Kaisa Prosperity Holdings Limited
佳兆業美好集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2168)

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

INTERIM RESULTS HIGHLIGHTS

- Total revenue for the six months ended 30 June 2025 decreased by approximately 8.5% to approximately RMB822.0 million from approximately RMB898.0 million for the six months ended 30 June 2024.

- Gross profit for the six months ended 30 June 2025 decreased by approximately 20.2% to approximately RMB203.9 million from approximately RMB255.4 million for the six months ended 30 June 2024.

- Profit and total comprehensive income for the six months ended 30 June 2025 increased by approximately 5.3% to approximately RMB53.4 million from approximately RMB50.7 million for the six months ended 30 June 2024.

- As at 30 June 2025, the total contracted GFA of property management and the total GFA under management amounted to approximately 126.2 million sq.m. and 99.9 million sq.m., representing a decrease of approximately 2.2% and a decrease of approximately 2.7%, respectively, as compared to approximately 129.1 million sq.m. and 102.7 million sq.m. as at 31 December 2024.

The board (the "**Board**") of directors (the "**Directors**") of Kaisa Prosperity Holdings Limited (the "**Company**" or "**Kaisa Prosperity**") announced the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		(Unaudited)	
		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
Revenue	*5*	**822,001**	897,997
Direct operating expenses		**(618,105)**	(642,570)
Gross profit		**203,896**	255,427
Other income, gains and losses, net	*6*	**(1,639)**	808
Selling and marketing expenses		**(5,229)**	(4,475)
Administrative expenses		**(77,615)**	(89,259)
Impairment of financial assets and contract assets	*7*	**(48,054)**	(58,014)
Operating profit		**71,359**	104,487
Change in fair value loss on financial assets at fair value through profit or loss	*12*	**(3,000)**	(42,706)
Share of results of associates		**5,314**	3,829
Finance cost		**(63)**	(192)
Profit before income tax	*7*	**73,610**	65,418
Income tax expense	*8*	**(20,221)**	(14,714)
Profit and total comprehensive income for the period		**53,389**	50,704
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		**47,821**	44,346
Non-controlling interests		**5,568**	6,358
		53,389	50,704
Earnings per share attributable to owners of the Company (expressed in RMB per share)			
Basic and diluted	*9*	**0.31**	0.29

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	**(Unaudited) As at 30 June 2025** *RMB'000*	(Audited) As at 31 December 2024 *RMB'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*11*	**17,758**	19,464
Right-of-use assets		**166,132**	164,031
Intangible assets		**17,739**	20,482
Goodwill		**136,450**	136,450
Financial assets	*12*	**91,481**	94,481
Investments in associates		**47,003**	42,597
Other receivables	*13*	**8,302**	3,649
Deferred tax assets		**374,248**	361,484
		859,113	842,638
Current assets			
Trade receivables	*13*	**526,883**	455,570
Other receivables	*13*	**76,822**	84,164
Payments on behalf of residents		**157,644**	135,873
Contract assets		**51,797**	54,835
Amounts due from related parties		**9,929**	8,562
Restricted cash		**10,003**	7,062
Cash and cash equivalents		**188,197**	243,300
		1,021,275	989,366
Current liabilities			
Trade payables	*14*	**231,490**	206,574
Other payables	*14*	**304,812**	329,500
Contract liabilities		**233,275**	233,890
Amounts due to related parties		**2,975**	2,620
Lease liabilities		**2,036**	3,149
Income tax payable		**84,988**	86,598
		859,576	862,331
Net current assets		**161,699**	127,035
Total assets less current liabilities		**1,020,812**	969,673

	Note	(Unaudited) As at 30 June 2025 RMB'000	(Audited) As at 31 December 2024 RMB'000
Non-current liabilities			
Other payables	*14*	**7,393**	4,433
Lease liabilities		**1,398**	1,080
Deferred tax liabilities		**8,210**	9,020
		17,001	14,533
Net assets		**1,003,811**	955,140
EQUITY			
Share capital		**1,361**	1,361
Reserves		**918,440**	872,684
Equity attributable to owners of the Company		**919,801**	874,045
Non-controlling interests		**84,010**	81,095
Total equity		**1,003,811**	955,140

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

Kaisa Prosperity Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 13 October 2017 as an exempted company with limited liability under the Companies Law.

The Company's immediate holding company is Ye Chang Investment Company Limited ("**Ye Chang Investment**"), an investment company incorporated in the British Virgin Islands ("**BVI**"), whereas the directors of the Company consider that Kaisa Group Holdings Ltd. ("**Kaisa Holdings**") as the Company's ultimate holding company, a company incorporated in the Cayman Islands with its shares listed on the Main Board of The Stock Exchange.

The Company acts as an investment holding company. The Company and its subsidiaries (together, the "**Group**") engage in the provision of property management services, which includes management of properties, maintenance and repair of buildings and ancillary facilities, community security management, car-park management, equipment installation, and property consulting services.

All values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the directors of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Accounting Standard ("**HKAS**") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

3. APPLICATION OF AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for annual periods beginning or after 1 January 2025

The condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the following amendments to HKFRSs which are effective as of 1 January 2025. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Amendment to HKAS 21	Lack of Exchangeability

The adoption of the amendments to HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

4. SEGMENT INFORMATION

(a) Operating segment information

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

For the six months ended 30 June 2025 and 2024, the Group mainly engaged in the provision of property management services, value-added services to property owners and non property owners in the PRC. Management reviews the operating results of the business as one operating segment to make decisions about resources allocations. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions. Accordingly, no operating segment information regarding the Group's revenue, reported results, total assets and total liabilities was presented.

(b) Geographical segment information

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

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

(c) Information about major customers

For the six months ended 30 June 2025, revenue from Kaisa Holdings and its subsidiaries (the "**Kaisa Group**") and its associates and joint ventures contributed 7.3% (six months ended 30 June 2024: 12.2%) of the Group's revenue. Other than the transactions with Kaisa Group and its associates and joint ventures, the Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue for the six months ended 30 June 2025 and 2024.

5. REVENUE

Revenue represents the amount received and receivable for goods sold and services provided by the Group to outside customers, less discounts, returns and value added tax or other sales taxes.

Revenue mainly comprises:

(a) Property management services – provision of property management services to property projects mainly located in Guangdong, Hong Kong, Macau Bay Area, Yangtze River Delta, Bohai Economic Rim, Western China and Central China.

(b) Value-added services to property owners – provision of community added services to property owners.

(c) Value-added services to non-property owners – services including: (i) provision of pre-delivery services, such as construction sites management services and display units and property sales venues management services; (ii) consulting services to other property management companies; and (iii) smart solution services.

Disaggregation of revenue from contracts with customers

(i) ***The Group derives revenue from the transfer of goods and services by categorise of major product lines and business***

	(Unaudited) Six months ended 30 June			
	2025		2024	
	Revenue *RMB'000*	**Direct operating expenses** *RMB'000*	Revenue *RMB'000*	Direct operating expenses *RMB'000*
Revenue from contracts with customers				
Property management services	**694,653**	**545,280**	707,257	536,245
Value-added services to property owners	**80,339**	**32,048**	84,843	29,973
Value-added services to non-property owners*	**47,009**	**40,777**	105,897	76,352
	822,001	**618,105**	897,997	642,570

* The amounts include pre-delivery and consulting services and smart solution services.

