世茂服務
SHIMAO SERVICE

SHIMAO SERVICES HOLDINGS LIMITED
世茂服務控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 873)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

RESULTS HIGHLIGHTS

1. Revenue amounted to RMB3,619.8 million, representing a decrease of 10.2% as compared to RMB4,031.8 million for the same period of 2024.

2. Revenue of the Group was derived from four business lines: (i) property management services; (ii) community value-added services; (iii) value-added services to non-property owners; and (iv) city services. During the period, (i) revenue from property management services was approximately RMB2,812.3 million, accounting for 77.7% of the total revenue and representing a period-to-period increase of 1.9% as compared to RMB2,761.0 million for the same period of last year; (ii) revenue from community value-added services amounted to RMB538.9 million, accounting for 14.9% of the total revenue and representing a period-to-period decrease of 8.1% as compared to RMB586.7 million for the same period of last year; (iii) revenue from value-added services to non-property owners amounted to RMB61.2 million, accounting for 1.7% of the total revenue and representing a period-to-period decrease of 24.4% as compared to RMB80.9 million for the same period of last year; and (iv) revenue from city services amounted to RMB207.4 million, accounting for 5.7% of the total revenue and representing a period-to-period decrease of 65.6% as compared to RMB603.2 million for the same period of last year.

3. Gross profit reached RMB709.0 million, representing a period-to-period decrease of 12.6% as compared to RMB811.5 million for the same period of 2024.

4. Operating profit amounted to RMB40.2 million, representing a period-to-period decrease of 84.0% as compared to RMB252.0 million for the same period of 2024.

5. Profit for the period amounted to RMB22.3 million, representing a period-to-period decrease of 89.4% as compared to RMB210.8 million for the same period of 2024. During the period, profit attributable to equity holders of the Company was RMB8.5 million, representing a period-to-period decrease of 95.4% as compared to RMB184.0 million for the same period of 2024.

6. During the period, basic earnings per share amounted to approximately RMB0.003, representing a period-to-period decrease of 96% as compared to RMB0.075 for the same period of 2024.

7. The Group's cash and cash equivalents, including time deposits with maturity over three months, amounted to RMB4,807.4 million as of 30 June 2025, representing an increase of 27.7% as compared to RMB3,764.2 million as of 31 December 2024. Such increase was mainly due to the recovery of business deposits as a result of the expiration of service contracts.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present the interim results of Shimao Services Holdings Limited ("Shimao Services" or the "Company", together with its subsidiaries, collectively, the "Group") for the six months ended 30 June 2025.

MARKET AND INDUSTRY

In the first half of 2025, China's real estate industry was generally persisted on adjustment trend, and sales gross floor area ("GFA") and sales of new home nationwide were still declining period-to-period. Though the decrease narrowed significantly as compared with the same period of last year, the momentum weakened in the second quarter and the pressure from destocking remained high. Divergence across cities was obvious, with positive period-to-period growth in first-tier and major second-tier cities in transactions while in third-tier and fourth-tier cities are still declining.

Against this background, on 14 July 2025, the Central Committee of the Communist Party of China convened the Central Urban Work Conference. This is the highest-level conference on urban development work held again after a decade. It emphasized that modern cities with "innovative, livable, beautiful, resilient, culturally vibrant and smart" characteristics shall be developed under the concept of "People-centered City". This signifies that China's urban development has entered a new stage of "improving the quality and efficiency of existing capacity", which plays an important role in guiding the development of the property management service industry.

The philosophy behind China's urbanisation will shift from "building new cities" to "renovating old cities", from "property development" to "urban operation", and from "scale expansion" to "people orientation". This presents a trillion-yuan worth opportunity to enjoy multi-dimensional and long-term growth for the property management services sector, where leading enterprises will have great opportunities to take advantage of it.

Under the guidance of "improving the quality and efficiency of existing capacity", such existing market is witnessing improvement in both scale and quality. Many existing urban areas, such as aging urban communities, long-established office buildings and industrial heritage sites, that have been built for years from urban development in the past would become the core targets for urban renovation. Meanwhile, local governments were advancing the renovation of infrastructures in these areas on a systematic basis via policy guidance and pecuniary support. These actions will improve the living conditions and safety of the existing properties and more importantly will boost their market value. For the property management service industry, this would mean a more potential target market and an expanded customer base, thereby stabilizing and broadening income base, and offering opportunities for continuous business growth to property management companies.

Under the requirements of the quality and efficiency improvement, this will promote non-residential property projects to accelerate market entry, such as public buildings and ancillary facilities, and facilitate the gradual development of property management towards marketisation and professionalisation. Leading companies will become key providers for non-residential property management services, given their extensive service experiences and standardised management systems. The expanded customer base has not only brought direct business growth, but also enhanced the service capabilities of property management companies to deliver more diversified and customised services, such as providing professional support services for hospitals, developing intelligent public space operation for industrial parks, and building safety and convenient campus management for school.

