EXCELLENCE COMMERCIAL PROPERTY & FACILITIES MANAGEMENT GROUP LIMITED
卓越商企服務集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6989)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS

1. *Revenue of the Group for the six months ended 30 June 2025 was approximately RMB2,015.15 million, representing a decrease of 3.2% from approximately RMB2,082.48 million for the corresponding period in 2024.*

2. *Gross profit of the Group for the six months ended 30 June 2025 was approximately RMB379.06 million, representing a decrease of 10.2% from approximately RMB422.17 million for the corresponding period in 2024.*

3. *Profit of the Group for the six months ended 30 June 2025 was approximately RMB162.31 million, representing a decrease of 11.7% from approximately RMB183.80 million for the corresponding period in 2024. Profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 was approximately RMB146.99 million, representing a decrease of 13.8% from approximately RMB170.50 million for the corresponding period in 2024.*

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Excellence Commercial Property & Facilities Management Group Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "**Group**" or "**we**" or "**our**") for the six months ended 30 June 2025 (the "**Reporting Period**"), together with the comparative figures for the same period of last year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
	Note	**2025**	2024*
		RMB'000	*RMB'000*
Continuing operation			
Revenue	*4*	**1,996,183**	2,063,123
Cost of sales		**(1,635,774)**	(1,659,585)
Gross profit		**360,409**	403,538
Other revenue		**5,312**	7,736
Other net gain		**2,372**	1,365
Impairment losses on receivables, contract assets and financial guarantee issued		**(31,084)**	(40,880)
Selling and marketing expenses		**(24,222)**	(22,711)
Administrative expenses		**(104,857)**	(126,452)
Profit from operation		**207,930**	222,596
Finance costs		**(233)**	(979)
Share of profits less losses of associates		**2,098**	4,873
Share of profits less losses of joint ventures		**1,588**	1,184
Profit before taxation		**211,383**	227,674
Income tax	*5*	**(53,783)**	(42,016)
Profit for the period from continuing operation		**157,600**	185,658
Discontinued operation			
Profit/(loss) for the period from discontinued operation	*3*	**4,706**	(1,859)
Profit for the period		**162,306**	183,799

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the six months ended 30 June 2025 – unaudited (continued)
(Expressed in Renminbi)

		Six months ended 30 June	
	Note	**2025**	2024*
		RMB'000	*RMB'000*
Attributable to:			
Equity shareholders of the Company		**146,992**	170,499
Non-controlling interests		**15,314**	13,300
Profit for the period		**162,306**	183,799
Basic earnings per share *(RMB cents)*	*6*		
– Continuing operation		**11.66**	14.12
– Discontinued operation		**0.39**	(0.15)
		12.05	13.97

* Comparative information has been re-presented due to the discontinued operation as set out in note 3.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 – unaudited (continued)
(Expressed in Renminbi)

	Six months ended 30 June	
	2025	2024*
	RMB'000	*RMB'000*
Profit for the period	**162,306**	183,799
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of entities not using Renminbi ("**RMB**") as functional currency	**308**	424
Total comprehensive income for the period	**162,614**	184,223
Attributable to:		
Equity shareholders of the Company	**147,300**	170,923
Non-controlling interests	**15,314**	13,300
Total comprehensive income for the period	**162,614**	184,223

* Comparative information has been re-presented due to the discontinued operation as set out in note 3.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 – unaudited
(Expressed in Renminbi)

	Note	**At 30 June 2025** *RMB'000*	At 31 December 2024 *RMB'000*
Non-current assets			
Property, plant and equipment	*7*	**41,332**	52,936
Right-of-use assets	*7*	**670,823**	589,306
Intangible assets		**268,770**	287,857
Goodwill		**225,287**	225,287
Interests in associates		**51,546**	52,861
Interests in joint ventures		**164,346**	11,280
Deferred tax assets		**97,234**	97,898
		1,519,338	1,317,425
Current assets			
Inventories		**416,991**	295,338
Contract assets		**4,797**	1,728
Trade and other receivables	*8*	**2,428,282**	1,808,575
Prepaid tax		**2,379**	3,192
Loans receivable	*9*	**–**	629,449
Financial assets measured at fair value through profit or loss ("**FVPL**")		**176,416**	30,195
Restricted deposits		**108,720**	118,857
Cash and cash equivalents		**689,337**	935,434
		3,826,922	3,822,768
Current liabilities			
Contract liabilities		**168,830**	145,758
Trade and other payables	*10*	**1,043,494**	944,354
Financial guarantee issued		**72,433**	72,433
Lease liabilities		**6,891**	8,852
Current taxation		**99,074**	97,686
		1,390,722	1,269,083
Net current assets		**2,436,200**	2,553,685

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2025 – unaudited (continued)
(Expressed in Renminbi)

	Note	**At 30 June 2025** *RMB'000*	At 31 December 2024 *RMB'000*
Total assets less current liabilities		**3,955,538**	3,871,110
Non-current liabilities			
Lease liabilities		**3,668**	5,681
Deferred tax liabilities		**64,064**	67,916
		67,732	73,597
NET ASSETS		**3,887,806**	3,797,513
CAPITAL AND RESERVES			
Share capital	*11(a)*	**10,479**	10,479
Reserves		**3,794,329**	3,717,773
Total equity attributable to equity shareholders of the Company		**3,804,808**	3,728,252
Non-controlling interests		**82,998**	69,261
TOTAL EQUITY		**3,887,806**	3,797,513

NOTES

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

The interim results set out in the announcement do not constitute the interim report for the six months ended 30 June 2025 of the Group but are extracted from the report.

This interim financial announcement has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 26 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim announcement as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

3 DISCONTINUED OPERATION

During the period, the Group entered into an equity agreement with Excellence Group to dispose of its entire interests in its certain wholly-owned subsidiary ("**the Disposal**"), at total consideration of RMB337,789,000, satisfied by the equity of Shenzhen Excellence Real Estate Investment Co., Ltd. (深圳市卓越不動產投資有限公司) amounted to RMB151,478,000, certain commercial apartments amounted to RMB100,000,000 and cash amount to RMB86,311,000. The net assets of the disposed subsidiary at the respective disposal date were RMB339,941,000. This transaction was completed during the period.

(a) Results of discontinued operation

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue	**18,962**	19,355
Cost of sales	**(310)**	(726)
Gross profit	**18,652**	18,629
Other revenue	**2**	89
Other net loss	**–**	(70)
Impairment losses on receivables, contract assets and financial guarantee issued	**(8,228)**	(21,102)
Administrative expenses	**(27)**	(25)
Profit/(loss) from operation	**10,399**	(2,479)
Income tax	**(1,048)**	620
Profit/(loss) for the period from discontinued operation	**9,351**	(1,859)
Loss on sale of discontinued operation	**(2,152)**	–
Income tax on gain on sale of discontinued operation	**(2,493)**	–
Profit/(loss) from discontinued operation, net of tax	**4,706**	(1,859)
Basic earnings/(loss) per share	**0.39**	(0.15)

(b) Cash outflow used in discontinued operation

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Net cash generated from/(used in) operating activities	**39,926**	(260,262)
Net cash used in investing activities	**(53,000)**	–
Net cash outflow for the period	**(13,074)**	(260,262)

(c) Effect of disposal on the financial position of the Group

	RMB'000
Current assets	**686,744**
Non-current assets	**8,445**
Current liabilities	**(355,248)**
Net assets attributable to the Group	**339,941**
Considerations	**337,789**
Loss on sale of discontinued operation	**(2,152)**
Net cash inflow arising on disposal during period ended 30 June 2025:	
Consideration received, satisfied in cash	**86,000**
Less: cash and cash equivalents disposed of	**(33,030)**
Net cash inflow	**52,970**

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the provision of basic property management services, value-added services and finance services (discontinued). Further details regarding the Group's principal activities are disclosed in note 4(b).