(ii) ***The Group derives revenue from the transfer of goods and services by timing of revenue recognition***

	(Unaudited) Six months ended 30 June	
	2025 *RMB'000*	2024 *RMB'000*
Timing of revenue recognition		
Over time	**809,756**	884,627
At point in time	**12,245**	13,370
	822,001	897,997

(iii) ***The Group derives revenue form the transfer of goods and services by geographical market***

Information about the Group derives revenue from the transfer of goods and services by geographical markets is set out in note 4.

6. OTHER INCOME, GAINS AND LOSSES, NET

	(Unaudited) Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Unconditional government subsidy income	**1,268**	1,315
(Losses) gains on disposal of property, plant and equipment	**(111)**	37
Written-off of uncollectible receivables	**(1,394)**	(627)
Exchange gains and losses, net	**(28)**	(10)
Others	**(1,374)**	93
	(1,639)	808

7. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging (crediting):

	(Unaudited) Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Staff cost, including directors' remuneration	**319,471**	362,468
Wages, salaries and other benefits		
– Performance bonus	**–**	–
– Contributions to defined contribution retirement schemes	**31,758**	40,624
	351,229	403,092
Amortisation and depreciation on:		
– Property, plant and equipment	**2,683**	2,929
– Right-of-use assets	**8,876**	9,265
– Intangible assets	**2,743**	2,744
	14,302	14,938
(Reversal of) impairment of financial assets and contract assets comprises:		
– Trade receivables	**38,683**	45,167
– Other receivables	**1,448**	3,419
– Payments on behalf of residents	**9,436**	6,389
– Contract assets	**(1,513)**	3,039
	48,054	58,014
Others:		
Auditor's remunerations	**207**	544
Short-term leases with lease term less than 12 months	**3,434**	7,074
Change in fair value on financial assets at fair value through profit or loss	**3,000**	42,706

8. INCOME TAX EXPENSE

	(Unaudited) Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Current income tax		
PRC Corporate Income Tax	**33,670**	40,605
Deferred tax credit		
Origination and reversal of temporary differences	**(13,449)**	(25,891)
	20,221	14,714

9. EARNINGS PER SHARE

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

	(Unaudited) Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Profit and total comprehensive income for the period attributable to owners of the Company	**47,821**	44,346

Number of shares

	(Unaudited) Six months ended 30 June	
	2025	2024
	(number of shares '000)	
Weighted average number of ordinary shares in issue	**154,110**	154,110

The computation of diluted earnings per share for the six months ended 30 June 2025 and 2024 does not assume the conversion of the Company's outstanding share options granted on 19 July 2019 because the average market price of the share is lower than the adjusted exercise price of those share option.

10. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group has an addition of items of property, plant and equipment with a cost of RMB1,606,000 (30 June 2024: RMB3,880,000).

Items of property, plant and equipment with a net book value of RMB629,000 (30 June 2024: RMB755,000) were disposed of during the six months ended 30 June 2025, resulting in a loss on disposal of RMB111,000 (30 June 2024: gain on disposal of RMB37,000).

12. FINANCIAL ASSETS

	Notes	(Unaudited) At 30 June 2025 RMB'000	(Audited) At 31 December 2024 RMB'000
Financial assets at fair value through other comprehensive income ("FVTOCI")	*(a)*		
– Interest in unlisted entity		**–**	–
Financial assets at fair value through profit or loss ("FVTPL")	*(b)*		
– Contractual rights on Properties		**91,481**	94,481
		91,481	94,481

Notes:

(a) Financial assets at fair value through other comprehensive income – Interest in unlisted entity

The amount represents an investment in equity shares in an unlisted entity established in the PRC, which is mainly engaged in provision of internet insurance services of car industry in the PRC. This investment is not held for trading, instead, it is held for long-term strategic purposes. The directors have elected to designate this investment as equity instrument at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

In view of the unexpected slow recovery of the PRC economy in prior years, with reference to a valuation conducted by an independent professional valuer, a fair value loss of RMB15,000,000 was recognised and the amount has been charged to the other comprehensive income in prior years.

(b) Financial assets at fair value through profit or loss – Contractual rights on Properties

The amount represents consideration paid for an exclusive right to sell certain non-residential properties in the PRC (the "**Properties**") for a five-year period since December 2021. Pursuant to the relevant contractual arrangements, a subsidiary of the Company is entitled to 70% of the excess of the selling price over the agreed minimum price with the counterparties to the contractual arrangements. The subsidiary also has the right to receive rental income arising from the Properties before the Properties are sold. The amount paid by the Group in prior years is refundable in case of any shortfall as stipulated in details in the related contractual arrangements.

The directors of the Company considered that the operations under the abovementioned exclusive right namely, the provision of sale services, form part of the Group's ordinary course of business. Since the contractual arrangements give the Group a contractual right to receive cash which are variable as described above, the asset is considered as a financial asset at fair value through profit or loss.

In view of the unexpected slow recovery of the PRC economy in the current year, with reference to a valuation conducted by an independent professional valuer, a further fair value loss of approximately RMB3,000,000 (30 June 2024: RMB42,706,000) was recognised in the profit or loss during the six months ended 30 June 2025.

13. TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 30 June 2025 *RMB'000*	(Audited) As at 31 December 2024 *RMB'000*
Trade receivables		
– Third parties	**607,684**	527,222
– Related parties	**946,170**	916,636
	1,553,854	1,443,858
Less: loss allowance for trade receivables	**(1,026,971)**	(988,288)
	526,883	455,570
Other receivables		
Other deposits	**19,553**	21,793
Prepayments	**25,539**	23,578
Payments on behalf of staff	**16,828**	15,654
Payments on behalf of residents under lump-sum basis	**24,164**	27,225
Others	**10,670**	9,745
	96,754	97,995
Less: loss allowance for other receivables	**(11,630)**	(10,182)
Total other receivables	**85,124**	87,813
Analysed as:		
– Current	**76,822**	84,164
– Non-current	**8,302**	3,649
	85,124	87,813

Notes:

(a) Property management services income is recognised in accordance with the terms of the relevant service agreements and due for payment upon the issuance of demand note. Value-added services to non-property owners are recognised in accordance with the terms of the relevant service agreements, and the Group normally allows an average credit period ranged from 0 days to 90 days to its customers.

(b) The ageing analysis of the trade receivables before loss allowances based on the invoice date is as follows:

	(Unaudited) At 30 June 2025 *RMB'000*	(Audited) At 31 December 2024 *RMB'000*
Within 180 days	**438,042**	455,227
181-365 days	**206,106**	214,781
1-2 years	**303,696**	286,923
2-3 years	**223,000**	218,876
Over 3 years	**383,010**	268,051
	1,553,854	1,443,858

14. TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 June 2025 *RMB'000*	(Audited) As at 31 December 2024 *RMB'000*
Trade payables		
– Third parties	**211,650**	201,604
– Related parties	**19,840**	4,970
	231,490	206,574
Other payables		
Consideration payables for acquisition of subsidiaries in prior years	**5,400**	5,400
Accrued staff costs	**79,399**	86,040
Other tax payables	**3,039**	7,550
Deposits received	**88,039**	86,802
Receipt on behalf of residents	**103,617**	120,244
Others payables and accruals	**32,711**	27,897
Total other payables	**312,205**	333,933
Analysed as:		
– Current	**304,812**	329,500
– Non-current	**7,393**	4,433
	312,205	333,933

Included in trade payables were amounts due to the Group's suppliers. The outstanding balances were trading in nature and credit periods ranging from 30-180 days were granted.

