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## **Dexin Services Group Limited**

## **德信服务集团有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2215)**

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

#### **FINANCIAL HIGHLIGHTS**

- Revenue for the six months ended 30 June 2025 (the “**Reporting Period**”) amounted to approximately RMB443.0 million, representing a decrease of 6.4% as compared with approximately RMB473.2 million in the corresponding period of 2024 (the “**2024 Interim Period**”).
- Gross profit for the Reporting Period amounted to approximately RMB94.4 million, representing a decrease of 7.0% as compared with approximately RMB101.5 million in the 2024 Interim Period.
- Gross profit margin for the Reporting Period was 21.3%, representing a decrease of 0.2% as compared with 21.5% in the 2024 Interim Period.
- Profit for the Reporting Period amounted to approximately RMB34.6 million, representing a decrease of 18.6% as compared with approximately RMB42.5 million in the 2024 Interim Period.
- Basic earnings per share for the six months ended 30 June 2025 amounted to RMB0.039 per share, representing a decrease of 13.3% as compared with the 2024 Interim Period.
- As of 30 June 2025, the Group had 38.3 million sq.m. of GFA under management, representing a decrease of 3.2% from 30 June 2024. The Group’s contracted GFA was 41.4 million sq.m., representing a year-on-year decrease of 7.7%.
- The Board does not recommend any interim dividend for the Reporting Period (2024 Interim Period: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Dexin Services Group Limited (the “**Company**” or “**Dexin Services**”) is pleased to announce the unaudited interim consolidated results of the Company and its subsidiaries (the “**Group**”) for the Reporting Period, together with the comparative figures for the corresponding period in 2024. These interim results have been reviewed by the Company’s audit committee.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

		<b>For the six months ended</b>	
		<b>30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>RMB’000</b>	<b>RMB’000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	3	<b>442,992</b>	473,228
Cost of sales		<b>(348,579)</b>	(371,697)
Gross profit		<b>94,413</b>	101,531
Other income	5	<b>818</b>	1,354
Other (losses)/gains — net	6	<b>(1,190)</b>	667
Selling and marketing expenses		<b>(2,158)</b>	(5,908)
Administrative expenses		<b>(31,698)</b>	(39,748)
Impairment loss on trade and other receivables		<b>(13,239)</b>	(10,964)
Share of result of associates		<b>171</b>	(145)
Share of result of a joint venture		<b>5</b>	(4)
Operating profit		<b>47,122</b>	46,783
Interest income		<b>830</b>	9,629
Finance costs		<b>(429)</b>	(573)
Finance income — net	7	<b>401</b>	9,056
<b>Profit before taxation</b>		<b>47,523</b>	55,839
Income tax expenses	8	<b>(12,879)</b>	(13,355)
<b>Profit and total comprehensive income for the period</b>	9	<b>34,644</b>	42,484

		For the six months ended	
		30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Profit and total comprehensive income for the period attributable to:</b>			
Owners of the Company		34,138	42,169
Non-controlling interests		506	315
		<u>34,644</u>	<u>42,484</u>
<b>Earnings per share</b>			
— Basic and diluted (RMB)	11	<u>0.039</u>	<u>0.045</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2025**

		<b>30 June 2025</b>	<b>31 December 2024</b>
	<i>Notes</i>	<b>RMB'000 (Unaudited)</b>	<b>RMB'000 (Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment and right-of-use assets		<b>6,184</b>	7,501
Investment properties		<b>135,574</b>	—
Intangible assets		<b>2,659</b>	2,790
Deferred income tax assets		<b>31,920</b>	28,610
Investment in associates		<b>—</b>	353
Investment in a joint venture		<b>998</b>	493
		<b>177,335</b>	39,747
<b>Current assets</b>			
Financial assets at fair value through profit or loss		<b>2,007</b>	—
Inventories		<b>123,097</b>	21,734
Trade and other receivables and prepayments	12	<b>916,208</b>	1,077,445
Cash and cash equivalents		<b>169,603</b>	202,181
		<b>1,210,915</b>	1,301,360
<b>Current liabilities</b>			
Trade and other payables	13	<b>417,335</b>	409,237
Contract liabilities		<b>156,387</b>	148,442
Borrowings		<b>—</b>	7,000
Lease liabilities		<b>235</b>	175
Current income tax liabilities		<b>79,391</b>	76,020
		<b>653,348</b>	640,874
<b>Net current assets</b>		<b>557,567</b>	660,486
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>734,902</b>	700,233
<b>Non-current liabilities</b>			
Borrowings		<b>10,000</b>	10,000
Lease liabilities		<b>135</b>	—
		<b>10,135</b>	10,000
<b>NET ASSETS</b>		<b>724,767</b>	690,233

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Capital and reserves</b>			
Share capital	<i>14</i>	<b>7,564</b>	7,564
Reserves		<b>707,294</b>	673,366
		<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>		<b>714,858</b>	680,930
Non-controlling interests		<b>9,909</b>	9,303
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>724,767</b>	690,233
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# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 1. GENERAL INFORMATION

Dexin Services Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 22 October 2020 as an exempted company with limited liability under the Companies Act. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 July 2021.

The Company and its subsidiaries (the “**Group**”) are primarily engaged in the provision of property management services, value-added services to non-property owners and community value-added services in the People’s Republic of China (the “**PRC**”). The Company’s ultimate holding company is Shengfu International Limited. The ultimate controlling shareholder of the Group is Mr. Hu Yiping (胡一平, “**Mr. Hu**” or the “**Ultimate Controlling Shareholder**”).

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

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024.

## 2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRS Accounting Standards that have been issued but are not yet effective. The application of these new HKFRS Accounting Standards will not have material impact on the condensed consolidated financial statements of the Group.

### 3. REVENUE

Revenue represents income from property management services, value-added services to non-property owners and community value-added services.

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers:</b>		
Property management services	408,417	413,438
Value-added services to non-property owners	13,813	19,835
Community value-added services	20,762	39,955
	<u>442,992</u>	<u>473,228</u>

#### Disaggregation of revenue from contracts with customers:

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

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Timing of revenue recognition</b>		
Over time	438,676	452,535
At a point in time	4,316	20,693
	<u>442,992</u>	<u>473,228</u>

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

For the six months ended 30 June 2025 and 2024, the Group is principally engaged in the provision of property management services, community value-added services, and value-added services to non-property owners. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions.

The principal operating entities of the Group are domiciled in the PRC. Accordingly, all of 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 of the Group were located in the PRC.

## 5. OTHER INCOME

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Government grants ( <i>note</i> )	721	1,141
Value-added tax deductibles	97	213
	<u>818</u>	<u>1,354</u>

*Note:* Government grants mainly consisted of financial support funds granted by the local governments.

