>(Note(a))</i>		
– Third parties	2,270,086	2,046,256
– Related parties	649,290	677,966
	<u>2,919,376</u>	<u>2,724,222</u>
Less: allowance for impairment of trade receivables	<u>(1,714,409)</u>	<u>(1,599,390)</u>
	<u>1,204,967</u>	<u>1,124,832</u>
Bill receivables		
– Third parties	1,676	385
– Related parties	15,450	15,450
	<u>17,126</u>	<u>15,835</u>
Less: allowance for impairment of bill receivables	<u>(15,450)</u>	<u>(15,450)</u>
	<u>1,676</u>	<u>385</u>
Other receivables		
– Third parties	655,216	678,707
– Related parties	506,313	497,202
	<u>1,161,529</u>	<u>1,175,909</u>
Less: allowance for impairment of other receivables	<u>(923,935)</u>	<u>(907,439)</u>
	<u>237,594</u>	<u>268,470</u>
Prepayments		
– Third parties	92,101	62,101
– Related parties	226	213
	<u>92,327</u>	<u>62,314</u>
Less: allowance for impairment of prepayments	<u>(2,740)</u>	<u>(7,394)</u>
	<u>89,587</u>	<u>54,920</u>

	As at <b>30 June</b> <b>2025</b> <b>RMB'000</b> <b>(Unaudited)</b>	As at 31 December 2024 <b>RMB'000</b> <b>(Audited)</b>
Finance lease receivables ( <i>Note (b)</i> )		
– Third parties	1,295	1,509
– Related parties	<u>78,860</u>	<u>79,388</u>
	<b>80,155</b>	80,897
Less: allowance for impairment of finance lease receivables	<u>(2,612)</u>	<u>(2,417)</u>
	<u><b>77,543</b></u>	<u>78,480</u>
Input VAT to be deducted	<u><b>54,799</b></u>	<u>54,857</u>
Total	<u><b>1,666,166</b></u>	<u><b>1,581,944</b></u>
Less: non-current portion of other receivables		
– Finance lease receivables-net ( <i>Note (b)</i> )	(75,532)	(76,444)
– Prepayments for acquisition of equity interests-net	<u>(25,355)</u>	<u>(6,825)</u>
	<u><b>(100,887)</b></u>	<u>(83,269)</u>
Current portion of trade and bill and other receivables and prepayments	<u><b>1,565,279</b></u>	<u><b>1,498,675</b></u>

- (a) Trade receivables mainly arise from property management services income under residential property services and enterprise services.

Property management services income under residential property services and enterprise services are received in accordance with the terms of the relevant services agreements. Service income from property management service is due for payment by the residents upon the issuance of demand note and enterprise counterparties upon the issuance of document of settlement.

As at 30 June 2025 and 31 December 2024 the ageing analysis of the trade receivables based on invoice date were as follows:

	As at <b>30 June</b> <b>2025</b> <b>RMB'000</b> <b>(Unaudited)</b>	As at 31 December 2024 <b>RMB'000</b> <b>(Audited)</b>
Up to 1 year	1,137,067	1,026,782
Over 1 year	<u>1,782,309</u>	<u>1,697,440</u>
	<u><b>2,919,376</b></u>	<u><b>2,724,222</b></u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2025, a provision of RMB1,714,409,000 was made against the gross amounts of trade receivables (31 December 2024: RMB1,599,390,000).

- (b) As at 30 June 2025 and 31 December 2024, certain leased properties were classified as finance lease as the terms of lease transfer substantially all the risks and rewards incidental to lessees. Amounts due from lessees under finance lease are recognized as finance lease receivables which included in the non-current and current other receivables.
- (c) The movement of loss allowance for trade receivables, other receivables and finance lease receivables and bill receivables were as follows:

	Trade receivables <i>RMB'000</i>	Other receivables and finance lease receivables <i>RMB'000</i>	Bill receivables <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2025	1,599,390	909,856	15,450	2,524,696
Provision for loss allowance recognized in profit or loss	142,460	17,387	–	159,847
Receivables written off during the period as uncollectible	(17,778)	(150)	–	(17,928)
Others	(9,663)	(546)	–	(10,209)
At 30 June 2025	<u>1,714,409</u>	<u>926,547</u>	<u>15,450</u>	<u>2,656,406</u>

## 11 LOAN RECEIVABLE

	As at 30 June 2025 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2024 <i>RMB'000</i> <i>(Audited)</i>
Loan to a related party – A related party	<u>1,658,904</u>	<u>1,646,821</u>
Less: allowance for impairment of loan receivable	<u>(1,353,954)</u>	<u>(1,338,316)</u>
	<u>304,950</u>	<u>308,505</u>
Loan to a related party Beginning of the period/year	308,505	372,200
Interest charged	12,083	22,913
Loss allowance charged	<u>(15,638)</u>	<u>(86,608)</u>
	<u>304,950</u>	<u>308,505</u>

Loan to a related party represented the loan in the principal amount of RMB1,500 million advanced by the Company to Jinke Property (the “Loan”). Pursuant to the loan agreement, the Loan bearing with fixed interest rate 8.6% per annum was secured by certain assets owned by Jinke Property Group as collaterals.

In March 2023, Jinke Property was default in repaying the Loan. In February 2024, Jinke Property submitted the bankruptcy reorganization application to the Fifth Intermediate People’s Court of Chongqing, and then the court accepted the bankruptcy reorganization application on 22 April 2024. On 10 May 2025, the bankruptcy reorganization plan of Jinke Property was approved by the Fifth Intermediate People’s Court of Chongqing and entered the implementation stage.

Management assessed the provision for impairment of the Loan by considering scenarios weightings, recovery rate of possible bankruptcy reorganization or liquidation and other factors. Management considered the allowance for impairment of the Loan provided at 30 June 2025 is appropriate, and the allowance of the Loan will be subject to the subsequent scenarios weightings, bankruptcy reorganization plan and macroeconomic variables.