Based on the invoice dates, the ageing analysis of the trade payables is as follows:

	(Unaudited) As at 30 June 2025 *RMB'000*	(Audited) As at 31 December 2024 *RMB'000*
Within 90 days	**104,224**	101,798
91-180 days	**45,711**	41,644
181-270 days	**26,080**	18,502
271-365 days	**13,324**	13,506
Over 365 days	**42,151**	31,124
	231,490	206,574

15. LEASE COMMITMENTS

The Group as lessee

At the reporting date, the lease commitments for short-term leases are as follows:

	(Unaudited) As at 30 June 2025 *RMB'000*	(Audited) As at 31 December 2024 *RMB'000*
Within one year	**637**	3,507

As at 30 June 2025 and 31 December 2024, the Group leases staff quarters and offices with a lease period of one to twelve months.

The Group as lessor

At the reporting date, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of buildings as follows:

	(Unaudited) As at 30 June 2025 *RMB'000*	(Audited) As at 31 December 2024 *RMB'000*
Within one year	**1,792**	1,442
In the second to fifth years	**237**	1,652
	2,029	3,094

The leases run for an initial period of one to five years, with an option to renew the lease and renegotiate the terms at the expiry date or at dates mutually agreed between the Group and respective tenants. None of the leases include contingent rentals.

BUSINESS REVIEW AND PROSPECTS

In the first half of 2025, China's economy maintained stable growth. According to preliminary statistics, the gross domestic product (GDP) for the first half of the year amounted to RMB66,053.6 billion, representing a year-on-year increase of approximately 5.3%, continuing the overall trend of high-quality development. The government adhered to implementing proactive fiscal policies and prudent monetary policies, intensified support for technological innovation, advanced manufacturing, and livelihood sectors, while promoting the "dual-circulation" strategy to expand domestic demand and deepen opening-up. Regional coordinated development progressed, with key areas like Beijing-Tianjin-Hebei, Yangtze River Delta, and the Guangdong-Hong Kong-Macau Bay Area playing prominent roles as growth engines. China's economic structure continued to optimize, forging new economic growth points within the process of safeguarding and enhancing people's livelihood, thereby laying a solid foundation for achieving annual targets.

In the first half of 2025, China's real estate sector generally progressed toward stemming declines and restoring stability. Policy efforts continually intensified as authorities rolled out multiple measures: the central bank cut reserve requirements and interest rates, pushing the 5-year LPR and housing provident fund rates to historic lows, and destocking was accelerated through special-purpose bond-funded acquisition of housing inventory; and over 160 cities implemented stimulus policies. Polarization was seen in different property markets, with upgraded housing demand recovering in core regions, while overall nationwide new home sales remained under pressure. Real estate companies accelerated debt restructuring to ensure project delivery. The real estate industry accelerated its transformation towards an "operations + services" model, with urban renewal initiatives and completed home sales pilots advancing. Guided by the "Good Housing" standards, the industry has been transitioning from scale expansion to high-quality development. Policies are expected to further intensify in the second half of the year to facilitate the smooth transition of the real estate sector.

Simultaneously, the property management industry has also undergone profound transformation. The central government introduced multiple heavyweight policies: the Central Commission for Discipline Inspection incorporated rectification of property service malpractices into livelihood initiatives. The Ministry of Housing and Urban-Rural Development issued the updated Residential Property Service Standards (《住宅物業服務標準》), clarifying the "quality-price alignment" principle and eliminating multiple unreasonable fees. These policies drove the industry toward transparency and standardization. The trust-based property fees model was trialed in multiple places, with blockchain deployment enabling traceable public income streams; innovative approaches such as tiered vacancy fees structures balanced the interests of multiple stakeholders. Driven by policy mandates, the industry witnessed three pivotal transformations: technological penetration accelerated, leading to a surge in AI work order system coverage; leading enterprises' bellwether effect drove service sophistication; and market restructuring from "fee-oriented" to "service value-oriented" accelerated market clearance. Property management is now evolving from traditional services toward a modern community service ecosystem.

As one of the leading comprehensive urban service providers in China, Kaisa Prosperity has always taken "Prosperity is underway" (美好正在發生) as its guide and implemented the service concept of "With all one's heart and mind" (用心力•全心意) to integrate the pursuit of quality into the entire process of property management, and refined various aspects of property management in a more scientific and effective manner by means of intelligent technology. To ensure the long-term stability of our operations, we have established a quality ethos of "Sincerity, Rigour, Pragmatism and Efficiency as well as Continuous Improvement" (至臻至誠，嚴謹規範，務實高效，持續改進), which drives consistent improvement of the quality of our services, earning customer trust and recognition, while steadily elevating our brand value in the market.

In the first half of 2025, in the face of a complex and severe macroeconomic situation, through the dual-strategy of "Organic Growth + Independent Expansion", the management scale of Kaisa Prosperity remained stable, amounting to a GFA under management of approximately 99.9 million square meters across 707 projects under management in 77 cities within 20 provinces.

Through unremitting efforts, the Group was awarded 2025 China Top 100 Property Service Companies in Terms of Service Capability (Ranked 17th), 2025 China Leading Property Service Companies in Terms of Service Quality, 2025 Leading Company of China in Property Service Satisfaction, 2025 China Leading Property Service Companies in Terms of ESG Sustainability, 2025 China Property Services Companies High-Quality Service System and 2025 China Property Services Brand Featured Enterprise.

We are well-prepared for the economic shifts and the new landscape of the property management industry, and will continue to uphold the development vision of "Serving Beautiful China" to embrace future opportunities and challenges.

FINANCIAL SUMMARY

As of 30 June 2025, the Group's revenue decreased by approximately RMB76.0 million to RMB822.0 million, representing a decrease of approximately 8.5% as compared with the corresponding period in 2024. In particular, revenue from property management services amounted to RMB694.7 million; revenue from value-added services to property owners amounted to RMB80.3 million; and revenue from value-added services to non-property owners amounted to RMB47.0 million.

As of 30 June 2025, the consolidated net profit increased by approximately RMB2.7 million to RMB53.4 million, representing an increase of approximately 5.3% as compared with the corresponding period in 2024. As of 30 June 2025, the profit attributable to owners of the Company increased by approximately RMB3.5 million to RMB47.8 million, representing an increase of approximately 7.9% as compared with the profit attributable to owners of the Company for the corresponding period in 2024.