## 6. OTHER (LOSSES)/GAINS — NET

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Exchange loss	(33)	(894)
Loss on deregister of a subsidiary	(651)	—
Loss on deregister of an associate	(524)	—
Others	18	1,561
	<u>(1,190)</u>	<u>667</u>



## 7. FINANCE INCOME — NET

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Finance income</b>		
Interests income from bank deposits	119	251
Interests income from borrowings	<u>711</u>	<u>9,378</u>
	<u>830</u>	<u>9,629</u>
<b>Finance costs</b>		
Interest expenses for borrowings	(419)	(473)
Interest expenses on lease liabilities	<u>(10)</u>	<u>(100)</u>
	<u>(429)</u>	<u>(573)</u>
	<u><u>401</u></u>	<u><u>9,056</u></u>

## 8. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax — PRC Enterprise Income Tax (“EIT”):		
— Provision for the period	16,189	16,096
Deferred tax:	<u>(3,310)</u>	<u>(2,741)</u>
	<u><u>12,879</u></u>	<u><u>13,355</u></u>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax. The Company’s direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from British Virgin Islands income tax.

Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong.

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

The general corporate income tax rate in PRC is 25%, with the exception of any preferential treatments received, such as the 15% preferential tax rate that Hangzhou Xier Technology Co., Ltd. (“**Xier Technology**”, a PRC subsidiary of the Group) can enjoy as a result of its qualification as a High and New Technology Enterprise (“**HNTes**”) in 2024 and 2025.

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the subsidiaries in Mainland China are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between Mainland China and Hong Kong. The Group has not accrued any withholding income tax for these undistributed earnings of its subsidiaries in Mainland China as the Group does not have a plan to distribute these earnings from its subsidiaries in Mainland China.

## 9. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

The Group’s profit for the period is stated after charging the following:

	For the six months ended 30 June	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
	(Unaudited)	(Unaudited)
Directors’ remuneration	1,113	1,797
Depreciation of property, plant and equipment and right-of-use assets	2,027	5,394
Depreciation of investment properties	3,476	—
Amortisation of intangible assets	327	291
Loss on disposal/written off of property, plant and equipment	383	60

## 10. DIVIDEND

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

## 11. EARNINGS PER SHARE

The calculation of the basic earnings per share for the period is based on the profit for the period attributable to the owners of the Company of approximately RMB34,138,000 (2024: RMB42,169,000) and on the weighted average number of shares in issue during the period of approximately 882,554,000 (2024: 930,360,000).

No diluted loss per share is presented as the Company had no potential ordinary shares outstanding for the six months ended 30 June 2025 and 2024.

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
Current:		
Trade receivables ( <i>note (a)</i> )		
— Related parties	119,683	111,014
— Third parties	479,753	395,262
	<u>599,436</u>	<u>506,276</u>
Less: allowance for impairment of trade receivables	(93,079)	(76,141)
	<u>506,357</u>	<u>430,135</u>
Other receivables		
— Deposits	273,618	269,950
— Payments on behalf of property owners	44,841	42,447
— Others	49,930	48,801
Less: allowance for impairment of other receivables	(7,925)	(11,624)
	<u>360,464</u>	<u>349,574</u>
Prepayments		
— Prepayments for inventories	19,120	20,139
— Other prepayments	24,879	30,779
	<u>43,999</u>	<u>50,918</u>
Loan receivables ( <i>note (b)</i> )	5,388	268,240
Less: allowance for impairment of loan receivables	—	(21,422)
	<u>5,388</u>	<u>246,818</u>
	<u>916,208</u>	<u>1,077,445</u>

- (a) Trade receivables mainly arise from property management services income to property owners and value-added services to non-property owners. Property management services income are received in accordance with the terms of the relevant services agreements. Service income from property management service is due for payment by the residents upon the issuance of demand note.

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

	<b>30 June 2025 RMB'000 (unaudited)</b>	<b>31 December 2024 RMB'000 (audited)</b>
0 to 180 days	<b>230,020</b>	223,164
181 to 365 days	<b>173,042</b>	61,410
1 to 2 years	<b>77,631</b>	120,911
2 to 3 years	<b>48,726</b>	78,685
3 to 4 years	<b>51,875</b>	14,025
Over 4 years	<b>18,142</b>	8,081
	<b>599,436</b>	506,276

- (b) As at 30 June 2025, loans to third parties with aggregate principle amount at approximately RMB5,388,000 (2024: RMB8,728,000) are unsecured, interest bearing at 10% (2024: 10%) p.a. and repayable within one year.

During the six months ended 30 June 2025, as one of the borrower fail to perform its obligation to repay the loan, the Group enforced its rights to realise the charged assets of 1,400 car park with value of RMB139,050,000 to offset part of the loan receivable. In addition, the Group entered supplemental agreement to acquire certain car park spaces from the borrower to offset the remaining loan balance of RMB99,040,000. For further details, please refer to the announcement of the Company dated 28 March 2025.

### 13. TRADE AND OTHER PAYABLES

		30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
	<i>Note</i>		
Trade payables	(a)		
— Related parties		1,041	381
— Third parties		191,951	195,061
		<u>192,992</u>	<u>195,442</u>
Other payables			
— Deposits		39,766	41,541
— Amounts temporarily received from/on behalf of property owners	(c)	109,661	110,651
— Amounts due to related parties	(b)	1,997	2,193
— Amounts due to non-controlling interests	(b)	1,612	1,753
— Accrued payroll		18,762	21,057
— Other taxes payables		25,775	25,719
— Other accrued expenses		26,770	10,881
		<u>224,343</u>	<u>213,795</u>
		<u>417,335</u>	<u>409,237</u>

*Notes:*

(a) The aging analysis of trade payables was as follow.

	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)
Within 1 year	177,727	185,353
After 1 year but within 2 years	10,471	4,378
After 2 year but within 3 years	350	3,504
Over 3 years	4,444	2,207
	<u>192,992</u>	<u>195,442</u>

- (b) Amounts due to related parties and non-controlling interests were unsecured, interest free and repayable on demand.
- (c) The amounts mainly represented utility expenses collected from the property owners to be paid to related service providers and rental fee collected from leasees to be returned to the property owners.

## 14. SHARE CAPITAL

	Number of ordinary shares	Nominal value ordinary shares	Amount equivalent to RMB'000
<b>Authorised:</b>			
Shares of the Company with nominal value of HK\$0.01 each			
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	5,000,000,000	50,000,000	43,947
<b>Issued and fully paid:</b>			
At 1 January 2024	937,308,000	9,373,080	7,738
Repurchases and cancellation of shares (Notes a)	(19,427,000)	(194,270)	(174)
At 31 December 2024 and 1 January 2025	917,881,000	9,178,810	7,564
Repurchases and cancellation of shares (Notes b)	—	—	—
At 30 June 2025	917,881,000	9,178,810	7,564

### Notes:

- (a) During the year ended 31 December 2024, the Group repurchased a total of 54,745,000 ordinary shares listed on Stock Exchange. The total amount paid to repurchase these ordinary shares was approximately RMB90,800,000. During the year ended 31 December 2024, the Group repurchased and cancelled a total of 19,427,000 ordinary shares listed on Stock Exchange. The total amount paid to repurchase these ordinary shares was approximately RMB35,276,000. The issued share capital of the Company was reduced by the par value of approximately RMB174,000, and the premium paid on the repurchase of these cancelled shares of RMB35,102,000, including transaction costs was deducted from share premium of the Company.
- (b) During the period ended 30 June 2025, the Group repurchased a total of 270,000 ordinary shares listed on Stock Exchange. The total amount paid to repurchase these ordinary shares was approximately RMB210,000.