Disaggregation of revenue from contracts with customers by each significant category is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Property management services		
Basic property management services		
– Commercial property	**1,229,380**	1,110,517
– Public and industrial property	**201,016**	275,294
– Residential property	**369,386**	328,165
	1,799,782	1,713,976
Value-added services	**184,284**	349,147
Sales of carparks	**12,117**	–
	1,996,183	2,063,123
Revenue from other sources		
Finance services income (discontinued)	**18,962**	19,355
	18,962	19,355
	2,015,145	2,082,478

For the six months ended 30 June 2025, the revenue from Excellence Real Estate Group Co., Ltd. ("卓越置業集團有限公司") and its subsidiaries (together, the "**Excellence Group**") and other related parties that included companies that were owned by or under significant influence of the ultimate controlling shareholder and chairman of the board of the Company, amounting of RMB162,451,000 (six months ended 30 June 2024: RMB262,334,000). The Group has a large number of customers in addition to Excellence Group, but none of them accounted for 10% or more of the Group's revenue during the period.

(b) Segment reporting

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of property management services and related value-added services in the Chinese Mainland. The Group manages its businesses by divisions, which are organised by a mixture of business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments:

– Property management services: this segment mainly provides basic property management services, construction material trading services or system supply and installation services to property developers, property owners and tenants, and value-added services to such customers, including asset services which includes preliminary property consulting services, property leasing and sales agency services, asset-light property operation services, carparks sales and space operation services, business planning consultation and corporate services.

– Finance services (sold in 2025 see note 3): this segment mainly provides micro-lending to small and medium enterprises, individual business proprietors and individuals.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and intangible assets managed directly by the segments excluding prepaid tax and deferred tax assets. Segment liabilities include bank loans, contract liabilities, trade and other payables, lease liabilities and other financial liability attributable to the operating activities of the individual segments and managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to revenues generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment profit includes the Group's share of profit arising from the activities of the Group's associates and joint ventures.

The measure used for reporting segment profit is profit before taxation excluding unallocated head offices and corporate expenses. In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning interest income and expense from cash balances and interest-bearing borrowings managed directly by the segments, depreciation and amortisation, impairment loss on trade and other receivables, loans receivable, financial guarantee issued and contract assets in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Disaggregation of revenue from contracts with customers, revenue from other sources as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

For the six months ended 30 June	Property management services		Finance services (Discontinued operation)		Total	
	2025	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Disaggregated by timing of revenue recognition						
Over time	**1,975,076**	2,050,313	**18,962**	19,355	**1,994,038**	2,069,668
Point in time	**21,107**	12,810	**–**	–	**21,107**	12,810
Reportable segment revenue from external customers	**1,996,183**	2,063,123	**18,962**	19,355	**2,015,145**	2,082,478
Reportable segment profit/(loss)	**215,000**	230,569	**10,399**	(2,479)	**225,399**	228,090
Interest income from bank deposits	**1,051**	5,125	**34**	85	**1,085**	5,210
Finance costs	**(233)**	(979)	**–**	–	**(233)**	(979)
Depreciation and amortisation	**(40,488)**	(40,536)	**(1)**	(5)	**(40,489)**	(40,541)
Impairment losses on loans receivable	**–**	–	**(8,228)**	(21,102)	**(8,228)**	(21,102)
Impairment loss on financial guarantee issued	**–**	(16,122)	**–**	–	**–**	(16,122)
Impairment losses on trade and other receivables	**(31,084)**	(23,990)	**–**	–	**(31,084)**	(23,990)
Impairment losses on contract assets	**–**	(768)	**–**	–	**–**	(768)

(ii) ***Geographic information***

The major operating entities of the Group are domiciled in Chinese Mainland. Accordingly, majority of the Group's revenues were derived in Chinese Mainland during the six months ended 30 June 2025 and 2024.

5 INCOME TAX

	Six months ended 30 June	
	2025	2024*
	RMB'000	*RMB'000*
Current tax		
Provision for the period	**63,357**	67,950
Deferred tax		
Origination and reversal of temporary differences	**(9,574)**	(25,934)
	53,783	42,016

* Comparative information has been re-presented due to the discontinued operation as set out in note 3.

Income tax excludes tax expenses from the discontinued operation of RMB1,048,000 (for the six months ended 30 June 2024: tax income of RMB620,000) and the tax expense on the transaction of disposal of the discontinued operation of RMB2,493,000 (for the six months ended 30 June 2024: RMB Nil), both of these have been included in "Profit/(loss) for the period from discontinued operation" (see note 3).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI during the period.

No provision for Hong Kong Profits Tax was made as the Group did not earn any income subject to Hong Kong Profits Tax during the period.

The Group's major Chinese Mainland subsidiaries are subject to Corporate Income Tax ("**CIT**") at a statutory rate of 25% on their respective taxable income during the period. The different tax rates mainly come from certain Chinese Mainland subsidiaries, which are regarded as small profit enterprise or registered and operated in western region of Chinese Mainland, are entitled to People's Republic of China (the "**PRC**") income tax at a preferential rate of 15% since 2022.

Withholding taxes are levied on dividend distributions arising from profit of Chinese Mainland subsidiaries at 5%. The PRC CIT Law and its implementation rules impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividends distributed by Chinese Mainland resident enterprises to their non-Chinese Mainland-resident corporate investors. Under the Sino-Hong Kong Double Tax Arrangement, a qualified Hong Kong tax resident is entitled to a reduced withholding tax rate of 5% if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interest of Chinese Mainland enterprise directly. Since the Group could control the quantum and timing of distribution of profits of the Group's subsidiaries in Chinese Mainland, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

6 BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB146,992,000 (six months ended 30 June 2024: RMB170,499,000) and the weighted average of 1,220,348,000 ordinary shares (six months ended 30 June 2024: 1,220,348,000 ordinary shares) in issue during the six months ended 30 June 2025. For the six months ended 30 June 2025 and 30 June 2024, the Group does not have any potentially dilutive shares in issue.

7 RIGHT-OF-USE ASSETS AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2025, the Group entered into a number of lease arrangements for use of office spaces and dormitories and therefore recognised the additions to right-of use assets as properties leased for own use in property, plant and equipment of RMB2,082,000 (six months ended 30 June 2024: RMB4,901,000).

During the six months ended 30 June 2025, the Group entered into a number of right of use transfer agreements to acquire right-of-use assets of carparks from Excellence Group for a term until the respective expiry date of the land use rights of the relevant land parcels where the carparks are situated with a consideration of RMB90,930,000 (six months ended 30 June 2024: RMB598,000,000).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of RMB4,294,000 (six months ended 30 June 2024: RMB8,286,000). Items of property, plant and equipment with a net book value of RMB535,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB1,060,000), resulting in losses on disposals of RMB21,000 (six months ended 30 June 2024: RMB32,000).

8 TRADE AND OTHER RECEIVABLES

	Notes	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Current			
Trade receivables	*(a)*		
– Related parties		**750,961**	666,055
– Third parties		**1,235,892**	1,040,800
		1,986,853	1,706,855
Less: loss allowance		**(270,275)**	(241,305)
		1,716,578	1,465,550
Other receivables			
– Related parties	*(b)*	**383,713**	25,180
– Third parties		**211,642**	198,964
		595,355	224,144
Less: loss allowance		**(27,911)**	(26,235)
		567,444	197,909
Financial assets measured at amortised cost		**2,284,022**	1,663,459
Deposits and prepayments		**144,260**	145,116
		2,428,282	1,808,575

Notes:

(a) Trade receivables are primarily related to revenue recognised from the provision of basic property management services and value-added services.