ENRICHMENT OF SERVICE PORTFOLIOS AND MAINTENANCE OF FOUNDATIONAL SERVICES

During the Reporting Period, the Group continued to focus on the "Whole portfolio and Whole cycle" (全業態、全周期) high-quality service scenarios, deepening vertical research on services and expanding horizontal breadth of services. While continuously enriching our property portfolios, we made new upgrades and released new service systems such as the "Kaisa Prosperity Service Five-star "1+3+5", Ten Scenarios, Three Windows Standardization Manual" (《佳服五星"1+3+5"、十大場景、三個窗口標準化手冊》). Our property service portfolios covered 9 property types, namely residential, commercial, office buildings, recreational stadiums, schools, high-end sales offices, hospitals, urban public buildings and cultural tourism.

In 2025, under the annual theme of "Prosperity FUN" (美好FUN), we provided whole-cycle, all-scenario and all-age group community cultural services. Leveraging the four major service systems of FUN Life, FUN Neighborhood, FUN Charity, FUN Sharing (樂活FUN, 樂鄰FUN, 樂善FUN, 樂享FUN), we organized "1+4" community cultural activities such as "Kaisa's Neighbors" (佳鄰•佳親). We anchored our initiatives around festival cycles, focusing on four key groups: children, seniors, youth, and pets, executing over 14 community cultural activities under the "12+2+X" framework. To drive core business objectives, we prioritized initiatives to facilitate property fee collection, diversify revenue streams, and elevate customer satisfaction. We launched Jiamenkou (佳門口) convenience services to integrate convenience services into daily routines of property owners. In addition, through the Firefly (螢火蟲) Public Welfare Program and Shared Space Governance initiatives, we cultivated a culture of sustainability, co-construction and sharing.

In respect of the foundational service quality and service experience, the Group adopted "Strengthening Foundation, Reducing Cost and Increasing Revenue" as the main operational principles to maintain service quality, strictly control risks and bring new experience. The Group launched special campaigns such as "Jiarun Campaign" (佳潤行動) and "Jiafen Campaign" (佳分行動) to improve its customer services, alongside a series of quality enhancing campaigns, such as "Spring Breeze in Kaisa 3.0" (春風沐佳3.0), "Construction with Sincerity 3.0" (精誠築佳3.0), "Rejuvenating with Quality" (品質煥新) and "the Most Beautiful Garden" (最美園林) for projects under management. These campaigns centered on the "walking trails" and "driveways", enhancing landscaping, renovating, repairing and upgrading equipment and facilities of the community, conducting comprehensive inspections in communities over 10 years old, and streamlining key customer-facing roles and corresponding service standards, so as to continuously improve the living environment and customer experience.

To build a safe and secured community, Kaisa Prosperity launched safety-focused campaigns such as "100 Days of Safety" (百日安全), "No Accident in Summer Production" (夏季安全生產無事故) and "Keep Ringing the Fire Alarm Bell" (消防警鐘長鳴). Through specialized training and emergency drills, we effectively improved employee fire safety skills and risk response capabilities, while boosting fire safety awareness and emergency preparedness of property owners and residents through promotion. We continuously conducted "anti-explosive patrols", deploying security personnel equipped with explosive-resistant gear to critical locations during peak hours. Our technology-empowered "Eagle Eye System" enables service personnel to realize real-time on-site connection through the mobile phones at any time. To ensure nighttime safety, we established city patrol teams, equipped with electric security vehicles, shoulder flashlights, reflective vests for patrolling, to safeguard the safety of property owners and residents.

Driven by **love for residents and love for life**, Kaisa Prosperity has installed AED first-aid equipment in certain projects across Shenzhen, Guangzhou, Huizhou, Jiangsu and Dongdaihe, and assisted customers to execute multiple emergency rescues through conducting operational trainings and emergency drills with employees as well as improving contingent rescue plans to reduce preventable fatalities in the service areas.

In respect of technology operations, we continued to iterate and optimize the "K-Service Technological Product Operation and Control" platform, enriching the functions of the elevator management module, realizing the "three-in-one" closed-loop management of elevators covering accounts, maintenance and repair, and enhancing the safety standards of elevator operation. We also optimized daily quality inspections and enhanced inspection efficiency to help improve service quality.

In respect of energy conservation and emission reduction, in 2025, Kaisa Prosperity continued to implement the system and standards including the Guidelines on Management and Control of Energy Saving (《能源節能管控操作指引》) and the Assessment Method for Control of Energy Consumption (《能耗管控情況考核辦法》). By adopting a multi-pronged approach underpinning "management + technology + policy" as well as energy trusteeship and diversified cooperation, the Group utilized energy-saving renovation technologies with regard to lighting, water pumps, air conditioners and atomized micro-spray for greening irrigation and refined daily green operation management, achieving a significant decrease in annual energy consumption.

TRANSFORMATION FROM SPACE OPERATOR TOWARDS COMMUNITY QUALITY-OF-LIFE SERVICE PROVIDER

In the community context, market dynamics is transitioning from seller-dominant to buyer-driven, placing users at the forefront. Through segmenting population demands, operations are shifting from supply chains to procurement chains, converting information services into precision order services. This process ultimately delivers quality lifestyle solutions for the community, thereby realizing upgraded community living space operations and services.

Leveraging its proximity and trust advantages, the K-Series Living Platform focuses on high-frequency services such as property management, community group buying, repairs and cleaning to strengthen user connections and loyalty. It cultivated city-signature hit products via traceable sourcing and established a "1+N" service system and rolled out an instant commerce model powered by community-based front warehouses, resulting in over 50% growth in both daily active user rate and repurchase rate. Concurrently, Kaisa Prosperity continued to promote mass participation marketing and all-member distribution, launched community operations, and developed membership privileges that attracted more than 10,000 registered distributors. Viral user growth was achieved through participation in the "Save by Self-Purchasing, Earn by Sharing" community economy model.

Leveraging the advantages of potential customer base, offline channels, and resource integration advantages generated by its core businesses and high-frequency services, Kaisa Prosperity intensively cultivated its projects under management, continually increased penetration of low-frequency but high-value businesses such as property leasing/sales and renovation services, enhanced user reach and conversion rates, and provided property owners with one-stop home renewal services including housing rental/sales, asset agency, full/partial renovation, home building materials, and soft furnishings.

Moving forward, Kaisa Prosperity will persistently harness its proximity and private domain advantages, coordinate refined community and commercial operations, deliver life concierge services, innovate a "Service + Transaction" model, enhance workforce efficiency, pursue diversified business development, while elevating its own competitiveness and providing customers with more comprehensive services.

PRECISION REACH OF DIVERSIFIED SERVICES AND REVENUE AND EFFICIENCY ENHANCEMENT THROUGH CLOSED-LOOP ECOSYSTEM

The Home Services Department provides diverse and convenient services and products tailored to different property owner groups. Focusing on five core pain points of active elderly groups, i.e. health needs, social needs, hobbies, age-friendly home modifications, and daily life services, we launched comprehensive solutions and planned four key service categories, namely elder university, age-friendly home adaptations, housekeeping services, and healthy lifestyle. For pet-owning property owners, we offered services including pet feeding, pet walking, and providing fresh food. In the first half of 2025, the pet business demonstrated sustained growth in cumulative transaction volume, service frequency, and number of user registered. Housekeeping business was piloted in key regions including the Guangdong-Hong Kong-Macau Bay Area and Southwest China.