## 15. EVENTS AFTER THE REPORTING PERIOD

On 31 July 2025, Dexin Shengquan Property Services Co., Ltd and Shanghai Xuquan Trading Co., Ltd (each indirect wholly-owned subsidiary of the Group) entered into the equity transfer agreement with Deqing Changzhuo Enterprise Management Co., Ltd have conditionally acquire 95% and 5% equity interest in Deqing Moganshan Ruijing Real Estate Co., Ltd (“**Deqing Moganshan**”) at a consideration of RMB74,100,000 and RMB3,900,000 respectively. Deqing Moganshan is principally engaged in hotel operations and management, and provision of food and beverage catering services. Please refer to Company’s announcement dated 31 July 2025 for more details. As of the date of this announcement, the transaction has not yet been completed.

## CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the Board, I hereby present the unaudited interim results of the Group for the six months ended 30 June 2025.

Halfway through 2025, the industry wave is still surging. In the first half of the year, the property industry accelerated into a new phase of “quality and efficiency restructuring” amid the dual dynamics of policy adjustment and market: industry mergers and acquisitions have cooled, while project exits and a wave of residential fee reductions have emerged; topics such as menu-based services and tiered pricing have sparked intense debate, and the value of industry’s framework is being redefined. Dexin Services leverages its market-driven capabilities as the target and lean management as the backing, navigating through challenges with steadfast determination. During the Reporting Period, the Group’s core competitiveness stood out against the trend: we were accoladed the title of “TOP 100 Property Management Companies in China” for 12th consecutive year, having moved up to the 19th place. Besides, we also won honors such as “TOP 100 Property Management Companies in China in terms of Comprehensive Strength” and “Top 30 Competitors of Property Management Companies in Eastern China,” demonstrating the resilience and vitality of a modern service enterprise with a steady performance.

### **The Tide Surges from Qiantang to the Distant Sea, Demonstrating Resilience in the Face of Adversity**

The Group has always been committed to its strategic direction of independence, innovation, and upward growth, focusing on deepening its presence in regional markets. It has developed strategies to increase the number of projects in key cities and densify its market network. In recent years, we have continued to expand into high-quality second-hand residential projects, gradually forming a virtuous market expansion model of “Management Benchmark Demonstration — Local Reputation Building — Secondary Market Competition (管理標竿示範—屬地口碑建立—存量市場化競爭).” We are steadily promoting the transformation of our management scale toward “double excellence in both quality and efficiency (質效雙優).” In the first half of this year, during the public selection process for the Wang Yuefu project in Cixi, Ningbo, we emerged victorious from among five candidate companies and successfully won the bid.

The non-residential sector remains a key focus of our diversified business portfolio. In the first half of the year, we won the bid for an important public construction project in Hangzhou — the Youth Palace in Xiaoshan District — and successfully completed the move into the main palace and 19 branch palaces throughout Xiaoshan District. To achieve efficient operations and the continuous provision of public services in public spaces, we have customised a smart operation and management plan that will help this new business model, which carries out core functions such as quality education, cultural heritage, and social practice, become a national benchmark.

The Group continues to deepen its joint venture cooperation model. After successfully cooperation with Quzhou Communications Investment (衢州交投), a state-owned enterprise controlled by the State-owned Assets Supervision and Administration Commission of Quzhou, Zhejiang Province, its business expansion in Quzhou has been continuously promoted, following the “three halls” (Qujiang District Library, Intangible Cultural Heritage Museum, and Cultural Center) and “two centers” (Youth Activity Center, Women and Children’s Activity Center) in the Science and Education Industrial Park (科教產業園), the new gateway in Quzhou City, and this year it has successively taken over Quzhou East Bus Station, the canteen of the Science and Education Industrial Park with a capacity of 5,000 people, and opened up new transportation hubs, canteen group meals and other management demonstration formats.

Based on a diversified combination of services that strengthen, extend, and supplement industrial chains, the Group’s professional service brands are also making strong inroads into the market. As the turf maintenance contractor for the football venues of the 19th Asian Games in Hangzhou, Shengjie Environment has won bids for several landscaping maintenance projects this year, including the Fuyang Sports Center (富陽體育中心), the largest comprehensive public sports venue in Fuyang District, Hangzhou, and the Hangzhou Canal Wealth Town (杭州運河財富小鎮).

### **Service-oriented Foundation, Innovation-driven New Journey**

Service is the lifeline of property management. The Group continues to practice the concept of “good houses, good neighborhoods, and good life,” focusing on improving customer satisfaction and implementing a customer visit mechanism. Through face-to-face communication, we listen to customer needs and effectively drive service conversion into owner experience. The annual “Companion with Passion (知己送春風)” quality improvement campaign has completed a total of 1,929 community upgrade projects nationwide, including fire equipment maintenance, landscape renovation, and elevator maintenance, which has been widely praised. In the first half of the year, we were also honored as the Five-Star Property Service Enterprise Certification in Hangzhou and Wuhan Property Management Demonstration Project (武漢物業管理示範項目).

The Company continuously enriches our residential home service system based on the daily needs of our customers. We provide lifestyle solutions for families of all types from house cleaning, water and electricity repairs, and appliance cleaning to pet feeding and home decoration. In terms of non-residential sector, high-end commercial and office service brand “Shipu Lianhang” (世普聯行) specialises in full-lifecycle building services, providing end-to-end asset management services from front-end consulting to property sales and leasing, commercial space advisory services, and tenant recruitment and contract signing.



Transforming for the future, green and technology are not only the market trends but also the accelerators for our service upgrades. We have made scientific and technological highlights in the IFM comprehensive facility management services of commercial office buildings and industrial parks, and further formed a standardised management plan based on the implementation of smart service scenarios such as cleaning robots, intelligent distribution robots, and intelligent inspection systems. Following the release of the “Carbon Neutral White Paper by Dexin Services” in 2021, our practical efforts have begun to yield results. The photovoltaic renovation project on the roof of Dexin Center, a large-scale mixed-use development located in the core business district of Hangzhou East Station CBD, was officially completed in May. While ensuring safety and structural stability, we have utilised nearly 4,000 square meters of rooftop public space to generate green energy. The annual power generation is expected to reach 700,000 kWh, reducing carbon emissions by 700 tons, which provides a model for “green renovation” for high-energy-consuming complexes.

### **Sharpening the Blade Inward to Polish the Raw Gemstone, Combining Rigidity and Softness to Enhance Efficiency**

Cultural enrichment promotes identity. The Group regards its employees as valuable resources and treasures, putting the slogan “caring for employees (心系員工)” into practice through daily care for frontline service personnel and creating a warm and friendly culture within the organisation. In May this year, the order foreman of Huhaitang Community (湖海塘小區), who was hospitalised after being injured while jumping in front of a car, not only received the government’s “Act of Bravery” honor, but also received assistance from the Company’s “Blue Ribbon” fund immediately. We also value employee development rights and encourage employees to continue learning and carry forward the original intention of service through a variety of training mechanisms such as the star-rated concierge certification system and cultural salons.