(b) As at 30 June 2025, other receivables due from related parties mainly includes unsettled loan of RMB300,000,000 with interest rate of 5% per annum to be settled in November 2025 and dividend receivables of RMB27,059,000 from a disposed subsidiary as set out in note 3.

Ageing analysis

As at 30 June 2025, the ageing analysis of trade receivables (net of loss allowance) based on the date of revenue recognition and net of loss allowance, is as follows:

	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Within 1 year	**1,380,463**	1,155,913
1 to 2 years	**286,914**	278,443
2 to 3 years	**49,201**	31,194
	1,716,578	1,465,550

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

9 LOANS RECEIVABLE

	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Unguaranteed and unsecured	**–**	163,667
Guaranteed and unsecured	**–**	467,782
Unguaranteed and secured	**–**	8,550
Guaranteed and secured	**–**	15,000
Gross loans receivable	**–**	654,999
Less: loss allowance	**–**	(25,550)
	–	629,449

All loans receivable were disposed upon disposal of a subsidiary as set out in note 3.

10 TRADE AND OTHER PAYABLES

	Notes	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Current			
Trade payables	*(a)*		
– Related parties		**30,687**	21,519
– Third parties		**433,082**	393,068
		463,769	414,587
Other payables			
– Related parties		**6,881**	6,198
– Third parties		**63,818**	58,245
		70,699	64,443
Considerations payable for business combinations		**15,437**	15,437
Dividends payable to equity shareholders of the Company		**69,952**	–
Dividends payable to non-controlling interests		**6,205**	6,205
Cash collected on behalf of property owners' association		**25,738**	24,572
Housing maintenance funds held on behalf of property owners		**24,882**	21,023
Financial liabilities measured at amortised cost		**676,682**	546,267
Accrued payroll and other benefits		**200,922**	233,197
Deposits	*(b)*	**133,738**	129,877
Accrued charges		**32,152**	35,013
		1,043,494	944,354

Notes:

(a) Trade payables mainly represent payables arising from sub-contracting services including cleaning, security, landscaping, engineering materials or facilities and maintenance services provided by suppliers and payables relating to facilities or car parks leasing.

(b) Deposits mainly represent miscellaneous decoration deposits received from property owners and tenants during the decoration period.

Ageing analysis

As at 30 June 2025, the ageing analysis of trade payables, based on invoice date is as follows:

	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Within 1 month	**139,448**	136,439
1 to 3 months	**165,607**	141,990
3 to 6 months	**58,996**	37,466
6 to 12 months	**42,453**	25,223
Over 12 months	**57,265**	73,469
At 30 June	**463,769**	414,587

11 CAPITAL AND DIVIDENDS

(a) Share capital

	At 30 June 2025		At 31 December 2024	
	HK$	***RMB***	*HK$*	*RMB*
Issued and fully paid: 1,220,348,000 (31 December 2024: 1,220,348,000) ordinary shares of HK$0.01 each	**12,203,482**	**10,478,929**	12,203,482	10,478,929

(b) Dividends

(i) Dividends payable to equity shareholders attribute to the interim period:

	Six months ended 30 June	
	2025 *RMB'000*	2024 *RMB'000*
Interim dividend declared after the interim period of HK$ Nil cents per ordinary share (2024: HK$7.66 cents (equivalent to RMB6.99 cents) per ordinary share)	**–**	85,302

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period:

	Six months ended 30 June	
	2025 *RMB'000*	2024 *RMB'000*
Final dividend in respect of the previous financial year, approved during the period, of HK6.28 cents (equivalent to RMB5.80 cents) per ordinary share (2024: HK6.82 cents (equivalent to RMB6.19 cents) per ordinary share)	**70,744**	75,569

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF INTERIM RESULTS

I. BUSINESS OVERVIEW

ANALYSIS OF THE PRINCIPAL ACTIVITIES

(I) Principal Activities of the Group during the Reporting Period

The Group is a leading commercial real estate service operator in China, which is dedicated to the provision of full-life cycle asset maintenance and full-chain service solutions to fulfil customers' comprehensive value expectations and assist enterprises in achieving business visions.

In the first half of 2025, faced with the pressure of an economic downturn in the overall environment, the Group has been adhering to its long-term development strategy for steady operation. This has helped the Group optimise its business structure with a customer-oriented approach to respond flexibly to market changes and strengthen its business independence planning for less reliance on related businesses. With respect to strategic planning, the Company adheres to the concept of synergistic development of its three strategic pillars and core capability building. While continuing to focus on its main business of commercial property services, it has diversified the development of value-added services and continued to develop new customers and new segments. In the face of high industry costs and dual pressures on property services and prices, the Company will steadfastly pursue its digital transformation strategy to build core competitiveness. By focusing on customer pain points and market demands, it will explore pathways for industry and corporate transformation. In terms of business development, the Company will ensure that the Group maintains an independent, healthy, and sustainable development momentum to achieve steady growth.

The Group's main businesses included basic property management services, value-added services and other relevant businesses.

1. Basic Property Management Services

The Group's basic property management services are provided to various types of businesses, including commercial properties, public and industrial properties and residential properties.

(1) Commercial Property Management Services

With its management experience accumulated over two decades, the Group has focused on the development of commercial properties as its main business activities, and has formed a complete commercial property service model.

- **Property management (“PM”) Services for Commercial Offices**

  The Group serves a large number of Central Business District (“**CBD**”) landmark office buildings and high-tech enterprises to gain the brand advantages from the high-end commercial projects in the PM business segment and build the capability strength by integrating asset services and corporate services.

  The scope of services covers businesses such as preliminary consultation, marketing management, space management, asset leasing and sales agency, smart platform construction, facility maintenance and property comprehensive services.

  Signature projects: Shenzhen Excellence Century Centre, Shenzhen One Excellence, Excellence City of Shenzhen (深圳卓越城), Qingdao Excellence Century Centre, Shenzhen Excellence Centre, Shenzhen Excellence Houhai Financial Centre (深圳卓越後海金融中心), Shenzhen China Energy Storage Tower, Shanghai Jinhuan Plaza

- **Facility Management (“FM”) Comprehensive Facility Management Services**

  The customers the Group serves are mainly Fortune 500 companies and high-tech enterprises. We are dedicated to providing customers with full-life cycle asset maintenance and full-chain comprehensive service solutions, constructing a sound and systematic back-office support system, and forming a matrix of quality customers mainly in the Internet, high-tech, finance, modern service and manufacturing industry.

  We provide a customised model of comprehensive facility management for enterprises and customise strategic long-term planning. The Group applies internet of things (“**IoT**”), big data, artificial intelligence (“**AI**”) and other advanced technologies to create an E+FM smart park system. Leveraging on digital operation management technology, the Group establishes solutions for the full-life cycle of facilities such as operation and maintenance management, project management, space management, energy consumption management, environmental management, security management and integrated services to enhance project management efficiency, thereby creating maximum value for corporate customers.

Signature projects: Shenzhen Sky City of DJI, Suzhou Huawei Research Institute, Hangzhou Alibaba Xixi Global Headquarters (杭州阿里西溪全球總部), OPPO Dongguan Headquarters Park (OPPO東莞總部園區), Shenzhen Tencent Building (深圳騰訊大廈), Shenzhen Baidu International Building (深圳百度國際大廈), Guangzhou Global WeChat Center (廣州全球微信總部), ZTE Corporation Shenzhen Science and Technology Park, vivo Shenzhen Headquarters Building

(2) Public and Industrial Property Services

The Group has always adhered to its main businesses. On the basis of excellent service quality and market reputation, it has continued to diversify various types of services. In regards of higher education, healthcare, and government infrastructure sectors, it has continued to expand into new markets, and develop new tracks in pursuit of joint development through multiple business.

We provide a full range of operational services in the public sector. In addition to basic property services, the Group also offers special services for different public projects. We continue to enhance our business capabilities in the areas of government and public property services through professionalism, internationalisation, innovation and technology.