To further expand healthcare business, the Company has designated the Shenzhen Central Plaza Healthcare Service Station as its first pilot site for healthcare business. In the initial phase, customer acquisition was achieved through elder university and club activities, establishing a client pool, fostering trust while developing replicable products and services matching customer needs. Through healthcare activities and in-depth collaboration with Xiangjiaotang Evergreen Senior University (象角塘長青老年大學), these efforts accumulated a customer foundation for monetizing healthy lifestyle services and build a marketing closed loop for follow-on online courses, senior-adapted living, housekeeping, and healthy lifestyle services.

In the future, we plan to develop a digital wellness service platform based on pilot projects, which aggregates online and offline resources and service providers, empower communities, and enable property owners to access diversified services and care tailored to different health stages from home.

OUTLOOK

2025 marks the concluding year of the 14th Five-Year Plan as Chinese-style modernization accelerates on its new journey. Kaisa Prosperity will comprehensively align with national strategies for high-quality development, enhanced public welfare, and new productive forces. We will advance with resolve through diversified growth, consolidating foundational services while expanding commercial operations and urban services. We will build quality-driven foundations and optimize standards, while strengthening management and talent development. We will undertake prudent operations and rigorously control risks, focusing on high-value growth and realizing sustainable development, so as to propel company-wide governance into a new chapter, and draw up the grand blueprint of "Serving Beautiful China".

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As one of the leading comprehensive property management service providers in China, the Group specializes in providing comprehensive urban integrated services to mid-to-high-end properties and focuses on the metropolitan cluster regions that are supported by the national macro-strategic policies and have high economic development vitality. The Group has been providing property management services for more than 26 years since 1999, and since then has established a strong footprint in the Guangdong-Hong Kong-Macau Bay Area, Yangtze River Delta, Bohai Economic Rim, Western and Central China with enormous potential for economic growth, covering a wide range of properties and providing property owners and residents with tailored quality services through the one-stop service platform to enhance their quality of life and satisfaction.

The Group's three main business lines, namely, property management services, value-added services to property owners and value-added services to non-property owners, form an integrated service spectrum encompassing the upstream and downstream segments and covering the entire value chain of property management.

PROPERTY MANAGEMENT SERVICES

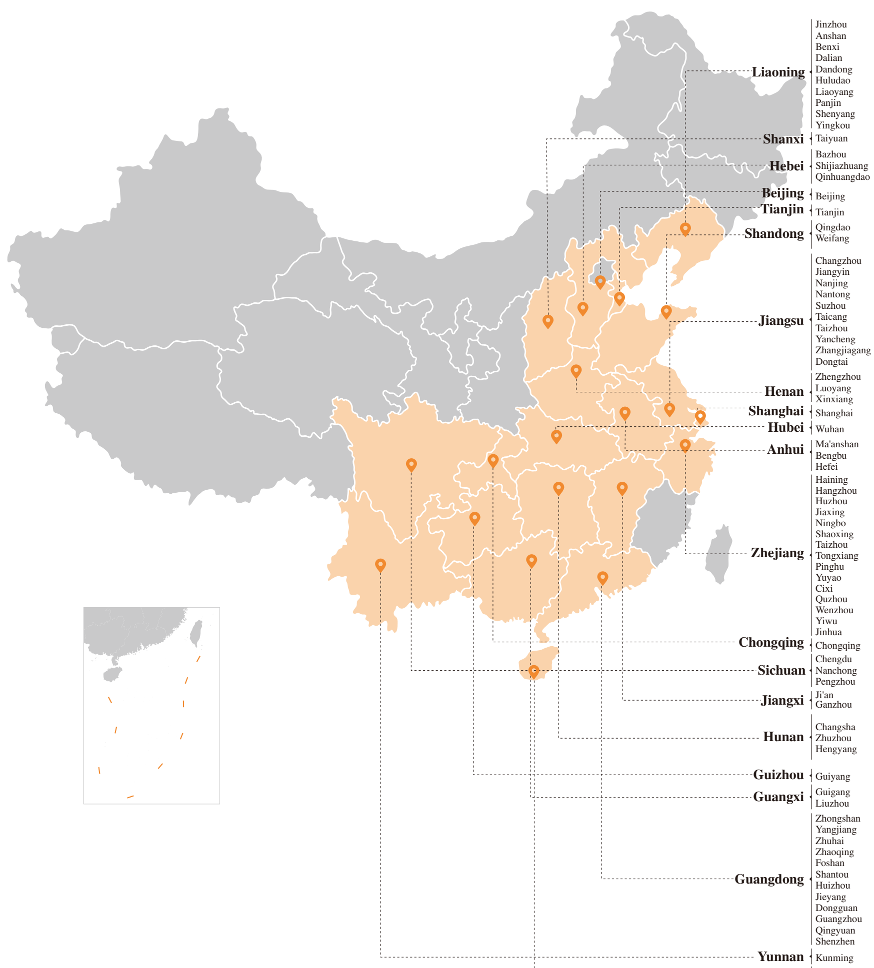
As of 30 June 2025, the Group's property management services covered 77 cities across 20 provinces, municipalities and autonomous regions in China, with a total GFA under management reaching 99.9 million sq.m. and a total of 707 managed properties, comprising 334 residential communities and 373 non-residential properties, showing diversified property portfolio. We aim to accelerate development of public urban services and transform into a holistic management services provider.

The table below sets forth (i) the contracted GFA, (ii) the GFA under management, and (iii) the number of managed properties of the Group, as of the dates indicated:

	As of 30 June 2025	**As of 31 December 2024**
Contracted GFA *('000 sq.m.)*	126,214	129,067
GFA under management *('000 sq.m.)*	99,900	102,697
Number of managed properties	707	728

Geographic Coverage

The map below illustrates the geographic coverage of our managed properties as of 30 June 2025:



The table below sets forth the breakdowns of (i) the total GFA under management, and (ii) the number of managed properties by geographic region as of the dates indicated:

	As of 30 June 2025		As of 31 December 2024	
	GFA under management ***('000 sq.m.)***	**Number of properties**	GFA under management *('000 sq.m.)*	Number of properties
Guangdong-Hong Kong-Macau Bay Area	**22,659**	**136**	22,810	138
Yangtze River Delta	**55,736**	**459**	58,542	481
Bohai Economic Rim	**5,613**	**40**	5,522	38
Western China	**9,597**	**43**	9,526	42
Central China	**6,295**	**29**	6,297	29
Total	**99,900**	**707**	102,697	728

Set out below are the changes in (i) the total GFA under management and (ii) the number of managed properties of the Group as of the indicated date:

	As of 30 June 2025		As of 31 December 2024	
	GFA under management ***('000 sq.m.)***	**Number of properties**	GFA under management *('000 sq.m.)*	Number of properties
As of 1 January	**102,697**	**728**	102,294	720
New engagement	**1,561**	**37**	8,466	104
Termination	**(4,358)**	**(58)**	(8,063)	(96)
Total	**99,900**	**707**	102,697	728

Types of Properties Managed

The Group managed a diversified portfolio of properties covering mid-to-high-end residential communities and non-residential properties, including commercial properties, office buildings, hospitals, schools, arenas and stadiums, government buildings, public facilities and industrial parks and culture and tourism facilities etc.. Starting from Guangxi, Handan, Yancheng, Yangzhou and Jiaxing, we expanded the cooperation with government platforms and our urban services business. Regarding the property management services, the Group adopted two revenue models under which property management fees are charged on either a lump-sum basis or commission basis. For lump-sum basis, the Group recorded all the fees as revenue and all the expenses incurred in connection with providing the property management services as cost of services. For commission basis, the Group essentially acted as the agent of the property owners and therefore records only a pre-determined percentage of the property management fees or cost of services as set out in the property management service contracts as revenue. By adopting these two revenue models, the Group recovered the expenses incurred in connection with providing property management services.