The Group regards risk control and compliance as the cornerstone of its strategic advancement, routinely conducting audit inspections such as “Foster Cleanliness” to ensure steady progress. Management continues to build consensus around the direction of “refining our headquarters, strengthening frontline operations,” carrying out organisational reforms centered on “streamlining layers and rapid decision-making” and allocating resources toward business operations. We attach great importance to cost reduction and efficiency improvement initiatives to build momentum for the Company’s long-term development. This year’s pilot project, Cloud Warehouse (項目雲倉), has achieved efficient operation through refined management between planned procurement and emergency use, thereby improving work efficiency. The project group management model continues to evolve, promoting the flow of professional resources such as engineering and landscaping to empower projects and achieve uniform on-site management standards across projects.

In recent years, the Group has been committed to digitalisation, strengthening the role of information tools in supporting decision-making in daily operations and management. We have integrated and established a digital portal for employees, reducing the workload of basic business information entry and improving our agile response ability to unexpected situations. The continuous improvement of business-finance integration and the use of data dashboards in the management process have facilitated the transition from experience-driven to data-driven management. Dynamic budgeting and full-cycle cash flow monitoring have enabled the Company to shift from post-event correction to full process control, ensuring stable operations and financial health of the Company.

**Future Prospects: In Spite of Difficulties, We Shall be Open-minded and Far-sighted and Remain Resilient**

Our original intention remains unchanged, and we will never slack off despite all the difficulties. With the reform of the supply-side in the industry imminent, how can we recognise, follow, and even capitalise on the trend? We have been thinking about how to leverage the flexibility of private enterprises, build core competencies, and establish a foundation for our future development.

Faced with the reality of intense competition within the industry, we must maintain a broad perspective on the underlying logic, the concentration on implementing our strategy, and place greater emphasis on cultivating our core competencies and confidence. We must promote development with practical action, provide solid services, refine our products, and reduce costs and increase efficiency in a reasonable manner. At the same time, we must remain sensitive and adaptable, keeping pace with the times. Especially in the context of the accelerating evolution of AI technology, future service scenarios will undergo disruptive changes, giving rise to new demands and new products, which also provides us with an opportunity to break through growth bottlenecks and overtake our competitors.

With tailwinds at our back, this is the opportune moment to forge ahead. We firmly believe that by smoothly navigating through cycles with strategic determination, and by continuing to transform into a value creator, we will ultimately cultivate a more prosperous future in the soil of this era.

## MANAGEMENT DISCUSSION AND ANALYSIS

Dexin Services is a leading comprehensive property management service provider in Zhejiang Province. In the first half of 2025, the Group maintained a stable operation with steady improvement in efficiency and quality. In terms of comprehensive strengths, the Company was recognised as Top 19 among the Top 100 Property Management Service Companies in the PRC in 2025 by China Index Academy (“CIA”). Following the service concept of “Companion Service with Love (知己服務有愛相伴)”, we provide standardised and high-quality services for property owners and customers through diversified property and service portfolios. Our principal businesses include property management services, value-added services to non-property owners and community value-added services, covering the entire property management value chain.

## FINANCIAL REVIEW

### Revenue

For the Reporting Period, revenue of the Group amounted to RMB443.0 million (six months ended 30 June 2024: RMB473.2 million), representing a decrease of 6.4% as compared with that of six months ended 30 June 2024. Such decrease in revenue was primarily attributable to the decrease in revenue from the Group’s value-added services to non-property owners and community value-added services.

The following table sets forth a breakdown of our revenue by business line during the periods indicated, both in absolute amount and as a percentage of total revenue:

	For the six months ended 30 June			
	30 June 2025		30 June 2024	
	<i>RMB’000</i>	<i>Percentage</i>	<i>RMB’000</i>	<i>Percentage</i>
Property management services	<b>408,417</b>	<b>92.2%</b>	413,438	87.4%
Value-added services to non-property owners	<b>13,813</b>	<b>3.1%</b>	19,835	4.2%
Community value-added services	<b>20,762</b>	<b>4.7%</b>	39,955	8.4%
<b>Total</b>	<b>442,992</b>	<b>100.0%</b>	473,228	100.0%

## Property Management Services

As an enterprise “having an operating business foothold in Zhejiang Province by deeply rooting into the Yangtze River Delta region and business presence nationwide”, we scaled up our business and increased market shares through endogenous expansion and strategic joint venture opportunities in the Reporting Period. For the Reporting Period, revenue from our property management services amounted to approximately RMB408.4 million, representing a decrease of 1.2% as compared with approximately RMB413.4 million in the 2024 Interim Period. As at 30 June 2025, we had a total GFA under management of approximately 38.3 million sq.m., representing a decrease of approximately 1.3 million sq.m. or decline rate of 3.2% as compared with approximately 39.6 million sq.m. in the 2024 Interim Period. The decrease was primarily attributable to the Company’s optimisation of its project portfolio in property management and urban services, ensuring the retention of high-quality projects.

The following table sets forth our property management contracted GFA and GFA under management as of the periods indicated:

	For the six months ended 30 June 2025				For the six months ended 30 June 2024			
	Contracted projects		Projects under management		Contracted projects		Projects under management	
	Number of projects	GFA (sq.m. '000)	Number of projects	GFA (sq.m. '000)	Number of projects	GFA (sq.m. '000)	Number of projects	GFA (sq.m. '000)
As of the beginning of the period	303	42,153	283	39,089	333	44,702	297	39,243
Newly contracted	14	1,019	9	542	19	2,540	11	709
Reserve conversion	0	0	4	415	0	0	11	2,002
Termination	(18)	(1,754)	(18)	(1,754)	(23)	(2,391)	(22)	(2,391)
As of the end of the period	<u>299</u>	<u>41,417</u>	<u>278</u>	<u>38,291</u>	<u>329</u>	<u>44,851</u>	<u>297</u>	<u>39,563</u>

A majority of our revenue from property management services is generated from services provided to properties developed by independent third-party property developers. As of 30 June 2025, we had 168 properties under our management that were developed by independent third-party property developers with a total GFA under management of approximately 20.3 million sq.m.

The following table sets forth a breakdown of our total GFA under management by property type as of the dates indicated:

	As at 30 June					
	GFA <i>sq.m.'000</i>	2025 Revenue <i>RMB'000</i>	Percentage	GFA <i>sq.m.'000</i>	2024 Revenue <i>RMB'000</i>	Percentage
Properties developed by Dexin Group	13,638	151,948	37.2%	13,793	149,198	36.1%
Jointly developed properties	4,383	60,058	14.7%	4,693	61,398	14.9%
Properties developed by independent third-parties	20,270	196,411	48.1%	21,077	202,842	49.0%
<b>Total</b>	<b>38,291</b>	<b>408,417</b>	<b>100.0%</b>	<b>39,563</b>	<b>413,438</b>	<b>100.0%</b>

### Our Geographical Presence

Zhejiang Province and the Yangtze River Delta Region are among the most economically developed regions in the PRC, with higher urbanisation rates and resident disposable income. Most of our service projects are concentrated in cities with higher competitive pricing levels. We continue to expand into first-tier and second-tier cities nationwide, and continue to increase the GFA under management and income from core cities outside Zhejiang Province and the Yangtze River Delta Region, further intensifying our competitive strength in the property industry. For the six months ended 30 June 2025, we had our geographic presence in 41 cities in China.