Signature projects: Guangzhou Metro Line 1 and Guangfo Line, Shenzhen Nanshan Library, Beijing Dongba Chaoyang Culture Palace, Beijing GoBroad Hospital, Hangzhou Hiyouth Hospital

(3) Residential Property Services

Relying on over two decades of real estate development experience, Excellence Group has developed a model of high-end residential property services in many cities across China, including pre-intervention and takeover acceptance, decoration management, customer management, environmental management, equipment and facilities maintenance, fire management and other systematic services. The Group spearheaded to introduce international service standards and launched “Five-heart” excellent butler (五心「悅」管家) services and “4INS Good Life” (4INS美好生活) services to reshape the physical space, cultural space and digital space of the community regarding the customers’ satisfaction as the origin and centre. We provide individuals and families with safe, convenient, comfortable and joyful living experience.

Signature projects: Shenzhen Cote d'Azur (深圳蔚藍海岸), Shenzhen Excellence Victoria Harbour (深圳卓越維港), Shenzhen Dongguan Qingxi Yuncui (東莞晴熙雲翠), Shenzhen Queen's Road (深圳皇后道)

2. *Value-added Services*

The Group has continued to provide customers with personalised, customised and digitalised value-added service innovation, explored the multi-dimensional needs of customers, and realised the change from a single service to diversified services, with development focuses on assets services, Zhuopin Business pan-administrative services, mechanical and electrical services, and other types of professional value-added services.

(1) Asset Services

The Group provides preliminary property consulting services, and offers reasonable suggestions on pre-intervention in project planning and design, construction management and acceptance handover so as to save construction costs, meet customer expectations regarding the use of functions, improve post-property operation efficiency, and avoid operational risks.

In addition, we provide customers with professional leasing and second-hand housing asset management services, and offer whole-process leasing value-added services to ensure maximised property occupancy rates and asset investment returns.

(2) Zhuopin Business Services

"Zhuopin Business", a high-end service brand of the Group, integrates "Internet+", "self-built supply chain" and "concierge high-end services" capabilities to provide one-stop business office supporting services for high-tech and Fortune 500 companies with the B to B for C model, mainly including high-end business services, corporate value-added services, enterprise digital empowerment and other various solutions.

(3) Mechanical and Electrical Services

The Group leverages on its professional mechanical and electrical company to focus on sustainable businesses. Through comprehensive solutions integrating "hardware + software + platforms + services", it continues to expand its green & smart mechanical and electrical business, builds a government-enterprise collaborative ecosystem, achieves systematic development across multiple sectors, and drives performance growth through technology and green development.

3. *Mergers and Acquisitions ("**M&A**")*

In line with the development strategy of the national key regions and city positioning, the Group has actively maintained a continuous focus on the M&A business in a prudent manner, integrating the government's resource advantages and fully leveraging on its strengths in the commercial property sector to jointly develop the market.

We have actively reviewed and enhanced our existing development by promoting our presence in first-tier and emerging first-tier cities and tapping into various arenas to help drive market development, thereby improving the competitive industry chain and building our competitive advantages in the industry.

(II) Performance Overview

In the first half of the year, following the two strategic cores of "three strategic pillar development" and "digital transformation", the Group sustained its business resilience by further enhancing its third-party market orientation in response to market fluctuations. The Company's overall operating results for the first half of 2025 witnessed a steady pickup to meet the budget target. Specifically, the Company continued its steady growth in the third-party business and the edge in the business property track, with ongoing optimisation of its value-added service structure to achieve sustainable development of the Company.

With respect to the main business development, the Company, through the in-depth cultivation of strategic customers and creation of benchmark projects, continued to maintain our leading position in the commercial property sector by connecting the upstream and downstream and potential customers of the major customers. The Group has been working on its first-mover advantages in areas such as high-tech and new quality productive forces, while consolidating its edge in the main facility management business through the in-depth cultivation of strategic customers and the accumulation of strength. In regard to the value-added business, we have enhanced customer experience and our core operation capability of value-added service products by improving our productisation capabilities and building our own supply chain service platform to cover the full value stage of user demand scenarios. Furthermore, we explored the corporate value-added full-process entrusted operation service mode and built a diversified value-added service joint operation expansion mode through resource integration, personalised customisation, business accompaniment, and centre support. For the core competency development, we strengthened internal and external digital operation capabilities to improve business decision-making efficiency and facilitate business expansion. At the same time, we focused on cultivating key business talent to build competitive barriers for the organic growth of the business through the two-pronged drive of incentive mechanism and management culture.

Of the Group's total revenue by business type during the Reporting Period, commercial properties, public and industrial properties, residential properties, value-added services and other services accounted for 61.1%, 10.0%, 18.3%, 9.7% and 0.9%, respectively.

1. *Stable Growth in Business Scale*

The Company's third-party business recorded high-quality growth in the first half of the year. Following the "1+1+X" strategy, the Group has developed two core advantageous regions of the Greater Bay Area and the Yangtze River Delta Region, and has focused on the development in first-tier, emerging first-tier and other high-value cities, achieving balanced development in key regions nationwide. With respect to the GFA under management, first-tier and emerging first-tier cities such as Beijing, Shanghai, Shenzhen, Guangzhou, Chengdu, Hangzhou and Chongqing accounted for 76.1%, and the two core economic zones of the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta Region accounted for 68.6%.

For the Reporting Period, the Group's contracted GFA was approximately 82.50 million sq.m., representing an increase of approximately 3.0% over the corresponding period in 2024. The GFA under management amounted to approximately 74.28 million sq.m., representing an increase of approximately 9.0% as compared with the corresponding period in 2024. Among them, GFA under management from the third party business accounted for 62.7%.

The following table sets forth the changes in GFA under management for the six months ended 30 June 2025 and 2024, respectively:

	For the six months ended 30 June	
	2025	2024
	sq.m.'000	*sq.m.'000*
At the beginning of the period	**72,200**	64,066
New engagements	**4,524**	6,784
New acquisitions	**–**	–
Terminations	**(2,440)**	(2,730)
At the end of the Period	**74,284**	68,120

2. *Steady Expansion of Main Businesses*

In the first half of 2025, the Group continued to leverage its core competitiveness in the commercial property sector, led by the main businesses. In addition, we continued our efforts in third-party business development to maintain resilient business growth. We have more than 70% of the domestic head high-tech Internet enterprises as our customers, which in this field is still expanding further thanks to excellent service quality and customised service experience. In addition, in terms of advantageous section in the commercial property service, we have been building up a first-mover advantage in the high-end manufacturing, new energy and other sectors involved in the core track of new quality productive forces, laying a solid foundation for our market development in sub-segments.

In the first half of 2025, the Group continued to focus on the commercial property sector and expanded its network of partners. The number of high-quality customers in traditional core sectors continued to grow, with the Group establishing its first collaborations with companies such as ZTE, Xiaohongshu, pingpong, and ZWSOFT in the telecommunications/Internet sectors. The customer diversification strategy has enabled emergence of a wide variety of new industries in new sectors. In the high-tech sub-segment, the Company has gradually established partnerships with numerous industry leaders and unicorn companies. The new consumption industry serves as a core driver of economic growth and a key pillar of high-quality development. In the first half of 2025, the Group served customers in the new consumption sector such as SMOORE, Anker Innovations, Klook, and Goods Hunter.

For the Reporting Period, the revenue from commercial property services accounted for 68.3% of the revenue from basic property services, and the basic property service income from third parties business accounted for 60.6% of the revenue of basic property services.

In the residential properties, we mainly provide a number of urban high-end development projects under the Excellence Group with services. During the Reporting Period, revenue from residential properties increased by 12.6% as compared to the same period in 2024.