The table below sets forth the breakdowns of (i) the total GFA under management, and (ii) the number of managed properties by type of properties of the Group as of the dates indicated:

	As of 30 June 2025			As of 31 December 2024		
	GFA under management ***('000 sq.m.)***	**Percentage** **%**	**Number of properties**	GFA under management *('000 sq.m.)*	Percentage %	Number of properties
Residential communities	**61,013**	**61.1**	**334**	61,644	60.0	339
Non-residential properties	**38,887**	**38.9**	**373**	41,053	40.0	389
Total	**99,900**	**100.0**	**707**	102,697	100.0	728

The table below sets forth the breakdowns of (i) the total GFA under management; and (ii) the number of managed properties by revenue models of the Group as of the dates indicated:

	As of 30 June 2025			As of 31 December 2024		
	GFA under management ***('000 sq.m.)***	**Percentage** **%**	**Number of properties**	GFA under management *('000 sq.m.)*	Percentage %	Number of properties
Property management services (lump-sum basis)	**76,526**	**76.6**	**599**	79,198	77.1	618
Property management services (commission basis)	**23,374**	**23.4**	**108**	23,499	22.9	110
Total	**99,900**	**100.0**	**707**	102,697	100.0	728

It is important to note that under a commission basis, the Group recorded only a pre-determined percentage, typically 10%, of the property management fees or cost of services as set out in the property management service contracts as revenue, while all the property management fees are recorded as revenue under lump-sum basis.

The table below sets forth the breakdowns of (i) the total GFA under management, and (ii) the number of managed properties by type of property developers of the Group as of the dates indicated:

	As of 30 June 2025			As of 31 December 2024		
	GFA under management ***('000 sq.m.)***	**Percentage** **%**	**Number of properties**	GFA under management *('000 sq.m.)*	Percentage %	Number of properties
Properties developed by the Kaisa Group, together with its joint ventures and associates	**44,014**	**44.1**	**227**	43,791	42.6	224
Properties developed by independent third-party property developers	**55,886**	**55.9**	**480**	58,906	57.4	504
Total	**99,900**	**100.0**	**707**	102,697	100.0	728

The properties under the Group's management comprise of properties developed by Kaisa Group, together with its joint ventures and associates and independent third-party property developers. During the six months ended 30 June 2025, the Group won all the public tenders with respect to properties developed by the Kaisa Group for which the Group bid, and continued to explore the properties developed by independent third-party property developers.

During the six months ended 30 June 2025, the total revenue of property management services was approximately RMB694.7 million, representing a decrease of approximately 1.8% period to period. Such decrease was primarily due to the Company's strategic withdrawal from underperformed projects, which resulted in a corresponding reduction in GFA under management.

VALUE-ADDED SERVICES TO PROPERTY OWNERS

As an extension of its property management services, the Group's value-added services to property owners aim to address the lifestyle and daily needs of the property owners (including individual property owners and institutional property owners) and residents, provide various products and services, improve customer satisfaction, and provide a more healthy and convenient life style for the property owners and residents.

The Group provides diversified products and services to the property owners and residents through K Series Living to meet their ever-changing daily needs. As a value-added service brand under the Group, K Series Living has been adhering to the service concept of "Fast, High-quality, Value-added and Colorful life" since its launch, covering various business types such as residential and commercial buildings, office buildings, stadiums, and public facilities. After continuous optimization and development, K Series Living currently can be mainly divided into four major segments: (1) K-Space (小K空間), (2) K-Retail (小K零售), (3) K-Lease & Sale (小K租售), and (4) K-Decoration (小K美居). K-Retail has been further refined and divided into various sub-unit product series: (a) K-Commercial and Office Buildings (小K商寫), (b) K-Charging (小K充電), (c) K-Choice Goods (小K優選), (d) K-Group Buying (小K團購), (e) K-Delivery (小K到家), (f) K-Cultural Tourism (小K文旅) and (g) K-pet (小K萌寵). By leveraging the advantages of integrated fundamental property services, diversified supply chains and distributed mini warehouse, we continued to improve our value-added service capabilities, provide high-quality products and convenient services, and build a standardized and full-lifecycle service and product system.

As at 30 June 2025, the "K Series Living Exhibition Hall" (小K生活展示館) covers 11 cities including Guangzhou, Shenzhen, Shanghai, Chengdu, Chongqing, Dongguan, Foshan, Huizhou, Zhuhai, Suzhou and Changsha. Catering to the immediate needs of customers and focusing on user experience, we strive to create accurate professional value-added services. Kaisa Prosperity is accelerating the exploration of a community neighborhood living service circle. Through business integration and development, we have realized a comprehensive upgrade of product system and comprehensively enhanced community space operation and service capability.

Kaisa Prosperity's neighborhood service ecology, with K Series Living Exhibition Hall and K Series Living platform as the carrier, gathered national and local advantageous supply chain resources, and created a "1+N" service system through a "One Strategy for One City" approach, focusing on local living needs such as community group buying, delivery service, house renovation, house rental and sales, community leisure, catering and cultural tourism. At the same time, Kaisa Prosperity has independently developed information technology tools such as community sharing platforms and service ordering platforms to make local life more carefree, comfortable and secure.

During the six months ended 30 June 2025, the total revenue of value-added services to property owners was approximately RMB80.3 million, representing a decrease of approximately 5.3% period to period. Such decrease was primarily due to the market environment of downturn in resident consumption and intensifying industry competition.

VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS

Leveraging on the Group's relevant expertise, the Group provides a wide range of value-added services to non-property owners (mainly property developers), which include: (i) construction sites management services; (ii) display units and property sales venues management services; (iii) property management consulting services; and (iv) smart solution services, etc..

Construction sites management services. The Group provided primarily security services and to a lesser extent management services, such as cleaning and maintenance services, for the construction sites of property development projects.

Display units and property sales venues management services. The Group deployed personnel onsite to assist property developers with their property marketing and selling activities. The Group also assisted property developers with responding to general enquiries at front desks and maintaining order at property sales venues.

Consulting Services. The Group provided general daily property management consulting services to other property management companies.

Smart solution services. The Group provided comprehensive integrated solution including design, self-developed products, engineering construction and operation and maintenance services to different kinds of property developers.

During the six months ended 30 June 2025, the total revenue of value-added services to non-property owners was approximately RMB47.0 million, representing a decrease of approximately 55.6% period to period. Such decrease was primarily due to the impact of national macro policies, market conditions in the real estate industry during the period, where the demand for relevant services by real estate developers decreased.