The movement of loss allowance for loan receivable was as follows:

	<b>Loan receivable RMB’000</b>
At 1 January 2025	1,338,316
Provision for loss allowance recognized in profit or loss	<u>15,638</u>
At 30 June 2025	<b><u><u>1,353,954</u></u></b>

## 12 CASH AND CASH EQUIVALENTS

	<b>As at 30 June 2025 RMB’000 (Unaudited)</b>	<b>As at 31 December 2024 RMB’000 (Audited)</b>
Cash at banks, payment platforms and on hand (Note(a))		
– Denominated in RMB	<b>1,774,905</b>	2,208,550
– Denominated in HK\$	<b>204,254</b>	197,438
– Denominated in US\$	<b>880</b>	119
	<b><u><u>1,980,039</u></u></b>	<b><u><u>2,406,107</u></u></b>

- (a) The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

# 13 TRADE AND BILL AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables ( <i>Note (b)</i> )		
– Third parties	714,816	940,611
– Related parties	23,660	19,324
	<u>738,476</u>	<u>959,935</u>
Bill payables		
– Third parties	–	47,764
– Related parties	–	5,144
	<u>–</u>	<u>52,908</u>
Other payables		
– Third parties	808,567	812,045
– Related parties	64,168	67,214
	<u>872,735</u>	<u>879,259</u>
Accrued payroll	182,066	233,549
Other taxes payables	80,815	76,093
	<u>262,881</u>	<u>309,642</u>
	<u>1,874,092</u>	<u>2,201,744</u>

- (a) As at 30 June 2025 and 31 December 2024, the carrying amounts of trade and bill and other payables approximated their fair values.
- (b) As at 30 June 2025 and 31 December 2024, the ageing analysis of the trade payables based on invoice date were as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Up to 1 year	626,500	831,885
Over 1 year	111,976	128,050
	<u>738,476</u>	<u>959,935</u>



## 14 INTANGIBLE ASSETS

	<b>Goodwill</b> <b>RMB'000</b>	<b>Customer relationship</b> <b>RMB'000</b>	<b>Software and others</b> <b>RMB'000</b>	<b>Total</b> <b>RMB'000</b>
<b>As at 1 January 2025 (Audited)</b>				
Cost	754,997	305,059	59,926	1,119,982
Accumulated amortization	–	(79,492)	(33,735)	(113,227)
Accumulated impairment	(486,740)	(29,675)	–	(516,415)
<b>Net book amount</b>	<u>268,257</u>	<u>195,892</u>	<u>26,191</u>	<u>490,340</u>
<b>Six months ended 30 June 2025 (Unaudited)</b>				
Opening net book amount	<b>268,257</b>	<b>195,892</b>	<b>26,191</b>	<b>490,340</b>
Additions	–	–	<b>5,556</b>	<b>5,556</b>
Amortization	–	<b>(13,252)</b>	<b>(5,069)</b>	<b>(18,321)</b>
Disposals	–	–	<b>(323)</b>	<b>(323)</b>
<b>Closing net book amount</b>	<u>268,257</u>	<u>182,640</u>	<u>26,355</u>	<u>477,252</u>
<b>As at 30 June 2025 (Unaudited)</b>				
Cost	754,997	305,059	65,159	1,125,215
Accumulated amortization	–	(92,744)	(38,804)	(131,548)
Accumulated impairment	(486,740)	(29,675)	–	(516,415)
<b>Net book amount</b>	<u>268,257</u>	<u>182,640</u>	<u>26,355</u>	<u>477,252</u>

No intangible asset is restricted or pledged as security for liabilities as at 30 June 2025 (31 December 2024: nil).

## 15 DIVIDENDS

The Board resolved not to declare any interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW

The Group is China's leading, high-quality third party comprehensive service provider in the PRC and ranked the first in the Southwestern China Region. We have a multi-format and comprehensive service product matrix covering residential buildings, mid-to-high end commercial office buildings, industrial parks, schools, hospitals, public construction, and urban services. Through its full cycle residential services and Integrated Facility Management (the “IFM”) ecology enterprise services, we provided comprehensive, all-time high quality services to various customers.

Relying on our industry-leading overall strength and brand influence, we were recognized by the China Index Academy (“CIA”) as the “Top 10 among the Top 100 China Property Management Companies in terms of Overall Strength” (中國物業服務百強企業綜合實力 Top10) for ten consecutive years. In 2025, with high service capabilities, we were recognized as one of the “Top 2 among the Top 100 China Leading Property Management Companies in terms of Quality Service” (中國物業服務百強服務質量領先企業) by CIA. In terms of enterprise service honors, relying on our all-round service capability in multiple industries, we were honored with numerous awards, including Excellent IFM Service Enterprise, Excellent Enterprise of Education and Hospital Property Management. We insisted on our urban density strategy and were recognized by the CIA as one of the “Top 10 in terms of Comprehensive Strength among Property Service Enterprises” (物業服務企業綜合實力 Top 10) in Chongqing, Wuxi, Chengdu and Wuhan.

In the first half of 2025, there was a tendency to misread in public opinion regarding the price limit policy of property management fees of new housing introduced in many regions, directly equating the complex “quality-price matching” mechanism with “price reduction”, which brought potential pressure to the short-term collection rate and long-term healthy development of property management enterprises. Meanwhile, market competition in the enterprise service sector has intensified, with bidding prices and winning bid prices continuing to decline. Additionally, the adverse macroeconomic conditions in certain regions have further increased collection pressures. As a leading company in the industry, the Group has continued its previous strategy to address this situation, further shrinking the region and reducing business types, comprehensively strengthening its focus on regions, business types and customer groups, resolutely withdrawing from certain low quality and low efficient regions, business types, customer groups and projects, and concentrating resources to enhance the service quality and operational quality and efficiency of existing projects. The Group resolutely reduced the burden and improved human efficiency in terms of organizational structure. Simultaneously, the Group adhered to the two core principles of efficiency-centric and customer-centric development, vigorously promoting projects with “two guarantees, two enhancements and three reductions”, and focusing on frontline projects to efficiently address customer issues.