The quality improvement of the existing properties will enhance residents' living standards and fostering vigorous development of community value-added services, providing an opportunity for property management companies to transform themselves into "big integrated service providers of communities". With better living environment, residents' demand for community services has extended beyond basic security and cleaning services to living convenience, health and elderly care, culture and entertainment, parent-child bonding and education. By leveraging their in-depth understanding of residents and proximity to life, leading companies can integrate internal and external resources to offer more diverse community value-added services that enhance residents' well-being and build a diversified profit model.

The renovation of existing urban areas and the improvement of community functions have raised the grassroots governance standards, which requires more attention on details and people-centered needs to transform into satisfaction of residents. During this process, property management services companies, with their natural advantage being rooted in communities and close to the residents, have become an indispensable part in city governance. Their participations assist in grassroots governance and improve the overall efficiency of city governance.

INTERIM RESULTS

During the interim period of 2025, the Group recorded revenue of RMB3,619.8 million, gross profit of RMB709.0 million, and gross profit margin of 19.6%. The GFA under management amounted to 222.3 million sq.m. and the contracted GFA reached 343.4 million sq.m..

Focus on Market Expansions

In the first half of 2025, Shimao Services focused on market expansion as its core mission, made solid progress, strived for advancement and achieved new breakthroughs again.

In terms of project selection, Shimao Services adhered to the principle of "rigorous vetting and high-quality outcomes". The expansion and development committee leads cross-departmental evaluations, conducting assessments of target projects across multiple dimensions at each level from hardware conditions, customer positioning, fundamental analysis and feasibility study. This ensures every new project has a high quality initiation, laying a robust foundation for efficient post-delivery operation.

In terms of market layout, Shimao Services adopted "Development in Depth" strategy. This entails concentrating human capital and resources for deeper penetration within strategic city clusters, and prioritising development in established advantageous regions. With its brand influence and the reputation of benchmark projects, Shimao Services has further increased its market share.

In terms of capability building, Shimao Services has developed itself with competitive bidding and tendering capabilities by "offering what competitors lack and outperforming what competitors have", deeply understanding of customers' painpoints, needs and expectations, so as to formulate tailored service solutions. By connecting all business segment, the Group integrated its unique resources and comprehensive capabilities to fully meet the diversified needs of customers.

In the first half of 2025, Shimao Services achieved a historical high and fruitful results on its market expansion. Additional annualised contract amount reached RMB958.4 million, representing a period-to-period increase of 54.6%; the newly-added contracted GFA was 40.1 million sq.m., representing a period-to-period increase of 126.6%. The marketing team has once again delivered remarkable results with a high amount of contract and rapid growth.

Third-party bidding expansion not only hit new highs, but also built a strong momentum for the sustainable development for higher goals amid fierce market competition.

Stable Business

In the first half of 2025, property management services served as the main driving force behind Shimao Services. Despite a stressed macro economy and the challenge-facing real estate industry, Shimao Services has made steady progress amid complexity and fluidity with its profound industry expertise and refined operational capabilities.

In the first half of 2025, revenue from property management services reached RMB2,812.3 million, representing a period-to-period increase of 1.9%, while gross profit margin remained stable. With precise insights into industry cycles, Shimao Services has refined management measures to turn challenges into opportunities that enhanced internal resilience.

In the first half of 2025, the proposition of non-residential properties in the project portfolio under management increased as Shimao Services actively expanded its customer base by developing customers across various non-residential property sub-segments. By mid-2025, non-residential property projects accounted for 38.4% among the Company's GFA under management, significantly diversifying its customer types and broadening its market. Among these non-residential projects, 96.6% are located in first-tier, new first-tier and second-tier cities. These cities are characterized by dense industrial clusters and high customer flow, hence promoting consumption. By capitalising on this concentrated layout, Shimao Services has extended its service offerings into such properties as office buildings, industrial parks, public facilities, and city complexes. The continued cultivation of various business, including smart energy solutions, public space operation, commercial support services and customised back-office services, has injected sustained momentum into the Company's growth.

Efficient Management

In the first half of 2025, Shimao Services enhanced management efficiency in all aspects. By replacing repetitive tasks with technology, creating premiums through differentiated services, and improving management systematically with a focus on "offering value-for-money experience", it effectively reduced the management fee rate down to 9.4%.

In terms of operation and management, the Company established a health assessment model for projects, where it conducted breakdown analysis on key costs to enable precise resource allocation and reduce ineffective expenditure. In addition, costs were directly lowered through strengthening supply chain management and implementing centralised procurement and bulk purchasing negotiations. Moreover, a "daily monitoring, weekly review and monthly benchmarking" mechanism was set up to implement for more accurate control and increasing management efficiency.

In terms of technology-driven transformation, the Company advanced cost restructurings on a systematic basis by means of reducing cost through digitalisation and enhancing efficiency through intelligentisation, with the application of technology including cleaning robots. Energy-saving AIoT was further applied for better management of high-energy-consuming facilities in real time, comprehensively elevating energy efficiency and management.