Save for the above mentioned, during the six months ended 30 June 2025, there have been no material changes in the business development activities of the Group.

FINANCIAL REVIEW

Revenue

The Group derived its revenue from: (i) property management services; (ii) value-added services to property owners; and (iii) value-added services to non-property owners. The management of the Company has represented the type of services to concur with its current business strategic. Value-added services to property owners mainly focus on providing service for individual property owners and institutional property owner and residents. Value-added services to non-property owners mainly focus on property developers, which included: (i) construction sites management services; (ii) display units and property sales venues management services; (iii) property management consulting services; and (iv) smart solution services. Revenue decreased by approximately 8.5% from approximately RMB898.0 million for the six months ended 30 June 2024 to approximately RMB822.0 million for the six months ended 30 June 2025.

The revenue contribution by each business segment of the Group for the periods indicated is set forth in the table below:

	(Unaudited) Six months ended 30 June					
	2025		2024		Changes	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Property management services	**694,653**	**84.5**	707,257	78.8	(12,604)	(1.8)
Value-added services to property owners	**80,339**	**9.8**	84,843	9.4	(4,504)	(5.3)
Value-added services to non-property owners	**47,009**	**5.7**	105,897	11.8	(58,888)	(55.6)
Total	**822,001**	**100.0**	897,997	100.0	(75,996)	(8.5)

Revenue from property management services, which primarily include property management fees for providing security, cleaning and gardening and property repair and maintenance services to residential communities, commercial properties and public facilities, decreased by approximately 1.8% from approximately RMB707.3 million for the six months ended 30 June 2024 to approximately RMB694.7 million for the six months ended 30 June 2025. Such decrease was primarily attributable to the Company's strategic withdrawal from underperformed projects, which resulted in a corresponding reduction in GFA under management.

Revenue from value-added services to property owners, which primarily include income generated from the car parking, space leasing, retailing, house leasing and sales, housing decoration and renovation and other value-added services through both offline and online channels, decreased by approximately 5.3% from approximately RMB84.8 million for the six months ended 30 June 2024 to approximately RMB80.3 million for the six months ended 30 June 2025. Such decrease was primarily due to the market environment of downturn in resident consumption and intensifying industry competition.

Revenue from value-added services to non-property owners, which primarily include fees for construction sites management, display units and property sales venues management and consulting services and installation and maintenance services, decreased by approximately 55.6% from approximately RMB105.9 million for the six months ended 30 June 2024 to approximately RMB47.0 million for the six months ended 30 June 2025. Such decrease was primarily due to the impact of national macro policies, market conditions in the real estate industry during the period, where the demand for relevant services by real estate developers decreased.

Direct operating expenses

The direct operating expenses of the Group primarily comprises staff costs, subcontracting costs, construction costs, carpark leasing expenses, utility expenses, office expenses, community cultural expenses, other taxes and others. The direct operating expenses decreased by approximately 3.8% from approximately RMB642.6 million for the six months ended 30 June 2024 to approximately RMB618.1 million for the six months ended 30 June 2025.

Gross Profit and Gross Profit Margin

The overall gross profit of the Group decreased by approximately 20.2% from approximately RMB255.4 million for the six months ended 30 June 2024 to approximately RMB203.9 million for the six months ended 30 June 2025. The overall gross profit margin of the Group decreased by approximately 3.6 percentage points from approximately 28.4% for the six months ended 30 June 2024 to approximately 24.8% for the six months ended 30 June 2025. The table below sets forth the Group's gross profit and gross profit margin by business segment for the periods indicated:

	(Unaudited) Six months ended 30 June					
	2025		2024		Changes	
	Gross Profit	**Gross Profit Margin**	Gross Profit	Gross Profit Margin	Amount	
	RMB'000	**%**	*RMB'000*	%	*RMB'000*	%
Property management services	**149,373**	**21.5**	171,012	24.2	(21,639)	(12.7)
– Lump-sum basis	**92,396**	**14.5**	143,640	21.1	(51,244)	(35.7)
– Commission basis	**56,977**	**100.0**	27,372	100.0	29,605	108.2
Value-added services to property owners	**48,291**	**60.1**	54,870	64.7	(6,579)	(12.0)
Value-added services to non-property owners	**6,232**	**13.3**	29,545	27.9	(23,313)	(78.9)
Total	**203,896**	**24.8**	255,427	28.4	(51,531)	(20.2)

1) *Property management services*

Gross profit margin of the Group's property management services decreased by approximately 2.7 percentage points from approximately 24.2% for the six months ended 30 June 2024 to approximately 21.5% for the six months ended 30 June 2025. The decrease was primarily due to the increase in subcontracting costs to improve our service quality and enhance customer experience and satisfaction.

2) *Value-added services to property owners*

Gross profit margin of the Group's value-added services to property owners decreased by approximately 4.6 percentage points from approximately 64.7% for the six months ended 30 June 2024 to approximately 60.1% for the six months ended 30 June 2025. The decrease was primarily due to the market environment of downturn in resident consumption and intensifying industry competition.

3) *Value-added services to non-property owners*

Gross profit margin of the Group's value-added services to non-property owners decreased by approximately 14.6 percentage points from approximately 27.9% for the six months ended 30 June 2024 to approximately 13.3% for the six months ended 30 June 2025. The decrease was primarily due to the proportion of revenue contributed from projects with higher gross profit margins decreased.

Selling and Marketing Expenses

Selling and marketing expenses of the Group increased by approximately 15.6% from approximately RMB4.5 million for the six months ended 30 June 2024 to approximately RMB5.2 million for the six months ended 30 June 2025. The increase was primarily due to more marketing activities conducted for the six months ended 30 June 2025.

Administrative Expenses

Administrative expenses of the Group decreased by approximately 13.1% from approximately RMB89.3 million for the six months ended 30 June 2024 to approximately RMB77.6 million for the six months ended 30 June 2025. The decrease was primarily due to the company's strengthening of expense control and optimization of personnel structure.

Income Tax expenses

Income tax expenses of the Group increased by approximately 37.4% from approximately RMB14.7 million for the six months ended 30 June 2024 to approximately RMB20.2 million for the six months ended 30 June 2025, primarily due to the increase of profit before income tax for the six months ended 30 June 2025.

Profit and Total Comprehensive Income for the Period

The Group's profit and total comprehensive income for the six months ended 30 June 2025 increased by approximately 5.3% to approximately RMB53.4 million from approximately RMB50.7 million for the six months ended 30 June 2024. The improvement in performance was mainly attributable to the reduction in the provision for loss allowance on trade receivables from related parties and administrative expenses during the six months ended 30 June 2025, as compared to that for the corresponding period in 2024.

Liquidity, Capital Structure and Financial Resources

As of 30 June 2025, the Group's cash and cash equivalents was approximately RMB188.2 million, represented a decrease of approximately RMB55.1 million from approximately RMB243.3 million as of 31 December 2024, primarily due to the slow recovery of trade receivables and settlement of consideration payable related to acquisition of subsidiaries made in prior years.

As of 30 June 2025, the net current assets of the Group was approximately RMB161.7 million (31 December 2024: approximately RMB127.0 million). As of 30 June 2025, the Group's current ratio (current assets/current liabilities) was approximately 1.19 (31 December 2024: approximately 1.15).