The following table sets forth our total GFA under management by region as of the dates indicated:

	As at 30 June					
	GFA <i>sq.m.'000</i>	2025 Revenue <i>RMB'000</i>	Percentage	GFA <i>sq.m.'000</i>	2024 Revenue <i>RMB'000</i>	Percentage
Zhejiang Province	26,170	295,602	72.4%	26,064	304,742	73.7%
Yangtze River Delta Region (excluding Zhejiang Province)	7,169	69,881	17.1%	8,439	67,885	16.4%
Other regions	4,952	42,934	10.5%	5,060	40,811	9.9%
<b>Total</b>	<b>38,291</b>	<b>408,417</b>	<b>100.0%</b>	<b>39,563</b>	<b>413,438</b>	<b>100.0%</b>

## Portfolio of Properties under Management

While the majority of properties under our management are primarily attributable to residential properties, we continuously sought to provide property management services to non-residential properties in the Reporting Period. The non-residential properties under our management are diverse, including commercial complexes, office buildings, schools, hospitals, industrial parks and municipal facilities. We believe that with the experience and reputation we accumulated in providing high quality property management services for both residential and non-residential properties, we will be able to continue diversifying our property portfolio and further enlarging our customer base.

The following table sets forth our total GFA under management as of the dates indicated:

	As at 30 June					
	GFA <i>sq.m.'000</i>	2025 Revenue <i>RMB'000</i>	Percentage	GFA <i>sq.m.'000</i>	2024 Revenue <i>RMB'000</i>	Percentage
Residential properties	31,139	300,403	73.6%	30,405	283,945	68.7%
Non-residential properties	7,152	108,014	26.4%	9,158	129,493	31.3%
<b>Total</b>	<b>38,291</b>	<b>408,417</b>	<b>100.0%</b>	<b>39,563</b>	<b>413,438</b>	<b>100.0%</b>

## Value-added Services to Non-property Owners

We offer a series of value-added services to non-property owners, which primarily include property developers. These services include: (i) sales office management services; (ii) preliminary planning and design consultancy services; (iii) property inspection and repair services and (iv) commercial consulting services. For the Reporting Period, revenue from value-added services to non-property owners was approximately RMB13.8 million, representing a decrease of 30.4% as compared with the 2024 Interim Period, which was due to a continual decrease in the demand for services from co-developers due to the ongoing downside of the real estate industry.

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	Revenue <i>RMB'000</i>	Percentage %	Revenue <i>RMB'000</i>	Percentage %
Sales office management services	3,720	26.9%	13,147	66.3%
Preliminary planning and design consultancy services	6,934	50.2%	4,735	23.9%
Property inspection and repair services	1,121	8.1%	1,623	8.1%
Commercial consulting services	2,038	14.8%	330	1.7%
<b>Total</b>	<b>13,813</b>	<b>100.0%</b>	<b>19,835</b>	<b>100.0%</b>

## Community Value-added Services

In terms of community value-added services, we offer a wide range of community value-added services to make daily life more convenient while fostering community attachment and a sense of belonging. Customers of our community value-added services primarily include property owners, residents and property developers. Such services primarily include (i) smart community solutions; (ii) property sales and assistance services; (iii) community resources value-added services; (iv) clubhouse services; (v) home decoration services; and (vi) community retail and home services. For the Reporting Period, revenue from community value-added services was approximately RMB20.8 million, representing a decrease of 48.0% as compared with approximately RMB40.0 million in the 2024 Interim Period.

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	Revenue RMB'000	Percentage %	Revenue RMB'000	Percentage %
Smart community solutions	1,792	8.6%	9,380	23.5%
Property sales and assistance services	366	1.8%	507	1.3%
Community resources value-added services	13,556	65.2%	13,892	34.8%
Clubhouse services	957	4.6%	815	2.0%
Home decoration services	342	1.7%	1,482	3.7%
Community retail and home services	3,749	18.1%	13,879	34.7%
	<u>20,762</u>	<u>100.0%</u>	<u>39,955</u>	<u>100.0%</u>

Smart community solutions are those provided to residential and non-residential property developers by us through customised software meeting their specific requirements for property management. For the six months ended 30 June 2025, revenue from smart community solutions amounted to RMB1.8 million, decreasing by RMB7.6 million compared to RMB9.4 million for the six months ended 30 June 2024, primarily due to a significant drop in real estate delivery projects, accompanied by a concurrent decline in demand.

Community resources value-added services include primarily certain value-added services we provide to owners, assisting owners to lease public areas and public facilities to third parties. For the six months ended 30 June 2025, revenue from community resources value-added services amounted to RMB13.6 million, decreasing by RMB0.3 million compared to RMB13.9 million for the six months ended 30 June 2024.



Home decoration services refer to customised services provided by us from interior design to the procurement and installation of furniture and appliances. We initially provide decoration-related services and also assist third-party decoration service providers to promote their services to the owners. For the six months ended 30 June 2025, revenue from home decoration services amounted RMB0.3 million, representing a decrease of RMB1.2 million from RMB1.5 million for the six months ended 30 June 2024, primarily due to the continuous downturn in the real estate market, resulting in a significant drop in delivered projects and a sharp decrease in revenue.

Community retail and home services are mainly catered to the ever-changing demands of owners and residents, as the Group provides services such as cleaning, repair and maintenance and community business to owners and residents through its subsidiary Hangzhou Julin Lifestyle Services Co., Ltd. For the six months ended 30 June 2025, revenue from community retail and home services amounted to RMB3.7 million, decreasing by RMB10.1 million compared to RMB13.9 million for the six months ended 30 June 2024. On the one hand, this decrease was primarily attributable to the Company's strategic positioning and insufficient resource investment, which led to a decline in business expansion ability, and on the other hand, the retail business market is highly competitive and customers have greater choice, and the instant retail platform business has been severely squeezed.

### **Cost of Sales**

The cost of sales of the Group primarily comprised (i) staff cost; (ii) security, cleaning and greening costs; and (iii) utilities and maintenance costs. For the six months ended 30 June 2025, the cost of sales of the Group was RMB348.6 million, representing a decrease of RMB23.1 million as compared with the 2024 Interim Period. This was attributable to the decline in the Group's business service revenue and the simultaneous decline in costs.

### **Gross Profit and Gross Profit Margin**

Based on the abovementioned factors, the gross profit of the Group was RMB94.4 million for the Reporting Period, representing a decrease of RMB7.1 million as compared with RMB101.5 million for the 2024 Interim Period. The gross profit margin decreased from 21.5% for the 2024 Interim Period to 21.3% in the Reporting Period.

The following table sets forth our gross profit margin by business segment for the periods:

	For the six months ended		
	30 June		
	2025	2024	Change
Property management services	19.1%	19.4%	-0.3%
Value-added services to non-property owners	26.4%	19.2%	7.2%
Community value-added services	62.3%	44.0%	18.3%
<b>Total</b>	<b>21.3%</b>	<b>21.5%</b>	<b>-0.2%</b>

The Group's gross profit margin for the six months ended 30 June 2025 decreased by 0.2%, primarily attributable to the impact of the Group's average property management fee for property management service, geographical concentration of GFA under management and cost control ability due to the decline in the domestic real estate industry environment.