## OUTLOOK AND FUTURE PLANS

The Chinese real estate market is still in an adjustment phase under policy easing, with intensified competition in the existing markets. New markets for property management industry have seen a slowdown in the growth rate, gradually shifting from incremental growth to stock competition. Intensified market competition has led property companies to place greater emphasis on regional condensation and urban focus. Meanwhile, there is a shift from pursuing scale to focusing on efficiency, achieving cost reduction and efficiency improvements through project optimization and streamlined structures.

In response to changes in the market and industry, the Group continues to upgrade its two major strategies of “Service + Ecology” and “Service + Technology”, fully promoting high-quality development and firmly implementing the business strategy of profit-driven revenue growth and cash flow-guaranteed profit quality. We are focusing on core dimensions such as market layout optimization, service brand upgrading, technology empowerment strengthening and organizational management efficiency improvement to accelerate the achievement of new heights of independent and market-oriented development, and to build a first-class high-quality third-party comprehensive service provider nationwide.

**For residential services, the Group is committed to high-quality and long-term development. Relying on the “Better Homes Plan”, it strengthens front-end and back-end integration and synergy, carefully cultivates existing projects in core cities in Southwestern China Region and the Yangtze River Economic Belt, and creates a high-condensation and high-quality street communities ecology.** We are committed to considering customer satisfaction and customer needs as the foundation of our property management services, continuously strengthening the foundation of high-quality service, and continuously enhancing professional service capabilities across multiple business formats to provide strong support for the value preservation and appreciation of customer assets. We will strengthen project operation efficiency and full lifecycle management through strict tiered project management, and accelerate the intelligent upgrade to effectively reduce project costs. In terms of market expansion, we prioritize high-quality scale expansion, conduct rigorous market expansion assessments, and systematically exit projects with poor performance to ensure the long-term sustainability of the Group’s development. In terms of the existing residential market, we focus on the expansion of high-quality existing communities through the “Better Homes Plan”. Additionally, we adhere to a prudent merger and acquisition strategy, prioritizing partnerships with boutique third-party property management companies with high overlap with the Company’s core strengths and regions.

**In terms of enterprise services, we are committed to service model innovation and continuously building a new system of comprehensive IFM services. We fully meet the diverse needs of customers and significantly enhance service added value, thereby ensuring our continued industry-leading position.** For corporate clients, we provide integrated and customized comprehensive IFM services, meeting diverse and efficient logistical service needs through one-stop solution. Relying on the customized new models of comprehensive IFM services, we will continue to improve management efficiency, reduce costs and increase efficiency, flexibly meet the diverse service needs of customers, and enhance customer stickiness by improving the added value of full-cycle management services. Additionally, we will strive to gain insight on new demands from clients, expand service dimensions, and promote the comprehensive upgrade of the IFM ecosystem.

## FINANCIAL REVIEW

### Revenue

In 2024, in order to implement the Group's operating policy of focusing on its principal businesses and deepening its strategic layout, the Group has adjusted its business lines: (i) classified the original space property management services and community value-added services into "residential property services" and "enterprise services" according to the service formats of the projects; (ii) consolidated the original group catering business of the local catering services into enterprise services to further strengthen the advantages of IFM services; and (iii) consolidated other non-core businesses into "other services" to enhance the concentration of service resources. After the adjustment, the Group's revenue for the six months ended 30 June 2025 was generated from three major business lines: (i) residential property services; (ii) enterprise services; and (iii) other services. Comparative figures for the six months ended 30 June 2024 have also been restated to a consistent basis of comparison as if the Group's business lines had been adjusted at the beginning of that period.

During the Period, the Group derived its revenue from three business lines, namely (i) residential property services; (ii) enterprise services; and (iii) other services.

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

	Six months ended 30 June			
	2025		2024	
	(RMB'000)	%	(RMB'000)	%
Residential property services	<b>1,746,699</b>	<b>74.8</b>	1,775,154	73.7
– Property management services	<b>1,630,857</b>	<b>69.8</b>	1,639,097	68.0
– Diversified value-added services	<b>97,625</b>	<b>4.2</b>	99,016	4.1
– Non-property owners value-added services	<b>18,217</b>	<b>0.8</b>	37,041	1.6
Enterprise services	<b>479,872</b>	<b>20.6</b>	523,915	21.7
Other services	<b>108,118</b>	<b>4.6</b>	111,086	4.6
Total	<b><u>2,334,689</u></b>	<b><u>100.0</u></b>	<b><u>2,410,155</u></b>	<b><u>100.0</u></b>

The Group's revenue for the six months ended 30 June 2025 decreased slightly as compared with the corresponding period in 2024. The details of change of revenue by business line are set out as below:

- (i) Revenue from residential property services slightly decreased by approximately 1.6% from RMB1,775.2 million for the six months ended 30 June 2024 to RMB1,746.7 million for the six months ended 30 June 2025. Among which, (a) revenue from property management services slightly decreased from RMB1,639.1 million for the corresponding period in 2024 to RMB1,630.9 million, which was primarily driven by the Group's continued withdraw from the projects which were of low quality. The Group withdrew the residential GFA under management of approximately 8.7 million sq.m. during the Period; (b) revenue from diversified value-added services amounted to RMB97.6 million, basically the same as RMB99.0 million for the corresponding period in 2024, primarily due to the fact that the Group conducted diversified value-added services based on the needs of property owners and continuous precise positioning of its own resources; (c) revenue from non-property owners value-added services decreased by approximately 50.8% from RMB37.0 million for the corresponding period in 2024 to RMB18.2 million, which was primarily due to the impacts of the serious liquidity crisis in the property industry. The Group took the initiative to significantly reduce the number of projects for which it provided sales assistance services to real estate developers including Jinke Property Group, and instead focused on projects with guaranteed returns, as well as related services necessary for guaranteed delivery of buildings.
- (ii) Revenue from enterprise services decreased by approximately 8.4% from RMB523.9 million for the six months ended 30 June 2024 to RMB479.9 million for the six months ended 30 June 2025, mainly due to the fact that the Group focused on sustainable businesses with guaranteed cash flows. The Group withdrew from approximately 55 enterprise services projects during the Period. As at 30 June 2025, the Group had approximately 363 enterprise services projects under management.
- (iii) Revenue from other services decreased by approximately 2.7% from RMB111.1 million for the six months ended 30 June 2024 to RMB108.1 million for the six months ended 30 June 2025, mainly due to the fact that affected by the macroeconomy and consumer demand weakened, the Group adopted a targeted approach to focus on its core businesses, optimize resource allocation, and strategically scale back non-core operations for which returns were not guaranteed.