	As of 30 June 2025				As of 30 June 2024			
	GFA under management		**Revenue**		GFA under management		Revenue	
	(sq.m.'000)	***(%)***	***(RMB'000)***	***(%)***	*(sq.m.'000)*	*(%)*	*(RMB'000)*	*(%)*
Commercial properties	**32,195**	**43.3**	**1,229,380**	**68.3**	27,335	40.2	1,110,517	64.8
– Excellence Group	**3,050**	**4.1**	**339,252**	**18.8**	3,050	4.5	367,079	21.4
– Third-party property developers	**29,145**	**39.2**	**890,128**	**49.5**	24,285	35.7	743,438	43.4
Public and industrial properties	**14,290**	**19.3**	**201,016**	**11.2**	14,737	21.6	275,294	16.1
Residential properties	**27,799**	**37.4**	**369,386**	**20.5**	26,048	38.2	328,165	19.1
Total	**74,284**	**100**	**1,799,782**	**100.0**	68,120	100.0	1,713,796	100.0

3. *In-depth Cultivation of Strategic Customers*

The Group adhered to the strategy of in-depth cultivation of strategic customers. Through the in-depth development mechanism of strategic customers, we achieved the business objectives of "promoting high performance, contract renewal and growth" in strategic cooperation in the first half of 2025.

In the first half of 2025, the Group, continuing its focus on the three core tasks of quality, talents and performance, worked to enhance its service quality and brand value, and deepened its partnership with strategic customers to divert businesses from benchmark projects. In the first half of the year, we successfully completed the smooth entry of a number of high-end manufacturing business parks, establishing the reputation for quality assurance and high-quality delivery. Thanks to the prominent results of in-depth cultivation of strategic customers over recent years, the Group has recorded a contract retention rate of nearly 100.0% for strategic customers for the last two years, with solid and stable fundamentals.

For the Reporting Period, revenue from strategic customers amounted to RMB507.7 million, representing a robust increase of 30.2% as compared with the corresponding period in 2024. Going forward, the Group will continue to focus on customer needs by strengthening basic operations, bringing in key talents and shaping professional teams to realise self-cycling management of key talents and key business competence systems. Meanwhile, the Group will take further customer satisfaction, aiming to forge long-term strategic partnerships featuring mutual trust and win-win situation for the vertical expansion of the business. Through market communications, we will attract more quality customers to grow the business and build a sustainable growth engine.

4. *Continuous Build-up of Advantages in the Development of New Businesses*

Adhering to the concept of “win-win cooperation and complementary advantages”, the Group has continued to expand its advantages in the development of new businesses and steadily build up a second growth curve through strategic M&A and diversified joint ventures.

In the first half of 2025, we significantly strengthened our expansion in core cities, doubling the scale of newly expanded businesses in the western core city of Chengdu compared to the same period last year. We successfully launched projects in new energy, the Internet, and other industries, marking a key breakthrough in the implementation of our regional strategy. The Company has continued to leverage its resource synergy advantages. Based on the advantageous regions, the Company is expanding into emerging cities, with the aim of continuously expanding new business growth points.

Leveraging our “commercial management + property management” full-chain services, we have established a differentiated competitive barrier. Through the integrated service model, we continue to empower the value of property assets. In the first half of 2025, we secured Shanghai Jinhuan Plaza as a benchmark project for the integration of commercial property management. Through professional operations, we have achieved high occupancy rates, met corporate needs with high-standard services, and ensured stable asset returns.

5. *Diversified Development of Value-added Services, with Strategy Keeping Abreast with Main Business Development*

In the first half of 2025, the Company realised diversified and rapid growth in its value-added services.

"Zhuopin Business", a high-end commercial brand of the Company, built upon a unified value-added service platform, focused on the diversified needs of customers, integrated multi-industry service scenarios, and provided comprehensive B+C full-scenario solutions and customised services. The platform has continued to refine its targeted customer marketing and specialised marketing capabilities, and ensure a more efficient and convenient user experience through its robust near field delivery capabilities and comprehensive after-sales support system. In the first half of 2025, the Company implemented a customised, digitalised, and highly royal product development strategy, deeply integrating with the business needs of strategic customers to facilitate the development of related value-added services.

ANALYSIS OF THE CORE COMPETENCE

(I) High-quality Brand Image

The Group serves various corporates from Fortune 500, including many reputed high-tech enterprises, Internet enterprises, and financial enterprises. With leading comprehensive strength and service quality ahead of the industry, the Group was awarded "2023-2024 Outstanding Enterprise in the Property Management Industry in Guangdong", "2024 Guangdong Property Service Demonstration Project Shenzhen Center", and "2024 Outstanding Enterprise in the Property Management Industry in Shenzhen".

The Group was named "2025 TOP 100 Property Management Companies in China (TOP11)", "2025 China IFM Service Outstanding Enterprise (TOP2)", "2025 China Office Property Management Exceptional Companies (TOP2)", "2025 Operating Performance of China Property Services Company (TOP 9)" by China Index Academy; named"2025 TOP 500 China Property Management Companies in Comprehensive Strength (TOP10)", "2025 Top 30 China Office Property Service Providers (TOP1)", and "2025 China Property Management Excellence Benchmark Project (Commercial Complex) – Shenzhen Excellence Century Centre" by CRIC. The Group was awarded an "AA" rating in the Wind ESG Rating Report, ranking among the top in the industry.

(II) Comprehensive Service Standards

With years of successful experience in high-end commercial property services, the Group has formed a comprehensive commercial property service operation model and has successively passed a number of management system certifications, including ISO 9001 quality management system, ISO 14001 environmental management system, ISO 45001 occupational health and safety management system, ISO 50001 energy management system, and ISO 41001 facility management system. The standard operation procedures, comprehensive management system and profound management technology provide strong support and guarantee for the daily operation of projects and new projects.

The Group continues to introduce advanced service concepts and keep abreast with international standards. We have become a platinum member of the Building Owners and Managers Association International (BOMA), a gold member of the International Facility Management Association (IFMA) and a member of the Royal Institution of Chartered Surveyors (RICS).

(III) Strategic Talent Cultivation and Development

The Company has put forward higher requirements for talent cultivation and reserve due to the steady expansion of the businesses. While maintaining stable operations, the Company has commenced in-depth strategic talent cultivation and development for the future, refined talent management system, and created an internal talent supply chain, so as to build up its core competitiveness in the medium to long term.

We have constructed a comprehensive talent management system, focusing on the cultivation of "New Wing" management trainees as the new force. Through the implementation of the "Excellent Talent" and "Excellence Performance" Schemes, we have successfully cultivated a batch of project operation talents and professional management talents with the characteristics of Excellence. In the first half of 2025, our training programs for facility managers, project managers, and management trainees were launched in an orderly manner, continuing the ongoing development of the comprehensive talent development system. This initiative fosters the creation of high-performing teams and aligns talent pipeline development with our business objectives.

In addition, to better support our national strategic expansion, we further consolidated our hybrid learning model in 2025. This model combines online livestreams, micro-learning modules, and virtual classrooms with offline training camps. This expanded reach allows more key personnel and frontline employees to participate in talent development programs, offering both flexibility and structured learning pathways. For the Reporting Period, the Company has successfully provided training to over 2,800 personnel in key positions. In the future, we will further promote the deep integration of knowledge and practice to cope with the changes and challenges of the industry.

At the same time, the Company continued to implement the management culture. With business development as the foundation, we championed the three major cultural values of "implementation, collaboration, and incentives". This not only provides a long-term stable cornerstone for talent development, but also stimulates employees' motivation and creativity, laying a solid foundation for the Company's sustainable development.

(IV) Continuous Digital Reform and Transformation

The Group has unwaveringly considered digital construction as the focus of core competency building. The Company is steadfastly driving digital transformation to improve the efficiency of business decision-making, facilitate diversified operations, enhance its competitiveness of digital platform, and ultimately, fortify the moat around its core business.