The gross profit margin of value-added services to non-property owners increased from 19.2% for the 2024 Interim Period to 26.4% for the Reporting Period.

The gross profit margin of community value-added services increased from 44.0% for the 2024 Interim Period to 62.3% for the Reporting Period. The gross profit margin of that segment increased as compared with that of 2024 Interim Period, primarily due to adjustment in the personnel structure, resulting in decreased expenditure on labor costs.

#### **Other income**

Other income decreased from RMB1.4 million for the 2024 Interim Period to RMB0.8 million for the Reporting Period. Such decrease was primarily due to the decrease in revenue from the government grants received during the Reporting Period.

#### **Other (losses)/gains — net**

During the Reporting Period, the Group recorded other net losses of RMB1.2 million (2024 Interim Period: net gains RMB0.7 million). Such decrease was mainly due to the effect of losses from the deregistration of a subsidiary and an associate during the Reporting Period.

### **Selling and marketing expenses**

The selling and marketing expenses of the Group decreased from RMB5.9 million for the 2024 Interim Period to RMB2.2 million for the Reporting Period, representing a decrease of 63.5%, primarily attributable to the contraction of business of value-added services to non-property owners and community value-added services, resulting in a year-on-year decrease in selling and marketing expenses.

### **Administrative expenses**

The administrative expenses of the Group decreased by RMB8.0 million from RMB39.7 million for the 2024 Interim Period to RMB31.7 million for the Reporting Period, which was primarily attributable to the realignment of our organisation framework and optimisation of staff allocation to achieve cost reduction.

### **Impairment losses on trade and other receivables**

The impairment losses on trade and other receivables changed from RMB11.0 million for the 2024 Interim Period to RMB13.2 million for the Reporting Period. The increase in impairment reflected primarily a higher amount of impairment provision for the receivables made by the Group for prudence purposes as compared with the 2024 Interim Period in view of changing credit risks owing to the ongoing decline of the property industry during the Reporting Period.

### **Finance income-net**

The finance income-net of the Group decreased from RMB9.1 million for the 2024 Interim Period to RMB0.4 million for the Reporting Period, representing a decrease of RMB8.7 million. Such decrease was primarily attributable to the absence of interest income from borrowings provided to third parties in the current period.

### **Income tax expenses**

The income tax expenses of the Group decreased by 3.6% from RMB13.4 million for the 2024 Interim Period to RMB12.9 million for the Reporting Period.

### **Profit for the period**

Based on the reasons above, the net profit of the Group during the Reporting Period was RMB34.6 million, representing a decrease of 18.6% as compared with RMB42.5 million for the 2024 Interim Period. Net profit margin was 7.8%, representing a decrease of 1.2% as compared with that for the 2024 Interim Period.

The basic and diluted earnings per share of the Company was RMB0.039 per share.

## **Trade and other receivables and prepayments**

As of 30 June 2025, trade and other receivables and prepayments amounted to RMB916.2 million, representing a decrease of RMB161.2 million compared to RMB1,077.4 million as of 31 December 2024.

As of 30 June 2025, trade receivables amounted to RMB506.4 million, increasing by RMB76.3 million compared to RMB430.1 million as of 31 December 2024. Other receivables amounted to RMB360.5 million, increasing by RMB10.9 million compared to RMB349.6 million as of 31 December 2024, which was mainly due to the impact of the economic environment, leading to a decline in residents' willingness to pay.

## **Trade and other payables**

Trade payables include mainly amounts payable for commodities or services in the ordinary course of business, including procurement of external labour services, materials and energy. Other payables include amounts received on behalf of other parties on a temporary basis, deposits received and other expenses payables. As at 30 June 2025, the Group's trade and other payables amounted to RMB417.3 million, increasing by 2.0% compared to RMB409.2 million as of 31 December 2024.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Group pursues a prudent treasury management policy, and actively manages its liquidity position to cope with any demands for capital for daily operation and future development. Also, the Group actively reviews and manages its capital structure on a regular basis to maintain the advantages and security of a strong capital position and adjust the capital structure in response to changes in economic conditions.

The Group's principal sources of liquidity come from the proceeds from our business operations. The majority of the Group's cash and cash equivalents are denominated in RMB, which amounted to RMB169.6 million as at 30 June 2025, representing a decrease of 16.1% from the cash and cash equivalents of RMB202.2 million as of 31 December 2024.

As of 30 June 2025, the Group's current ratio (current assets divided by current liabilities) was 1.9 times (31 December 2024: 2.0 times).

As of 30 June 2025, the Group's borrowings amounted to RMB10.0 million (31 December 2024: RMB17.0 million) and the gearing ratio (total borrowings divided by total equity) was 0.01 (31 December 2024: 0.02).

## **Foreign exchange risk**

Substantially all of the Group's revenues and expenditures are denominated in RMB. As of 30 June 2025, the Group has not entered into any hedging transaction. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign exchange rates and will consider hedging significant foreign currency exposure should the need arise.

## **CAPITAL COMMITMENTS**

As of 30 June 2025, the Group did not have any capital commitments contracted for but not provided for.

## **CONTINGENT LIABILITIES AND PLEDGE OF ASSETS**

As of 30 June 2025, the Company, its subsidiaries and associates did not pay for any financial guarantees, provide guarantees or mortgage for loans, nor have other significant contingent liabilities.

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

During the Reporting Period, Shandong Land Group (Heze) Dexin Asset Operation Co., Ltd. (山東土地集團(荷澤)德信資產運營有限公司), in which Dexin Shengquan Property Services Co., Ltd. (德信盛全物業服務有限公司) (an indirect wholly-owned subsidiary of the Company) invested, passed a resolution at its shareholders' meeting on 25 April 2025, to proceed with dissolution and liquidation. Dexin Shengquan Property Services Co., Ltd. (德信盛全物業服務有限公司) received RMB0.52 million from the distribution of its 49% shareholding.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS**

The Group intends to utilise part of the net proceeds raised from the listing to acquire or invest in other property management companies as part of our strategies to expand our business scale and market share. As of the date of this announcement, the Group is in the process of completing a significant investment. Please refer to the section "Significant Events after the end of the Reporting Period" in this announcement for details.

## SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

On 31 July 2025, Dexin Shengquan Property Services Co., Ltd. (德信盛全物業服務有限公司) (“**Shengquan Property**”) and Shanghai Xuquan Trading Co., Ltd. (上海栩全商貿有限公司) (“**Shanghai Xuquan**”) (each indirect wholly-owned subsidiary of the Company) entered into the equity transfer agreement (“**2025 Equity Transfer Agreement**”) with Deqing Changzhuo Enterprise Management Co., Ltd. (德清常卓企業管理有限公司) (“**Deqing Changzhuo**”), pursuant to which, Shengquan Property and Shanghai Xuquan have conditionally agreed to acquire and Deqing Changzhuo has conditionally agreed to sell 95% and 5% equity interest in Deqing Moganshan Ruijing Real Estate Co., Ltd. (德清莫干山瑞璟置業有限公司) (“**Target Company**”) respectively at a total consideration of RMB74,100,000 and RMB3,900,000 respectively (“**2025 Equity Acquisition**”). The principal asset of the Target Company is Moganshan Yungu Dexin New Century Mingting Hotel (莫干山雲谷德信開元名庭酒店), located at No. 66 Sanmo Line, Moganshan Town, Deqing County, Huzhou, Zhejiang Province, the PRC, of which the land use rights has been registered in the Real Estate Ownership Certificate — Zhe (2021) De Qing Xian Bu Dong Chan Quan Di No. 0024577 issued by the Deqing Municipal Bureau of Natural Resources and Planning (德清縣自然資源和規劃局). Upon 2025 Equity Acquisition completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will therefore be consolidated into the consolidated financial statements of the Company. The 2025 Equity Acquisition will be partly funded by HK\$82.4 million (equivalent to approximately RMB75.0 million) of the Unutilised Net Proceeds and the remaining balance of the consideration of the 2025 Equity Acquisition (equivalent to approximately RMB3.0 million) will be partly funded by the internal resources of the Company. As of the date of this announcement, the transaction has not yet been completed.