### ***Revenue from residential property services***

Residential property services mainly consisted of (i) property management services; (ii) diversified value-added services; and (iii) non-property owners value-added services.

### ***Revenue from property management services***

We provide comprehensive services for urban multi-dimensional spaces with ubiquitous five star care. We are committed to our original mission of service, serving our customers compassionately, and continuously providing customers with high-quality service experiences. As the earliest market-oriented and independent third-party property management service provider in the industry, we continuously improve our operation concepts and service standards. Relying on high-quality and refined management standards, we have achieved industry-leading owner satisfaction and good market reputation, laying a solid foundation for building an industry-leading third-party external expansion capability.

With relatively good stability and anti-risk ability, the residential projects have dual characteristics of “rigid demand + long-term cycle” and are the core foundation for our sustainable development. With our high-quality service and brand capabilities, we pay continuous attention to the vast residential stock market, and actively obtain existing high-quality residential projects. As at 30 June 2025, the Group has completed a national strategic layout in 24 provinces and 133 cities in the PRC. We managed a total of 738 residential projects. The total residential GFA under management was approximately 203.3 million sq.m. The residential GFA under management in the core area of the Southwestern China Region reached 115.2 million sq.m., accounting for 56.6% of the total residential GFA under management, with a significant regional density strength. As at 30 June 2025, the total contracted residential GFA of the Group was approximately 219.6 million sq.m.

The Group adhered to the path of independent and high-quality development and selectively carried out market expansion. In the first half of 2025, the newly added residential GFA under management of the Group was approximately 4.7 million sq.m., representing a decrease of approximately 32.8% as compared to that of 2024. The number of newly added residential projects with annual saturation revenue over RMB10 million and RMB5 million was 1 and 2, respectively. For the existing residential market, the Group proposed the Better Homes Plan (美好家園計劃). With the improvement of community quality as the entry point, and taking advantage of industry-leading brand and service capabilities, the Group actively obtained over 20 existing high-quality residential projects from the Independent Third Parties, forming a market-oriented and independent sustainable development model.

In addition, in 2025, the Group continuously implemented the business idea of “revenue shall generate profit and profit shall contain cash flow” and systematically exited projects with low quality and efficiency, low collection rates and negative contribution. The Group exited the projects with residential GFA under management of approximately 8.7 million sq.m. in the first half of 2025, including resettlement property projects due to changes in contractual relationships and the residential projects that cannot be guaranteed for payment collection. We believe that the active exit from projects with negative contribution is necessary for high-quality development. The improvement of quality and efficiency of projects under management will promote the sustainable and sound development of the Group.



In terms of mergers and acquisitions, we believe that the valuation of industry mergers and acquisitions is rational. Meanwhile, with sufficient cash on hand, the Group will continue to pay attention to mergers and acquisitions opportunities in property service projects. We will focus on Independent Third Parties boutique property targets in the core areas of our management.

As of 30 June 2025, the average unit price of property management for residential property services of the Group maintained at RMB2.15 per sq.m./month (31 December 2024: RMB2.14 per sq.m./month). The Group's residential properties' combined collection rate of property management for residential property services was 85.9% for the Period (30 June 2024: 87.5%).

The table below indicates the changes for our contracted residential GFA and GFA under management for the six months ended 30 June 2025 and 2024 respectively:

	For the six months ended 30 June			
	2025		2024	
	Contracted GFA (sq.m. '000)	GFA under management (sq.m. '000)	Contracted GFA (sq.m. '000)	GFA under management (sq.m. '000)
As at the beginning of the period	226,880	207,358	242,354	211,716
New engagements <sup>(1)</sup>	2,773	4,681	5,583	6,966
– Properties developed by Jinke Property Group and its joint ventures and associates	28	28	905	2,854
– Properties developed by Independent Third Parties	2,745	3,669	4,549	3,832
– Properties took over upon mergers & acquisitions <sup>(2)</sup>	–	984	129	280
Terminations <sup>(3)</sup>	(10,086)	(8,697)	(12,646)	(9,194)
	<u>219,567</u>	<u>203,342</u>	<u>235,291</u>	<u>209,488</u>

*Notes:*

- (1) With respect to residential communities under our management, new engagements primarily include preliminary management contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.
- (2) During the Period, the new GFA acquired was mainly due to the continuous delivery of projects acquired in the previous phase.
- (3) Such terminations include (a) non-renewal of certain property management service contracts upon expiration due to reallocation of our resources to high-quality projects in order to optimize our portfolio of property management projects; (b) voluntary exit of property management service contracts, which are generally characterized by low operational quality, low fee collection rates, and low real estate depreciation rates; and (c) passive termination of property management service contracts, which are due to the impact of the sluggish performance of the real estate market, where some property developers or asset holders who faced relatively severe periodic cash flow shortages, either chose to terminate the professional property services and replace them with self-management, or halted the construction work of the phased projects which were in a state of dilapidation, which had a far-reaching negative impact on the development of the Group's subsequent services.

The following table sets forth a breakdown of the GFA under management under property management services as at the dates indicated and total revenue from the provision of property management services by type of property developer for the periods indicated:

	As at or for the six months ended 30 June			
	2025		2024	
	GFA under management (sq.m. '000)	Revenue (RMB'000)	GFA under management (sq.m. '000)	Revenue (RMB'000)
Properties developed by Jinke Property Group <sup>(1)</sup>	95,915	827,237	100,829	865,962
Properties developed by Jinke Property Group's joint ventures and associates <sup>(2)</sup>	17,570	150,308	18,835	156,366
Properties developed by Independent Third Parties <sup>(3)</sup>	68,477	458,424	67,600	416,173
Properties took over upon mergers & acquisitions <sup>(4)</sup>	21,380	194,888	22,224	200,596
Total	<u>203,342</u>	<u>1,630,857</u>	<u>209,488</u>	<u>1,639,097</u>

*Notes:*

- (1) Refer to properties developed by Jinke Property Group through its wholly-owned subsidiaries or properties jointly developed by Jinke Property Group and other property developers (excluding properties developed by Jinke Property Group's joint ventures and associates) in which Jinke Property Group held a controlling interest.
- (2) Refer to properties developed by Jinke Property Group's joint venture and associates, in which Jinke Property Group did not hold a controlling interest.
- (3) Refer to properties solely developed by third-party property developers independent from Jinke Property Group.
- (4) Refer to properties acquired through a property right transaction to gain control of the acquired party and then incorporated into the Group's operation and management.