The Company has always emphasised the importance of digital transformation for the current stage of business development, focusing on building and enhancing professional capabilities based on service scenarios to respond to customer demands for project performance, service quality, and management costs, and returning to the essence of the business.

As of the first half of 2025, digital transformation 1.0 has been preliminarily completed. The Company's internal core business systems have been generally deployed, facilitating the achievement of business-finance integration and refined management. We have also completed the construction and piloting of the business model for the full-process project management platform, our core digital service product, thereby effectively driving comprehensive improvements in staff efficiency. In the long term, the Company will integrate algorithmic mechanisms and employee star ratings to further achieve cost reduction and management efficiency.

OUTLOOK

(I) Strategic Planning

Looking ahead, the Group will continue to focus on the vision of being "a leading commercial real estate service operator in China", adhere to the strategic direction of "combining the three strategic pillars with digital transformation", solidify its foundation through "team building, business building and competence building", and support growth with its two main drivers of "value distribution and culture management" to facilitate business development, aiming to exert continuous efforts in developing our main businesses and value-added services.

(II) Business Development Strategy

The Company adheres to long-term strategic planning, upholds the management idea of steady growth, actively promotes independent market development, and continues to strengthen the advantages of business segments, advantages of the extended development and sustainable development capability. The Company will enhance its organisational efficiency through internal capability drive and external business drive, aiming to form a strong synergy, continue to focus on the Group's medium- and long-term strategic development objectives, champion sustainable development, and build business resilience and driving growth.

1. *Focus on Growth*

The Group will insist on its strategy of pursuing joint development through multiple business momentum, fully leverage on the synergies of internal and external resources, adhere to the business strategy of "three strategic pillars", and jointly promote business development.

1) *Cultivation of Strategic Customers*

With respect to the core business, the Company will continue to cultivate strategic customers, deepen the cooperation mechanism, and drive vertical business development. Leveraging its strong market reputation and benchmark effect, the Company will promote continuous business growth and consolidate its leading position in the commercial property market. At the same time, the Company will fully activate its marketing drive, actively explore multi-channel resources, and deeply cultivate strategic key urban markets. We will expand business channels and enhance market share through multi-layered and multi-faceted approaches, expand our leading position in sub-segments, continuously improve professional capabilities, and consistently strengthen competitive advantages through high-quality services and reputation building.

2) *Diversified Development of Value-added Services*

For the value-added services, leveraging its existing integrated value-added service platform, the Company will continue to optimise and refine its service processes, and achieve the restructuring from functions to scenarios through customised service solutions. This will enable the Company to precisely satisfy the needs of multi-industry scenarios, achieve the last mile of the business development to provide customers with a more precise and efficient service experience. Furthermore, the Company will expand the model of entrusted business operation to enhance operational capabilities, thus realising sustainable value enhancement.

3) Breakthrough in Performance of New Businesses

With respect to new businesses, the Company will keep abreast with industry trends, leverage our professional operational experience and capabilities, integrate quality resources, and construct diversified business segments in public construction, new consumption, and commercial retail, among others. We will also focus on advantageous subjects in first-tier and emerging first-tier cities, and execute precise deployment to enhance market risk resistance capacity. With continuous advancement of the new integrated commercial management business model, the Company will achieve more rapid and more steady development in new businesses.

2. Core Competency Building

Digital capabilities are key priorities in the core competency building, reinforcing core competitiveness, and laying a solid foundation for the Company's long-term development.

Digital-enabled Management Capabilities

The Company is committed to the management and enhancement of its digital capabilities. By building an integrated internal system, optimising innovative business processes, and creating a fully digitised platform for the project life cycle, the Company will achieve significant improvements in management efficiency.

For the construction of the digital platform, we will strengthen the integration and synergy of our internal systems, break down information barriers, and ensure data sharing to optimise resource allocation. At the same time, by optimising and innovating our business processes, we will streamline operational procedures, enhance work efficiency, and reduce operating costs to inject fresh momentum into the Company's sustainable development.

Internally, benefiting from business-finance integration, we will enhance management efficiency and operational effectiveness through digital systems; externally, leveraging business model innovation and digital products such as smart parks, we will promote the implementation of lean management, empower frontline employees, and achieve win-win results in value creation with customers.

Looking ahead, the Company will remain committed to creating customer value and innovation, continue to adhere to a customer-oriented approach, and continue to enhance its core competitiveness. By deepening digital transformation, cultivating a comprehensive talent ecosystem, and maintaining focus on value creation, the Company will accumulate strengths and forge ahead with determination to create new opportunities, while striving for excellence and continuously exceeding expectations.

II. FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2025, the revenue of the Group amounted to RMB2,015.15 million (the corresponding period in 2024: RMB2,082.48 million), representing a decrease of 3.2% as compared with the corresponding period of last year.

The revenue of the Group was derived from three main businesses: (i) basic property management services; (ii) value-added services; and (iii) other business.

	For the six months ended 30 June					
	2025		2024		Change	
	Amount		Amount		Amount	
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*	*(RMB'000)*	*Percentage*
Revenue						
Property management services	**1,799,782**	**89.4**	1,713,976	82.3	85,806	5.0
Value-added services	**196,401**	**9.7**	349,147	16.8	(152,746)	(43.7)
Other business	**18,962**	**0.9**	19,355	0.9	(393)	2.0
Total revenue	**2,015,145**	**100.0**	2,082,478	100.0	(67,333)	(3.2)

During the Reporting Period, the revenue from basic property management services was RMB1,799.78 million (the corresponding period in 2024: RMB1,713.98 million), representing an increase of 5.0% as compared with the corresponding period of last year.

Value-added Services

During the Reporting Period, the revenue from value-added services, including sales of carparks, decreased by 43.7% to RMB196.40 million from RMB349.15 million in the corresponding period in 2024, accounting for approximately 9.7% (for the six months ended 30 June 2024: 16.8%) of the total revenue.

The decline in value-added services was mainly due to: (i) the decrease of the mechanical and electrical installation business; and (ii) the decrease in the provision of rental management services.

Other Businesses

The revenue from other businesses mainly arose from financial services, which was disposed during the Reporting Period.

During the Reporting Period, the revenue from other businesses decreased to approximately RMB18.96 million from RMB19.36 million for the corresponding period in 2024.

Cost of Sales

The Group's cost of sales mainly consisted of staff costs, subcontracting costs, cleaning costs, repair and maintenance costs, utility costs, carpark expenses, office expenses, depreciation and amortisation, rental expenses and others.

During the Reporting Period, the Group's cost of sales amounted to RMB1,636.08 million (the corresponding period in 2024: RMB1,660.31 million), representing a decrease of 1.5% over the corresponding period in 2024, which was primarily due to (i) the decrease of the mechanical and electrical installation business; and (ii) the decrease in the provision of rental management services.

Gross Profit and Gross Profit Margin

The table below sets forth a breakdown of the gross profit and gross profit margin of the Group 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 *(%)*	Change in gross profit margin percentage points
Basic Property Management Services	**314,775**	**17.5**	317,516	18.5	(1.0)
Value-added Services	**45,634**	**23.2**	86,917	24.9	(1.7)
Other Businesses	**18,652**	**98.4**	17,734	91.6	6.8
Total	**379,061**	**18.8**	422,167	20.3	(1.5)

During the Reporting Period, the Group's gross profit was RMB379.06 million, representing a decrease of 10.2% from RMB422.17 million for the corresponding period in 2024. The gross profit margin decreased to 18.8% in the Reporting Period from 20.3% for the corresponding period in 2024, which remains at a good level.

The gross profit margin of basic property management services was 17.5% (the corresponding period in 2024: 18.5%), representing a decrease of 1.0 percentage point from the corresponding period of last year, mainly due to the decrease in gross profit margin of public and industrial properties.