Save as disclosed in this announcement, there are no significant events of the Group subsequent to 30 June 2025 and up to the date of this announcement.

## EMPLOYEE AND REMUNERATION POLICY

As of 30 June 2025, the total number of employees of the Group remained at 2,770. During the first half of 2025, namely the period from 1 January to 30 June 2025, the total cost paid by the Group to its employees amounted to RMB124.8 million.

In 2025, the Group underwent organizational restructuring, merging the former Jiangsu City Company, Shanghai City Company, and Anhui City Company to form the Jiangsu-Shanghai-Anhui Regional Company, which comprises the Jiangsu Division, Shanghai City Company, and Anhui Division. A new Zhengzhou City Company was also established. Under the new organizational structure, the functions, decision-making authority, and coordination mechanisms of the headquarters and regional offices have been clearly defined, further optimizing the organizational structure and enhancing the overall operational efficiency and market competitiveness of the Company.

The Group's remuneration system takes into account various key factors, such as local salary standards, industry salary dynamics, economic inflation, operational efficiency of the Company, and performance of individual employee, with the aim of building a scientific and reasonable remuneration structure. We are committed to providing employees with competitive salary packages that match the market standard, ensuring that we maintain our advantage in competing talent recruitment. In accordance with the current laws and regulations in the PRC, we provide comprehensive social insurance coverage for employees in the Mainland, including medical, work-related injury, pension, maternity, unemployment insurance, and housing provident fund, to protect the rights and interests of employees in all aspects.

The Board of the Group will regularly conduct systematic reviews of the remuneration policy to ensure that it evolves simultaneously with the market environment and business development, covering adjustments of remuneration standard and optimisation of compensation structure. In addition, we have implemented a regular performance evaluation system to comprehensively evaluate employees' work performance on an annual/quarterly/monthly basis. The evaluation results will be directly related to compensation adjustments, job promotions, and annual awards and honors of employees.

In terms of employee training and development, the Group regards employees as the core driving force for development and has established a comprehensive training system covering the entire career cycle of employees at multiple levels and dimensions, continuously improving service quality and organizational efficiency.

In the first half of 2025, the Group's senior management team focused on expanding their horizons and enhancing their leadership in change. They visited leading service industry companies such as "Pangdonglai," conducting in-depth research into their principles of exceptional service, human-centered management, employee care, and innovative operational models. By absorbing these advanced practices, the team drove service upgrades and management innovation within the Group.

To ensure the supply of management talent, the Group has established the "Backup manager cultivation" and the "New torch management trainee program." Through job rotation, management courses, project simulation, and leadership training, the Group systematically cultivates the management potential of key employees and new generations, building a solid talent pipeline.



In terms of professional advancement, the Group has launched modularized specialized training covering areas such as refined management of service quality, facility operation and maintenance technology, greening maintenance standards, customer communication, and complaint handling, ensuring that the skills of each professional line are continuously updated. Among them, as the service window directly facing property owners, the concierge team has implemented a rigorous “star stewards certification” system. Through multi-dimensional assessments, including theoretical examinations, practical drills, and property owner evaluations, the system has motivated the team to continuously improve their professional skills, service awareness, and overall capabilities, thereby establishing a benchmark for service excellence.

During the first half of the year, the Group conducted a “talent review” to systematically assess the current capabilities, development potential, and career aspirations of its employees. The results were used in training needs analysis, the formulation of personalized development plans, and the design of promotion channels to ensure the precise allocation of resources and the optimal matching of people and positions.

## **SHARE OPTION SCHEME**

On 21 June 2021 (the “**Adoption Date**”), the Company adopted the share option scheme (the “**Share Option Scheme**”), which falls within the ambit of, and is subject to, the requirements under Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that the eligible participants had made or may make to the Group.

No options were granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme nor were there outstanding share options under the Share Option Scheme since the Adoption Date.

## **USE OF PROCEEDS FROM THE GLOBAL OFFERING**

The shares of the Company have been listed on the Main Board of the Stock Exchange since 15 July 2021 (the “**Listing Date**”). The net proceeds amounted to HK\$763.5 million. Reference is made to the announcements of the Company dated 16 December 2022, 22 March 2023, 14 January 2025 and 28 March 2025 (the “**Announcements**”). The prospectus (the “**Prospectus**”) of the Company dated 29 June 2021 originally indicated that approximately 65.0% of the net proceeds would be used for the expansion of business scale and increase in market share through multiple channels, and the net proceeds that would be applied for this purpose amounted to approximately HK\$496.0 million. The unutilised portion of the net proceeds originally intended for such purpose in the amount of HK\$426.6 million is not required for immediate use by the Group at that moment.



## Entering into the Loan Agreement and Supplemental Loan Agreement

On 16 December 2022, Shanghai Xuquan Trading Co., Ltd. (上海栩全商貿有限公司), an indirect wholly-owned subsidiary of the Company (the “**Lender**” or “**Shanghai Xuquan**” and as the lender), entered into a loan agreement (the “**Loan Agreement**”) with Hangzhou Ruiyang Supply Chain Management Co., Ltd. (杭州瑞揚供應鏈管理有限公司), a business partner of the Company and an independent third party (the “**Borrower**” and as the borrower). Pursuant to the Loan Agreement, the Lender has agreed to advance to the Borrower a loan in the principal amount of up to RMB315 million, secured by the Charged Assets (defined as below). The loans to be provided to the Borrower by the Lender will be financed by the net proceeds not utilized by the Company since 2021. Having considered the commercial benefits to the Group in deploying the unutilised net proceeds as a loan secured by the Charged Assets (the “**Charged Assets**”), which comprise car parking spaces, located at Dexin Airport City, Xiaoshan District, Hangzhou City, Zhejiang Province, the PRC, this allows the Group to improve the efficiency and the effectiveness of the Group’s temporarily idle funds with better investment returns.

As at 31 December 2024, the Lender had repaid the principal amount of approximately RMB55,488,000 in cash under the Loan Agreement; and the outstanding principal amount of RMB259,512,000 (the “**Outstanding Loan**”) and the outstanding interests of approximately RMB8,903,000 (the “**Outstanding Interests**”) accrued during the last two quarters under the Loan Agreement remain overdue by the Borrower.