To facilitate management, we divided its geographic coverage into three major regions in China, namely, the Southwestern China Region, the Eastern and Southern China Region, the Central China Region and other regions. The table below sets forth a breakdown of the Group's total residential GFA under management as at the dates and revenue from property management services for the periods indicated by geographic regions:

	As at or for the six months ended 30 June			
	2025		2024	
	GFA under management (sq.m. '000)	Revenue (RMB'000)	GFA under management (sq.m. '000)	Revenue (RMB'000)
Southwestern China Region <sup>(1)</sup>	115,173	1,009,136	117,233	996,125
Eastern and Southern China Region <sup>(2)</sup>	42,302	316,908	49,147	352,676
Central China Region <sup>(3)</sup>	25,760	151,424	25,416	146,133
Other regions <sup>(4)</sup>	20,107	153,389	17,692	144,163
Total	<u>203,342</u>	<u>1,630,857</u>	<u>209,488</u>	<u>1,639,097</u>

Notes:

- (1) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Southwestern China Region include Sichuan province, Guizhou province, Yunnan province, Tibet Autonomous Region and Chongqing municipality.
- (2) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Eastern and Southern China Region include Jiangsu province, Zhejiang province, Fujian province, Jiangxi province, Shandong province, Anhui province, Guangdong province, Hainan province, Guangxi Zhuang Autonomous Region and Shanghai municipality.
- (3) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in the Central China Region include Henan province, Hubei province and Hunan province.
- (4) Provinces, municipalities and autonomous regions in which the Group provides property management services to projects in other regions include Hebei province, Shanxi province, Shaanxi province, Gansu province, Qinghai province, Liaoning province, Heilongjiang province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region, Beijing and Tianjin municipalities.

### ***Revenue from diversified value-added services***

The Group provides diversified value-added services to property owners and residents, primarily in the form of (i) community management services, which are mainly consisted of management of public resources (leasing of public spaces, for instance), temporary parking services and community media services; and (ii) home-living services, mainly consisted of community group purchase, household cleaning services and home delivery services. During the Period, revenue from diversified value-added services decreased by approximately 1.4% from RMB99.0 million for the corresponding period in 2024 to RMB97.6 million.

### ***Revenue from non-property owners value-added services***

We provide value-added services to non-property owners primarily in the form of (i) sales assistance services; (ii) pre-delivery services; and (iii) consultancy and other services. The Group continued to proactively reduce the number of projects for which it provided sales assistance services in the first half of 2025, due to the continued impact of the downturn of the real estate industry, whereby real estate developers were in an increasingly severe liquidity crisis and the number of new projects for sale continued to decline, and to focus on third-party sales assistance services with guaranteed cash flow and return or business that must be taken over to ensure the delivery of the properties. During the Period, revenue of approximately RMB18.2 million was realized, representing a decrease of approximately 50.8% as compared to approximately RMB37.0 million for the corresponding period in 2024.

### ***Revenue from enterprise services***

The Group provides enterprise services to clients, primarily in the form of (i) non-residential property management services; and (ii) group catering services.

As at 30 June 2025, the Group has completed a national strategic layout in 24 provinces and 62 cities in the PRC, the enterprise services projects under management were approximately 363, of which approximately 93.9% was attributable to Independent Third Parties. The enterprise services projects under management in the core area of Southwestern China Region reached 187, accounting for approximately 51.5% of the projects under management, with a significant regional density strength. During the Period, revenue from enterprise services was approximately RMB479.9 million, representing a decrease of approximately 8.4% as compared with RMB523.9 million for the corresponding period in 2024.

Relying on the Group's new development model of the comprehensive logistics services of IFM and catering services, the Group had approximately 51 new corporate contracts during the Period, of which over 6 projects were synergy business of IFM models, demonstrating the synergies between the businesses, and gradually enhancing the differentiated advantages of the Group's enterprise service business expansion.

During the Period, the Group exited from 55 enterprise services projects. We believe that the active exit from projects with negative contribution is necessary for high-quality development. The improvement of quality and efficiency of projects under management will promote the sustainable and sound development of the Group.

### ***Revenue from other services***

Other services provided by the Group to customers primarily in the form of: (i) hotel management services, (ii) catering supply chain services (e.g. food supply chain services for items such as rice, flour, grain and oil), (iii) asset operation services, which primarily include sale and marketing service for new homes, second-hand homes and parking spaces, and commercial operation services, and (iv) smart living technology solutions, mainly providing digital and intelligent technology solutions to property management companies, external clients like enterprises and public institutions, and property developers. During the Period, revenue from other services amounted to approximately RMB108.1 million, representing a decrease of approximately 2.7% from RMB111.1 million for the corresponding period in 2024, which was mainly due to the fact that the Group focused on its main business and reduced investment in other services.

## Cost of Sales

The Group's cost of sales primarily consists of (i) employee benefit expenses; (ii) greening and cleaning expenses; (iii) security charges; (iv) utilities; (v) maintenance costs; (vi) consumables, food, beverages and raw materials; (vii) depreciation and amortization expenses; (viii) travelling and entertainment expenses; (ix) cost of goods sold; (x) community activities expenses; and (xi) other costs.

The cost of sales of the Group amounted to approximately RMB1,877.1 million during the Period, representing a decrease of approximately 3.5% from RMB1,945.9 million for the corresponding period in 2024, which was mainly due to the fact that the Group focused on its principal business and focused on high-quality projects, and strategically scaled back non-core businesses for which returns were not guaranteed.