The gross profit margin of value-added services was 23.2% (the corresponding period in 2024: 24.9%), representing a decrease of 1.7 percentage points from the corresponding period of last year, mainly attributable to the decrease of the mechanical and electrical installation business.

Other Revenue

The Group's other revenue mainly consisted of interest income and government grants.

During the Reporting Period, other revenue was RMB5.31 million (the corresponding period in 2024: RMB7.83 million), representing a decrease of 32.2% from the corresponding period of last year, mainly attributable to the decrease of interest income from bank deposit and government grants.

Other Net Gain

The Group's other net gain mainly consisted of gains on exchange, fair value gain on financial assets measured at fair value through profit or loss as well as losses on disposal of assets.

During the Reporting Period, other net gain amounted to RMB2.37 million (the corresponding period in 2024: RMB1.30 million). Loss on sale of discontinued operation was RMB2.15 million (the corresponding period in 2024: RMB Nil) due to the disposal of financial services business during the Reporting Period.

Impairment Losses on Receivables, Contract Assets and Financial Guarantee Issued

During the Reporting Period, impairment losses on receivables, contract assets and financial guarantee issued were RMB39.31 million (the corresponding period in 2024: RMB61.98 million), representing a decrease of RMB22.67 million compared with the corresponding period of last year, mainly due to the decrease in credit impairment losses on loans receivable and financial guarantee issued.

Selling and Marketing Expenses

During the Reporting Period, the selling and marketing expenses amounted to RMB24.22 million (the corresponding period in 2024: RMB22.71 million), representing an increase of 6.7% from the corresponding period of last year.

Administrative Expenses

During the Reporting Period, administrative expenses amounted to RMB104.88 million (the corresponding period in 2024: RMB126.48 million), representing a decrease of 17.1% from the corresponding period of last year, which was mainly due to a reduction in the Group's staff costs and rental expenses.

Finance Costs

During the Reporting Period, finance costs amounted to RMB0.23 million (the corresponding period in 2024: RMB0.98 million), representing a decrease of 76.5% from the corresponding period of last year, which was mainly due to reduction in bank loans and lease projects.

Share of profits less losses of joint ventures

During the Reporting Period, the share of profits of joint ventures amounted to RMB1.59 million (the corresponding period in 2024: RMB1.18 million).

Share of profits less losses of associates

During the Reporting Period, the share of profits of associates amounted to RMB2.10 million (the corresponding period in 2024: RMB4.87 million), representing a decrease of 56.9% from the corresponding period of last year, mainly due to the disposal of Chongqing Frequent Surprise Business Information Consulting Co., Ltd. (重慶頻頻出奇商務資訊諮詢有限公司, "**Chongqing Frequent Surprise**") in 2024.

Income Tax

During the Reporting Period, income tax was RMB54.83 million (the corresponding period in 2024: RMB41.40 million), representing an increase of 32.4% from the corresponding period of last year, mainly due to the recognition of deferred tax assets in respect of unused tax losses which are expected to be able to be utilised based on future business plans in 2024.

Profit for the Period

During the Reporting Period, the Group's net profit amounted to RMB162.31 million (the corresponding period in 2024: RMB183.80 million), representing a decrease of 11.7% from the corresponding period of last year.

During the Reporting Period, the profit attributable to shareholders of the Company amounted to RMB146.99 million (the corresponding period in 2024: RMB170.50 million), representing a decrease of 13.8% from the corresponding period of last year.

During the Reporting Period, the net profit margin was 8.1% (the corresponding period in 2024: 8.8%).

Property, Plant and Equipment

The property, plant and equipment of the Group mainly consisted of leasehold improvement, right-of-use assets, office equipment and furniture, machinery equipment and other fixed assets. As at 30 June 2025, the Group's net book value of property, plant and equipment amounted to RMB41.33 million, representing a decrease of RMB11.61 million from RMB52.94 million as at 31 December 2024, which was mainly due to the depreciation and the disposal of assets that matured in the year during the Reporting Period.

Intangible Assets

The Group's intangible assets mainly consisted of customer relationships and uncompleted property management contracts arising from corporate mergers and acquisitions. The Group's intangible assets decreased by RMB19.09 million from RMB287.86 million as at 31 December 2024 to RMB268.77 million as at 30 June 2025, which was primarily due to the amortisation amount arising during the term of the property management contract recognised by the acquired companies.

Goodwill

As at 30 June 2025, the Group's goodwill amounted to RMB225.29 million.

The Group's goodwill was mainly related to the acquisitions of the equity interests in Wuhan Huanmao Property Management Co., Ltd. ("**Wuhan Huanmao**"), Henan Huangjin Property Management Co., Ltd. ("**Henan Huangjin**"), Beijing Global Wealth Property Management Co., Ltd. ("**Beijing Global**"), and Shenzhen Xingyi Investment Co., Ltd ("**Xingyi Investment**"). As at 30 June 2025, the management was not aware of any significant risk of impairment of goodwill.

Inventories

The Group's inventories increased by RMB121.65 million from RMB295.34 million as at 31 December 2024 to RMB416.99 million as at 30 June 2025, mainly including parking spaces and other inventories, primarily due to the addition of commercial apartments of RMB103.33 million (including relevant tax expenses) during the Reporting Period, resulting from the disposal of financial services business.

Right-of-use assets

As at 30 June 2025, the Group's right-of-use assets amounted to RMB670.82 million, representing an increase of RMB81.51 million from RMB589.31 million as at 31 December 2024, primarily due to the addition of parking spaces of RMB90.93 million during the Reporting Period.

As of 30 June 2025, the Group entered into several right-of-use transfer agreements for leasing parking spaces with Excellence Group, completed the acceptance and recognised right-of-use assets of RMB90.93 million.

Trade and Other Receivables

Trade and other receivables mainly consisted of trade receivables and non-trade receivables.

As at 30 June 2025, the Group's net trade and other receivables amounted to approximately RMB2,428.28 million, representing an increase of approximately RMB619.70 million from approximately RMB1,808.58 million as at 31 December 2024, mainly due to (i) the net trade receivables increased by approximately RMB251.03 million as compared with 31 December 2024, resulting from the growth in the scale of the Group's revenue; (ii) the increase in the Group's net other receivables by approximately RMB369.54 million as compared with 31 December 2024, resulting from the disposal of financial services business.

Loans Receivable

As at 30 June 2025, the Group had loans receivable of approximately RMB Nil, representing a decrease of approximately RMB629.45 million from approximately RMB629.45 million as at 31 December 2024, which was primarily due to the Group's divestment of the financial services business during the Reporting Period.

Trade and Other Payables

As at 30 June 2025, the Group's trade and other payables (including current and non-current components) amounted to RMB1,043.49 million, representing an increase of RMB99.14 million from approximately RMB944.35 million as at 31 December 2024, mainly due to (i) the Group's dividend payable to equity shareholders of the Company of RMB69.95 million (paid in July 2025); (ii) cash collected on behalf of the property owners' association by the Group, housing maintenance funds held on behalf of property owners, and other miscellaneous expenses.

Financial Guarantee Issued

Financial guarantee issued represents the expected payments to reimburse the loan holder for a credit loss that it incurs less any amount that the Group expects to receive from the realisation of pledged assets.

As at 30 June 2025, the financial guarantee issued by the Group was RMB72.43 million (as of 31 December 2024: RMB72.43 million), mainly due to the fact that Beijing Global, a non-wholly-owned subsidiary of the Company, had provided a financial guarantee in respect of the seller's borrowings in the principal amount of RMB183.43 million. In 2023, Beijing Global received a statement of claim, the notice of response and other documents from Beijing Financial Court in relation to a dispute of the outstanding loan. Further details are set out in the announcement of the Company dated 12 July 2023.