As of 30 June 2025, the Group did not have any other loans or borrowings (31 December 2024: nil).

Goodwill

As of 30 June 2025, the Group recorded goodwill of approximately RMB136.5 million (31 December 2024: RMB136.5 million), as a result of the completion of the acquisitions of Jiaxing Dashu Property Management Company Limited* (嘉興大樹物業管理有限公司) and Jiangsu Hengyuan Property Management Company Limited* (江蘇恒源物業管理有限公司) in 2019, Ningbo Langtong Property Management Company Limited* (寧波朗通物業服務有限公司) in 2020 and Zhejiang Ruiyuan Property Management Company Limited* (浙江瑞源物業管理有限公司) in 2021. According to the impairment assessment made by the management of the Company, there was no indication of any impairment of goodwill and hence no impairment provision is required for the six months ended 30 June 2025.

Right-of-Use Assets

As of 30 June 2025, the Group recorded right-of-use assets of approximately RMB166.1 million (31 December 2024: RMB164.0 million) which are mainly used by the Group to provide property management services and sublease the non-residential properties for rental income.

Trade and Other Receivables

Trade receivables mainly arise from property management fees and value-added services fees to non-property owners. Trade receivables of the Group increased by approximately RMB71.3 million from approximately RMB455.6 million as of 31 December 2024 to approximately RMB526.9 million as of 30 June 2025, primarily due to the slow recovery of trade receivables from real estate developers due to the impact of national macro policies, market conditions in the real estate industry.

Other receivables mainly consist of deposits, prepayments, payments on behalf of staff and payments on behalf of residents under lump-sum basis. Other receivables of the Group decreased slightly by approximately RMB2.7 million from approximately RMB87.8 million as of 31 December 2024 to approximately RMB85.1 million as of 30 June 2025.

Payments on behalf of Residents Under Commission Basis

The Group made payments on behalf of residents of the managed residential communities under commission basis. Payments on behalf of residents represent working capital expenditures paid by the Group on behalf of the residential communities. The Group's payments on behalf of residents under commission basis increased by approximately RMB21.7 million from approximately RMB135.9 million as of 31 December 2024 to approximately RMB157.6 million as of 30 June 2025, primarily due to the slowdown of collection of such payments.

Trade and Other Payables

Trade payables mainly represent the obligations to pay suppliers for procurements in the ordinary course of business. Trade payables of the Group slightly increased by approximately RMB24.9 million from approximately RMB206.6 million as of 31 December 2024 to approximately RMB231.5 million as of 30 June 2025.

Other payables mainly consist of accrued staff costs, deposits received and receipt on behalf of residents. The accrued staff costs relate to the employees' salary and related expenditure. The deposits received primarily relate to the deposits the Group received from property owners in the managed properties charged on a lump-sum basis for any additional repairs and maintenance expense the Group might incur due to their property decoration. Receipt on behalf of residents relates to the remaining property management fees the Group received in the managed properties charged on a commission basis and the Group managed such fees collectively in its headquarters. Other payables of the Group decreased by approximately RMB21.7 million from approximately RMB333.9 million as of 31 December 2024 to approximately RMB312.2 million as of 30 June 2025, primarily due to settlement of receipt on behalf of residents.

Capital Commitments

As of 30 June 2025, the Group did not have any material capital commitment (31 December 2024: nil).

Pledge of Assets

As of 30 June 2025, none of the assets of the Group were pledged (31 December 2024: nil).

Material Acquisitions and Disposals of Assets

The Group did not have any material acquisitions or disposals of assets for the six months ended 30 June 2025 (2024: nil).

Gearing Ratio

Gearing ratio is calculated by dividing the total interest-bearing borrowings by total equity at the end of the respective period/year. The gearing ratio of the Group was nil and nil as of 30 June 2025 and 31 December 2024 respectively, as there were no interest-bearing borrowings.

Contingent Liabilities

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

Foreign Exchange Risk

The Group primarily conducts its business in the PRC and in Renminbi. As of 30 June 2025, cash and cash equivalents denominated in Hong Kong dollar ("**HKD**") and United States Dollar ("**USD**") were approximately RMB0.3 million, which are subject to foreign exchange exposure.

The Group currently does not hedge its foreign exchange risk, but continuously monitors its foreign exchange exposure. The management will consider hedging the foreign exchange exposure where there is a material impact on the Group.

Employees and Benefits Policies

As of 30 June 2025, the Group had 11,737 employees (31 December 2024: 12,013 employees). Employee's remuneration is determined based on the employee's performance, skills, knowledge, experience and market trends. The Group regularly reviews its compensation policies and programs, and will make necessary adjustments in order to align with remuneration levels to the industry norm. In addition to basic salaries, employees may be granted with discretionary bonus based on individual performance. The Group offers training to its employees so as to enable them to acquire basic skills to perform their duties and to upgrade or improve their production techniques. Furthermore, on 18 June 2019, the Company adopted a share option scheme (the "**Share Option Scheme**"). Details of the Share Option Scheme are set out in the circular of the Company dated 29 April 2019.

Subsequent events

There were no other significant subsequent events since the end of the reporting period up to the date of this announcement.

2024 ANNUAL REPORT

Reference is made to the section headed "Report of the Directors – The Share Option Scheme" in the annual report of the Company for the year ended 31 December 2024 (the "**Annual Report**"). The Board would like to provide additional information in relation to the share option scheme of the Company adopted on 18 June 2019 (the "**Share Option Scheme**") pursuant to Rule 17.07(2) and Rule 17.09(3) of the Listing Rules as follows:

As at 1 January 2024, 31 December 2024 and the date of the Annual Report, the maximum number of options available for grant under the Share Option Scheme was 4,820,000, representing approximately 3.13% of the issued share capital of the Company as at each such date.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders of the Company (the "**Shareholders**"), enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and complied with all the applicable code provisions during the six months ended 30 June 2025.

REVIEW OF INTERIM RESULTS

The Company has established an audit committee (the "**Audit Committee**"), which comprises three independent non-executive Directors, in accordance with the requirements under Rule 3.21 and 3.22 of the Listing Rules.

The Audit Committee has reviewed the accounting policies adopted by the Group and the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025, and discussed matters related to auditing, risk management, internal control with the management team.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the six months ended 30 June 2025.

The Company has also established written guidelines on no less exacting terms than the Model Code for the relevant employees of the Group, who are likely to be in possession of inside information of the Company.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

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

PUBLICATION OF THE 2025 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's interim report for the six months ended 30 June 2025 will be published on the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.jzywy.com in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our Shareholders, customers, bankers and other business partners for their trust and support.

By Order of the Board
Kaisa Prosperity Holdings Limited
Kwok Ying Shing
Chairman

Hong Kong, 26 August 2025

As at the date of this announcement, the executive Directors are Mr. Kwok Ying Shing, Mr. Liao Chuanqiang, Mr. Liu Lihao, Mr. Kwok Hiu Kwan, Mr. Zhao Jianhua and Ms. Mou Zhaohui; and the independent non-executive Directors are Mr. Liu Hongbai, Ms. Ma Xiumin and Mr. Chen Bin.

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese names shall prevail.*