## Gross Profit and Gross Profit Margin

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

	For the six months ended 30 June			
	2025		2024	
	Gross profit (RMB'000)	Gross profit margin %	Gross profit (RMB'000)	Gross profit margin %
Residential property services	386,167	22.1	385,611	21.7
– Property management services	316,786	19.4	316,080	19.3
– Diversified value-added services	67,469	69.1	65,810	66.5
– Non-property owners value-added services	1,912	10.5	3,721	10.0
Enterprise services	58,737	12.2	73,012	13.9
Other services	12,671	11.7	5,585	5.0
Total	<u>457,575</u>	<u>19.6</u>	<u>464,208</u>	<u>19.3</u>

Gross profit of the Group decreased by approximately 1.4% from approximately RMB464.2 million for the six months ended 30 June 2024 to approximately RMB457.6 million for six months ended 30 June 2025. The consolidated gross profit margin of the Group increased by 0.3 percentage points to approximately 19.6% for the six months ended 30 June 2025 from approximately 19.3% for the corresponding period in 2024.

The gross profit of residential property services increased slightly by approximately 0.1% to approximately RMB386.2 million for the six months ended 30 June 2025 from approximately RMB385.6 million for the corresponding period in 2024, and gross profit margin increased by 0.4 percentage points to approximately 22.1% from approximately 21.7% for the corresponding period in 2024, among which:

- (i) the gross profit of property management services increased slightly by approximately 0.2% to approximately RMB316.8 million for the six months ended 30 June 2025 from approximately RMB316.1 million for the corresponding period in 2024, and gross profit margin increased by 0.1 percentage points to approximately 19.4% from approximately 19.3% for the corresponding period in 2024. Such increases were primarily attributable to (a) the Group's successful implementation of its cost reduction and efficiency improvement strategy; and (b) the Group's proactive withdrawal from certain negative contribution projects in continued adherence to the business philosophy of "revenue shall generate profit and profit shall contain cash flow";
- (ii) the gross profit of diversified value-added services increased by approximately 2.5% to approximately RMB67.5 million for the six months ended 30 June 2025 from approximately RMB65.8 million for the corresponding period in 2024, and gross profit margin increased by 2.6 percentage points to approximately 69.1% from approximately 66.5% for the corresponding period in 2024. Such increases were primarily due to the increase in gross profit as the Group actively launched the temporary parking service for debt settlement parking spaces based on the concept of revitalizing assets;
- (iii) the gross profit of non-property owners value-added services decreased by approximately 48.6% to approximately RMB1.9 million for the six months ended 30 June 2025 from approximately RMB3.7 million for the corresponding period in 2024, and gross profit margin increased slightly by 0.5 percentage point to approximately 10.5% from 10.0% for the corresponding period in 2024, primarily due to that the Group adhered to the path of high-quality development and took the initiative to significantly reduce the number of projects in relation to provision of sales assistance services to real estate developers in liquidity crisis during the Period.

The gross profit of enterprise services decreased by approximately 19.6% to approximately RMB58.7 million for the six months ended 30 June 2025 from approximately RMB73.0 million for the corresponding period in 2024, and gross profit margin decreased by 1.7 percentage points to approximately 12.2% from 13.9% for the corresponding period in 2024. Such decreases were primarily due to the fact that the Group strategically scaled down and exited from low-quality projects subject to the impact of the macro economy, and focused on the development of high-quality customer service capabilities, so as to lay a solid foundation for profitability recovery in the medium and long term, and the one-off expenses incurred by the Group increased as a result of the Group's proactive withdrawal from certain negative contribution projects at the same time.

The gross profit of other services increased by approximately 126.9% to approximately RMB12.7 million for the six months ended 30 June 2025 from approximately RMB5.6 million for the corresponding period in 2024, and gross profit margin increased by 6.7 percentage points to approximately 11.7% from approximately 5.0% for the corresponding period in 2024. Such increases were primarily due to the Group's implementation of cost reduction and efficiency improvement, which led to the increase in gross profit.

### **Other Income**

The Group's other income decreased by approximately 14.5% from approximately RMB29.6 million for the corresponding period in 2024 to approximately RMB25.3 million for the six months ended 30 June 2025, mainly due to a decrease in the government subsidies obtained by the Group compared to the corresponding period.

### **Other Net Losses**

The Group's other net losses primarily consist of (i) losses of disposal of subsidiaries; and (ii) compensation for losses. The Group's other net losses decreased by approximately 68.5% from approximately RMB35.5 million for the corresponding period in 2024 to approximately RMB11.2 million for the six months ended 30 June 2025. Such net losses were mainly because during the corresponding period in 2024, the Group made provisions for the impairment of goodwill recorded by the property management companies acquired during the historical period due to the impact of the macro-economy, but there were no further signs of impairment during the Period, so there was a decrease in the impairment loss compared to the corresponding period.

### **Administrative Expenses**

The Group's administrative expenses primarily consist of (i) employee benefit expenses for administrative staff; (ii) traveling and entertainment expenses; (iii) depreciation and amortization expenses; (iv) bank and other payment platform charges, which mainly include transaction fees charged by banks and payment platforms; and (v) others, which mainly include consultancy service fees. Administrative expenses of the Group decreased approximately by 41.9% from approximately RMB304.3 million for the corresponding period in 2024 to approximately RMB176.7 million for the six months ended 30 June 2025, which were primarily due to (i) the Group's successful implementation of its cost reduction and efficiency improvement strategy; and (ii) the Group not granting any new stock-based incentives to senior employees during the Period.

### **Intangible Assets**

The Group's intangible assets primarily consist of customer relationship, goodwill and software patent. The intangible assets of the Group decreased by approximately 2.7% from RMB490.3 million as at 31 December 2024 to RMB477.3 million as at 30 June 2025, mainly due to the amortization of approximately RMB13.3 million in customer relationship arising from acquisitions during the historical periods.