The Beijing High People's Court made the final judgment in August 2025. The Group made a provision for the expected credit loss of approximately RMB72.43 million in respect of the guarantee provided by Beijing Global for the period ended 30 June 2025 (as of 31 December 2024: RMB72.43 million), taking into account the liquidation value of the Pledged Property amounted to RMB 203 million as of 30 June 2025 (as of December 2024: RMB 204.40 million).

Lease Liabilities

During the Reporting Period, the increase in lease liabilities was recognised according to new leasing standards. The lease liabilities payable within one year of RMB6.89 million were recognised in current liabilities, and the lease liabilities payable over one year of RMB3.67 million were recognised in long-term lease liabilities.

Contract Liabilities

Our contract liabilities mainly represented prepayments from customers of the Group's commercial operation services and residential property management services. As at 30 June 2025, the Group's contract liabilities amounted to approximately RMB168.83 million, representing an increase of 15.8% from RMB145.76 million as at 31 December 2024.

Asset-liability Ratio

The asset-liability ratio was calculated as the total liabilities divided by total assets of the same date. As at 30 June 2025, the Group's asset-liability ratio was 27.3% (the asset-liability ratio as at 31 December 2024 was 26.1%).

Contingencies

On 9 November 2022, Shenzhen Excellence Property Management Co., Ltd. ("**Excellence Property Management**"), an indirect wholly-owned subsidiary of the Company, has been served with a notice of arbitration issued by the Shanghai Arbitration Commission and the other relevant documents in relation to a dispute in respect of acquisition of 40% equity interest in a project company (the "**Project Company**") which is currently 60% held by a disposed subsidiary of the Group (the "**Disposed Subsidiary**"), involving the Disposed Subsidiary and Excellence Property Management, as the respondents, and the beneficial owners of the 40% equity interest in the Project Company, as the applicants.

The applicants alleged that the Disposed Subsidiary, as an agent of Excellence Property Management, failed to acquire all the 40% equity interest in the Project Company owned by the applicants and claimed against the Disposed Subsidiary and Excellence Property Management to:

(i) pay the applicants RMB20.8 million being damages for the breach of the agreement;

(ii) acquire all the equity interest in the Project Company owned by the applicants at a cash consideration calculated based on 40% of the audited net profit of the Project Company for the year ended 31 December 2020, multiplied by 12;

(iii) other costs.

The Group has engaged legal advisors to advise on the arbitration. For further details, please refer to the announcement of the Company dated 7 December 2022. Up to the date of this announcement, no arbitral award was granted. Since the result of the arbitration cannot be estimated reliably as at the date of this announcement, no provision in respect of the arbitration was recognised.

Liquidity, Reserves and Capital Structures

The Group maintained a good financial position during the Reporting Period. As at 30 June 2025, the Group's cash and cash equivalents amounted to RMB689.34 million, representing a decrease of 26.3% from RMB935.43 million as at 31 December 2024, mainly due to the purchase of investment-related wealth management products and right-of-use assets during the Reporting Period.

As at 30 June 2025, the Group's total equity was RMB3,887.81 million, representing an increase of RMB90.30 million or 2.4% from RMB3,797.51 million as at 31 December 2024, which was mainly due to the profit realised during the Reporting Period.

Exchange Rate Risks

The main business of the Group is conducted in China, and our business is mainly denominated in Renminbi. As at 30 June 2025, non-RMB assets and liabilities were mainly financial assets measured at fair value through profit or loss and cash and cash equivalents, which were denominated in Hong Kong dollars.

The management of the Group believes that the Group is not exposed to significant foreign exchange risks, and therefore no forward foreign exchange contracts have been entered into to hedge foreign exchange risks. The management will continue to monitor foreign exchange risks and adopt prudent measures to minimise foreign exchange risks.

OTHER INFORMATION

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

During the Reporting Period, the Group made divestment of its financial services business. For details, please refer to the Company's announcement dated 13 January 2025.

Save as disclosed in this announcement, the Company did not hold any significant investments and did not conduct any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 18,991 and 88 full-time employees (31 December 2024: 17,787 and 86) in the PRC and India, respectively. The Group provides its employees with competitive remuneration packages such as fees, salaries, allowances and benefits in kind, bonuses and contributions to pension schemes and social benefits. The Group contributes to social insurance such as medical insurance, work-related injury insurance, pension insurance, maternity insurance, unemployment insurance and housing provident fund for its employees.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company (including treasury shares).

INTERIM DIVIDEND

The Company has always adhered to a stable and high dividend policy since its listing, and has distributed a cumulative of approximately RMB1.1 billion in cash dividends to shareholders. However, considering the seasonality of the property industry and the fact that cash flow for the current period has not yet turned positive despite a significant improvement compared to the same period last year, the Board of the Company considers that priority should be given to securing working capital for business operations in order to maintain long-term stable operations and ensure continuous increase in shareholders' value. Therefore, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

SUFFICIENT PUBLIC FLOAT

Based on the information publicly available to the Company and to the best of our Directors' knowledge, information and belief, the Company has maintained sufficient public float as approved by the Stock Exchange and as permitted under the Listing Rules during the entire period from the listing date to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as its own corporate governance code.

During the Reporting Period, the Company has complied with all applicable code provisions under the CG Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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 regarding securities transactions conducted by the Directors. Having made specific enquiries to all Directors, each of them has confirmed that he/she has complied with the required standards set out in the Model Code during the Reporting Period, and the Company is not aware of any incident of non-compliance by the Directors during the Reporting Period.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Listing Rules and the CG Code. As at the date of this announcement, the Audit Committee consists of four members, including one non-executive Director, namely Ms. Guo Ying, and three independent non-executive Directors, namely Mr. Kam Chi Sing, Professor Cui Haitao and Ms. Liu Xiaolan. Mr. Kam Chi Sing is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review and supervise the financial reporting system, risk management and internal control of the Company.

The Audit Committee has reviewed and approved with the senior management of the Company the accounting principles and practices adopted by the Group, as well as the review of the unaudited consolidated interim results for the Reporting Period.

REVIEW OF INTERIM RESULTS

The interim financial report is unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the HKICPA. KPMG's independent review report to the Board is included in the Company's interim report for the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2025 and up to the date of this announcement, the Group announced the following material event:

On 24 August 2025, Shenzhen Excellent Property Management Co., Ltd. entered into a settlement agreement with Excellence Real Estate Group Co., Ltd. For details, please refer to the Company's announcement dated 25 August 2025.

China Great Wall Asset Management Co., Ltd. Beijing Branch made claims (the "**Dispute**") against eight defendants, including Beijing Global Wealth Property Management Co., Ltd.# (北京環球財富物業管理有限公司) ("**Beijing Global**"), a non wholly-owned subsidiary of the Company, in relation to a dispute of a loan (the "**Loan**"). Beijing Global was named the 6th defendant. All defendants including Beijing Global were requested to assume the joint and several liability for the Loan. The Company received a civil judgment in respect of the Dispute from the court in August 2025. For details, please refer to the Company's announcements dated 12 July 2023 and 24 August 2025.

Except for the above matter, no other material events were undertaken by the Group.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND DESPATCH INTERIM REPORT

This interim results announcement which contains all information required by the Listing Rules is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.excepm.com), and the Company's interim report for the Reporting Period will be despatched to the Shareholders who request for printed copies and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Excellence Commercial Property &
Facilities Management Group Limited
Li Xiaoping
Chairman

Hong Kong, 26 August 2025

As at the date of this announcement, the executive Directors are Mr. Li Xiaoping and Mr. Yang Zhidong; the non-executive Directors are Ms. Guo Ying and Mr. Wang Yinhu; and the independent non-executive Directors are Professor Cui Haitao, Mr. Kam Chi Sing and Ms. Liu Xiaolan.

For identification purposes only