Pursuant to the terms of the Loan Agreement, in the event the Borrower defaults in repaying any amount due and payable under the Loan Agreement, the Lender shall be entitled to exercise its rights to realise all or any part of the Charged Assets. As the Borrower has failed to perform its repayment obligations on time in accordance with the Loan Agreement, the Lender has enforced its rights to realise 1,400 car parking spaces under the Charged Assets.

On 28 March 2025, the Lender and the Borrower entered into the Supplemental Agreement to the Loan Agreement. Pursuant to the Supplemental Agreement, the Company has agreed to acquire the rights-of-use of Additional Assets, and such Additional Assets shall be applied to offset the remaining Outstanding Loan on a dollar to dollar basis. The acquisition of the rights-of-use of Additional Assets constitutes a notifiable transaction under the Listing Rules. For details, please refer to the announcement of the Company dated 28 March 2025.

## 2025 Equity Acquisition

As disclosed in the 2024 Annual Report, as at 31 December 2024, the net proceeds from the Global Offering which were and remained unutilised were approximately HK\$138.0 million (the “**Unutilised Net Proceeds**”), among which, (i) approximately HK\$82.4 million (the “**Intended Application**”) was expected to expand our business scale and improve market share through multiple channels, and (ii) approximately HK\$55.6 million was expected to invest in information technologies and our internal management system(s) to improve service quality and customer experience.

The Directors consider that the acquisition of the 100% equity interest in Deqing Moganshan Ruijing Real Estate Co., Ltd. (the “**2025 Equity Acquisition**”) represents a unique opportunity for the Group to expand its business scale and diversify into new and more profitable business areas, which is in line with the Intended Application. The Directors have also considered that the 2025 Equity Acquisition represents an opportunity for the Company to increase its brand recognition in the locations where the principal asset (Moganshan Yungu Dexin New Century Mingting Hotel) is situated, strengthen the Group’s relationship with its customers, enhance the management efficiency and achieve synergy with the Group’s property services business, all of which are also consistent with the Intended Application. Therefore, the Directors are of the view that the 2025 Equity Acquisition fits within the stated Intended Application, namely, to expand the Group’s business scale and increase market share through multiple channels. Considering the above, the 2025 Equity Acquisition will be partly funded by the above-mentioned HK\$82.4 million (equivalent to approximately RMB75.0 million) of the Unutilised Net Proceeds and the remaining balance of the consideration of the 2025 Equity Acquisition (equivalent to approximately RMB3.0 million) will be partly funded by the internal resources of the Company.

In addition, the expected timetable for applying all the net proceeds utilized has been extended to on or before June 2026. For further information, please refer to the announcements of the Company dated 16 December 2022, 22 March 2023, 14 January 2025, 28 March 2025 and the section headed “Significant Events after the end of the Reporting Period” in this announcement.

The table below sets out the allocation of the net proceeds before the Announcements, the change in use and the revised position up to 30 June 2025:

Usages	Planned use of net proceeds as disclosed in the Prospectus <i>HK\$ million</i>	Revised allocation of unutilised net proceeds at 16 December 2022 <i>HK\$ million</i>	Unutilised net proceeds at 1 January 2025 <i>HK\$ million</i>	Utilised net proceeds during the Reporting Period <i>HK\$ million</i>	Unutilised net proceeds as of 30 June 2025 <i>HK\$ million</i>	Expected timetable of net proceeds to be utilised
1. Expand our business scale and improve market share through multiple channels	496	83.7	82.4	0	82.4 (Note)	By June 2026
2. Diversify and expand our service offerings	76.4	7.1	0	0	0	Nil
3. Invest in information technologies and our internal management system(s) to improve service quality and customer experience	76.4	70.2	55.6	0.6	55.0	By June 2026
4. Improve human resource management and enhance corporate culture	38.3	12.7	0.0	0	0	Nil
5. Working capital and other general corporate purposes	76.4	7.5	0.0	0	0	Nil
6. Provide loans to borrowers	N/A	342.9	0.0	0	0	Nil
	<u>763.5</u>	<u>524.1</u>	<u>138.0</u>	<u>0.6</u>	<u>137.4</u>	

*Note:* Such fund will be applied to the 2025 Equity Acquisition. For details, please refer to the announcement of the Company dated 31 July 2025.

## INTERIM DIVIDEND

The Board does not recommend any interim dividend for the Reporting Period (2024 Interim Period: Nil).

## PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company has repurchased a total of 270,000 Shares on the Stock Exchange at an aggregate consideration of HK\$205,200. As at the date of this announcement, 35,588,000 Shares of the Company remain to be cancelled but have not yet been cancelled.

Trading Month	Total Number of Shares Repurchased	Highest Price Per Share Paid HK\$	Lowest Price Per Share Paid HK\$	Total Consideration Paid HK\$
June	<u>270,000</u>	0.76	0.76	<u>205,200</u>
Total	<u><u>270,000</u></u>			<u><u>205,200</u></u>

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company during the Reporting Period. As at 30 June 2025, there is no treasury shares held by the Company.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining and strengthening high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness, in order to safeguard and protect the interests of its shareholders and to enhance corporate value and accountability system. The Company has adopted the principles and code provisions of the Corporate Governance Code (“CG Code”) as contained in Appendix C1 to the Listing Rules as the basis of its corporate governance practices, and the CG Code has been applicable to the Company since the Listing Date.

For the six months ended 30 June 2025, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code.

The Board will continue to review and monitor the practices of the Company with an aim to ensuring compliance with the Code and maintaining the Company’s high standards of corporate governance practices.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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 code of conduct regarding Directors’ securities transactions. The provisions of the Listing Rules regarding directors’ compliance with the code of conduct for securities transactions shall apply to the Company from the Listing Date. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the Model Code for the Reporting Period.

The Model Code is also applicable to relevant employees of the Company who may have unpublished inside information about the Company in relation to their dealings in the Company’s securities. To the best knowledge of the Company, there were no incidents of non-compliance with the Model Code by the Directors and relevant employees of the Company during the Reporting Period.

## **REVIEW OF THE FINANCIAL STATEMENTS BY AUDIT COMMITTEE**

The Audit Committee of the Company had reviewed together with the management of the Company the accounting principles and policies adopted by the Group, discussed internal controls and financial reporting matters during the Reporting Period, including a review of the unaudited condensed consolidated interim results of the Group for the Reporting Period, and confirmed that it has complied with all applicable accounting principles, standards and requirements and made full disclosure.

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

This interim results announcement is published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company’s website ([www.dexinfuwu.com](http://www.dexinfuwu.com)). The interim report of the Company for the Reporting Period containing all the information required under Appendix D2 to the Listing Rules will be despatched to the shareholders of the Company if so requested and published on the aforesaid websites in due course.

By order of the Board  
**Dexin Services Group Limited**  
**Hu Yiping**  
*Chairman and executive Director*

Hangzhou, the PRC, 26 August 2025

*As at the date of this announcement, the Board of Directors comprises Mr. Hu Yiping, Mr. Tang Junjie and Ms. Zheng Peng as executive Directors; and Dr. Wong Wing Kuen Albert, Mr. Rui Meng and Mr. Yang Xi as independent non-executive Directors.*