## **Trade and Bill Receivables**

Carrying balance of trade and bill receivables of the Group increased by approximately 7.2% from RMB2,740.1 million as at 31 December 2024 to RMB2,936.5 million as at 30 June 2025, and provision for impairment of trade and bill receivables increased from RMB1,614.8 million as at 31 December 2024 to RMB1,729.9 million as at 30 June 2025. Trade receivables mainly arise from the residential property services. The Group has made reasonable impairment provision for customers with poor reputation for prudence purpose, the receivables mainly include property service charges owned by private property owners after the provision was made. The Group will pay close attention to the balance of trade receivables by strengthening special work of settlement of property fees for private property owners and by properly handling the shortage of funds owed by real estate developers to minimize losses through offsetting receivables by assets and other forms.

## **Loan Receivables**

Loan receivables of the Group represent the loan in the principal amount of RMB1,500 million provided to Jinke Property. The loan receivables of the Group decreased from RMB308.5 million as at 31 December 2024 to RMB305.0 million as at 30 June 2025, mainly due to that taking into consideration of subsequent scenarios weightings, the bankruptcy and reorganization plans of Jinke Property Group and the impact of macroeconomic environment, the Group made a further impairment provision of approximately RMB15.6 million for this loan receivables during the Period.

## **Trade and Bill Payables**

Trade and bill payables primarily represent the Group's obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers, including service fees and cost of materials. Trade and bill payables of the Group decreased by approximately 27.1% from RMB1,012.8 million as at 31 December 2024 to RMB738.5 million as at 30 June 2025, mainly because the Group scales down in the payment cycle of trade payables from the Independent Third Parties in order to obtain lower service prices from suppliers.

## **Contract Liabilities**

Contract liabilities primarily consist of advances of property management fees and other service fees. The Group's contract liabilities decreased by approximately 16.2% from approximately RMB888.4 million as at 31 December 2024 to approximately RMB744.4 million as at 30 June 2025, mainly due to that property management services were provided to private property owners who had prepaid property fees during the Period.

## **Liquidity and Capital Resources**

The Group met and expects to continue meeting its operating capital, capital expenditure and other capital needs with cash generated from operations and proceeds from the Listing.

### ***Cash Position***

As at 30 June 2025, the Group had cash and cash equivalents of approximately RMB1,980.0 million (31 December 2024: approximately RMB2,406.1 million).



### ***Term Deposits***

As at 30 June 2025, the Group had term deposits of approximately RMB296.0 million (31 December 2024: approximately RMB395.7 million).

### ***Cash Flows***

For the six months ended 30 June 2025, the Group's net cash outflow from operating activities was approximately RMB371.2 million, representing an increase as compared to the corresponding period in 2024, which was mainly attributable to that the Group gradually scales down in the payment cycle from the suppliers in order to obtain lower service prices in the future, and the payment to suppliers increased in the Period.

For the six months ended 30 June 2025, the Group's net cash outflow from investing activities was approximately RMB38.1 million, representing a decrease as compared to the corresponding period in 2024, mainly attributable to the decrease in purchase of financial assets such as term deposits by the Group.

For the six months ended 30 June 2025, the net cash outflow from the Group's financing activities was approximately RMB16.0 million, mainly due to the principal and interest of lease payments made by the Group.

### ***Indebtedness***

#### ***Borrowings***

As at 30 June 2025, the Group had nil borrowings (31 December 2024: Nil).

#### ***Gearing Ratio***

As the Group had nil borrowings as at 30 June 2025, the gearing ratio (as calculated by total interest-bearing bank borrowings as at the end of respective periods divided by total equity as at the same date) was nil as at 30 June 2025 (31 December 2024: Nil).

#### ***Pledge of Assets***

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

### ***Foreign Exchange Risks***

The Group's businesses are principally conducted in RMB, which is the functional currency of the Group companies. Foreign currency transaction included mainly receipts of proceeds from the Listing on the Main Board of the Stock Exchange and payment of professional service fees, which are denominated in Hong Kong dollars ("HK\$"). As at 30 June 2025, the cash and cash equivalents of approximately RMB204.3 million and RMB0.9 million were denominated in HK\$ and United States dollars ("US\$"), and the term deposit of approximately RMB5.7 million was denominated in US\$. Fluctuation of the exchange rates of RMB against foreign currency has a limited impact on the Group's results of operations.

## **Contingent Liabilities**

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

## **COMMITMENTS**

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

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the six months ended 30 June 2025, the Group had no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **USE OF NET PROCEEDS FROM THE LISTING**

After deducting the underwriting commission and other expenses payable by the Company in connection with the Listing, the net proceeds from the Listing and the exercise in full of the overallotment option amounted to approximately HK\$6,660.9 million.

As of 30 June 2025, the Group utilized approximately HK\$5,181.9 million of the proceeds raised, which were allocated in accordance with the use of proceeds set out in the prospectus (the “**Prospectus**”) of the Company dated 5 November 2020, the announcement on the change of use of proceeds from the Global Offering as defined in the Prospectus dated 10 September 2021, the announcement on the further change in use of proceeds from the Global Offering dated 18 April 2023, the announcement on the further change in use of proceeds from the Global Offering dated 22 December 2023 and the announcement on the further change in use of proceeds from the Global Offering dated 8 July 2024 (the “**Fourth Announcement**”). The remaining unutilized net proceeds of approximately HK\$1,479.0 million will be allocated in accordance with the purposes and proportions set out in the Fourth Announcement.



The following table sets forth details of the revised use and allocation of net proceeds as at 30 June 2025:

No.	Category	Unutilised net proceeds as at 1 January 2025 (HK\$'million)	Actual use of net proceeds during the six months ended 30 June 2025 (HK\$'million)	Unutilised net proceeds as at 30 June 2025 (HK\$'million)	Expected timeline of the intended use of proceeds
1	Pursuing selective strategic investment and acquisition opportunities and further developing strategic partnerships to expand the Group's business scale and the depth and breadth of the Group's geographic coverage, by way of investment (direct investment, acquisition, or capital increase of affiliated companies), acquisition of or entering into joint venture arrangement with property management companies or companies engaged in the business of value-added services, and joint investment in relevant industry funds with business partners	1,066.4	2,503.4	1,040.6	
1-1	Investing in or acquiring property management companies which manage quality residential properties which meet the Group's selection criteria, and/or with the necessary experiences and qualifications, and/or which manage non-residential properties which meet the Group's selection criteria such as public facilities, educational institutions and/or hospitals	1,061.6	996.3	1,035.7	In or before December 2026
1-2	Investing in or acquiring suitable targets with business that are complementary to the Group's existing services and can help the Group further integrate its upstream and downstream resources, such as catering services, and enjoy a reputable brand name	–	666.0	–	
1-3	Retaining the net proceeds in Hong Kong for the investment in and acquisition of suitable targets with the business scope described in subcategories (i) and (ii) above, and according to the structure of the transaction and acquisition target (such as red chip structure), possibly for direct payment in Hong Kong of such investment and mergers and acquisitions, so that the Company can explore and expand business sources and channels in multiple directions	4.8	841.1	4.8	In or before December 2026

No.	Category	Unutilised net proceeds as at 1 January 2025 (HK\$'million)	Actual use of net proceeds during the six months ended 30 June 2025 (HK\$'million)	Unutilised net proceeds as at 30 June 2025 (HK\$'million)	Expected timeline of the intended use of proceeds
2	Upgrading the systems of the Group for digitization and smart management	77.4	97.5	73.4	
2-1	Developing and upgrading hardware and software	–	70.8	–	
2-2	Developing and improving the Group's intelligent management systems	77.4	26.7	73.4	In or before December 2026
3	Further developing the value-added services of the Group	–	915.5	–	
3-1	Strategically developing the Group's upstream and downstream services	–	913.4	–	
3-2	Upgrading hardware and developing smart community	–	2.1	–	
4	General business operations and working capital	10.4	655.7	10.4	In or before December 2026
5	Retaining the net proceeds in Hong Kong and mainland China for the funding of the repurchase of Shares and/or the establishment of incentive programs, such as employee share ownership plan and share award plan, as permitted by the laws of the place where the Company is registered and where the Company's shares are listed	179.0	990.3	179.0	In or before December 2026
6	Renovating and improving the housing of the old residential communities under the management of the Group or for which the Group is newly contracted to provide property management service	180.2	19.6	175.7	In or before December 2026
Total		<u>1,513.3</u>	<u>5,181.9</u>	<u>1,479.0</u>	

*Note:* The figures have been subject to rounding adjustments. Therefore, the total amount of each category may not equal the arithmetic total of the relevant sub-category.

Save as disclosed in the Fourth Announcement, as at 30 June 2025, the Directors are not aware of any material change in the planned use of the net proceeds. The unutilized net proceeds and the timeline of intended utilization will be applied in the manners disclosed by the Company.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in the section headed “Use of Net Proceeds from the Listing” in this announcement, the Group has no other future plans for material investments and capital assets as at 30 June 2025.

## **EMPLOYEE AND REMUNERATION POLICY**

As at 30 June 2025, the Group had approximately 10,456 employees (30 June 2024: 12,377 employees). During the Period, the staff cost recognized as expenses by the Group amounted to approximately RMB821.4 million (30 June 2024: approximately RMB985.8 million).

The Group enters into individual employment contracts with its employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees’ remuneration package including salary, bonus and various allowances. In general, the Group determines employees’ salaries based on each employee’s qualification, position and seniority. The Group has designed a periodic review system to assess the performance of its employees, which forms the basis of its determination on salary raise, bonus and promotion. As required by the relevant PRC laws and regulations, the Group makes contributions to social insurance fund (including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance) and housing provident fund for the benefit of its PRC employees.

## **SUBSEQUENT EVENTS**

As at the date of this announcement, no material events were undertaken by the Group after 30 June 2025.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has adopted and applied the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code on corporate governance. The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has complied with all applicable code provisions as set out in the Corporate Governance Code during the Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the Corporate Governance Code.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct for dealings in the securities by the Directors and supervisors (the “**Supervisor(s)**”) of the Company. Having made specific enquiries to all Directors and Supervisors, all the Directors and Supervisors have confirmed that they have complied with the Model Code during the Period.

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

During the six months ended 30 June 2025, the Company did not repurchase any H shares (the “**H Shares**”) of the Company on the Stock Exchange.

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sales of treasury shares (as defined in the Listing Rules)) during the Period. As of 30 June 2025, the Company did not hold treasury shares.

## **INTERIM DIVIDEND**

The Board resolved not to declare any interim dividend for the Period (for the six months ended 30 June 2024: nil).

## **AUDIT COMMITTEE**

The Board established the audit committee (the “**Audit Committee**”) of the Company with written terms of reference in compliance with the Corporate Governance Code. The terms of reference of the Audit Committee have been uploaded to the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.jinkeservice.com>).

The primary duties of the Audit Committee are 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 perform other duties and responsibilities as may be assigned by the Board. The Audit Committee consists of five members, namely Mr. Tung Woon Cheung Eric (董渙樟), Mr. Shi Cheng (石誠), Mr. Wu Xiaoli (吳曉力), Ms. Yuan Lin (袁林) and Ms. Xiao Huilin (肖慧琳).

## **REVIEW OF UNAUDITED CONDENSED INTERIM RESULTS**

The Audit Committee has discussed with the management and the external auditor of the Company and has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025. The interim results of the Group for the six months ended 30 June 2025 have not been audited but have been reviewed by PricewaterhouseCoopers, the external auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) as well as the website of the Company (<http://www.jinkeservice.com>). The Company's 2025 interim report containing all the information required by the Listing Rules will be dispatched (if requested) to the Shareholders and published on the aforementioned websites in due course.

By Order of the Board  
**Jinke Smart Services Group Co., Ltd.**  
**Xia Shaofei**  
*Chairman*

Chongqing, 25 August 2025

*As at the date of this announcement, the Board comprises Mr. Xia Shaofei as executive Director, Mr. Wu Xiaoli, Ms. Lin Ke, Mr. Shi Cheng and Mr. Qi Shihao as non-executive Directors, and Ms. Xiao Huilin, Ms. Yuan Lin and Mr. Tung Woon Cheung Eric as independent non-executive Directors.*