Upgraded Services

In the first half of 2025, Shimao Services rolled out a new service upgrade initiative. With the principle of "putting service and quality first", the programme has focused on enhancing frontline service quality across projects.

For residential business segment, the initiative covered both "hardware" and "software" upgrades that aim to improve service quality and foster warmer communities. It also focused on prioritised compound lighting, beautification of surroundings and landscape, as well as facilities refurbishment; and developed a wide range of community activities and created a warm and welcoming neighbourhood.

For non-residential business segment, the focus was on upgrades through intelligentisation, with the launch of the new AIS platform system for smart energy management to bolster service capabilities. Meanwhile, the emphasis was placed on enhancing service transparency, intelligence, satisfaction, and innovation. By systematically optimising service models, Shimao Services has delivered better and more immersive service experiences to its customers.

Putting the customer at the center and boosting customer satisfaction. A measurable indicator system was in place to promote continuous upgrades in service processes and quality control mechanisms. The Group also established a rapid response mechanism for sensitive demands, concentrated resources in creating service characteristics and refining operations to shape industry reputation and increase market influence, which created sustainable core competitive advantages.

FUTURE OUTLOOK

"Service is essence" is the development direction of Shimao Services. From the perspective of product itself, the core delivery for property management services companies is the enduring experience that customers perceive. The value of services has based on professionalism and matchability, which is enhanced through human connections. Shimao Services will continue to deepen its presence in the non-residential, residential, and urban service sectors through high-quality services and products and keep improving project service capabilities, with a view to increase customer satisfaction and strengthen customer loyalty.

Developing elderly-friendly services by focusing on the needs of the silver-haired to become the guardian of community humanistic care. Shimao Services will improve both hardware facilities and software services to provide comprehensive and heartfelt elderly-friendly services for senior residents in the compound. In terms of hardware facilities, it will provide elderly-friendly renovations for homeowners, such as installing emergency call systems, to improve the convenience of home life for the elderly. In terms of software services, it will provide feature services by setting up activity rooms for the elderly and organising a variety of cultural and recreational activities to enrich their spiritual and cultural life.

Developing non-residential public space operations by focusing on business synergy to become a creator of diverse value. From the market perspective, non-residential projects require more professional services and has distinct industry characteristics where service barriers are more difficult to replicate. Shimao Services will continue to build up its service capabilities, gain a profound understanding of the operational characteristics of specific industries, integrate cross-sector resources, and establish long-term and stable relationship with customers, enabling itself to upgrade from a basic service provider to a business synergy partner and creating greater value.

Developing community commerce by focusing on integration to become a builder of the community consumption ecosystem. Shimao Services will grasp the core scenarios of residents' lives, and open the traffic gateway for community commerce by offering highly reliable and loyal services. It will reasonably renovate and utilise public spaces in the compound, introducing services that are closely related to residents' lives to meet their consumption needs. It will build a community business ecosystem, integrate commercial resources, and organise special business activities, with an aim to create flourishing community commerce.

Developing smart empowerment and upgrades by focusing on technology applications to become an industrial leader. It will strengthen safety defences, deepen the application of IoT technology and AI, and intelligentise the management of public facilities and security systems in compounds. It will improve operational efficiency by promoting sensors, collecting operational data in real time, connecting to intelligent management platforms, with an aim to enhance management precision. It will also enhance residents' experiences to bring them more personalised and convenient service.

Last but not least, as the real estate industry enters a high-quality development stage, competition among property management services companies will gradually shift towards the value of services, and the underlying philosophy always lies in the core understanding that "Service is essence". In the future, Shimao Services will transform service professionalism into a business barrier, human connections into ecosystem development momentum, and public space operations into value creation, in a bid to truly achieve the transformation from property manager to integrated service provider, and secure a leading position in the industry development.

SOCIAL RESPONSIBILITY

Shimao Services has always deeply embedded social responsibility into all aspects of its business development. While pursuing its own development, it remains committed to sharing fruitful development with its employees, customers, shareholders, investors and society, demonstrating its corporate responsibility through concrete actions.

In terms of sustainable development, Shimao Services continues to reduce the environmental impact of its operations and create environmentally friendly projects. Shimao Services has established a systematic energy-saving and consumption-reduction management system to achieve refined control over the entire lifecycle of energy use, and collaborated with customers to build eco-friendly and livable communities. At the same time, it focused on the waste recycling, the promotion of renewable energy, and integrated environmental sanitation services to support the circular economy in cities, thereby injecting momentum into the development of green industries.

In 2025, Shimao Services was awarded the "AAA-grade Property Service Enterprise in Zhejiang Province" (浙江省物業服務信用AAA級企業) and "Leading Property Company in Low-carbon Operation in China for 2025" (2025中國物業低碳運營領先企業) awards.

ACKNOWLEDGEMENT

In 2025, the international economic and trade environment is complex and ever-changing, whereas the domestic economy is in a phase of transition and upgrading from traditional growth drivers to new quality productive forces, resulting in market fluctuations. On behalf of the Board, I would like to extend my heartfelt gratitude and deepest respect to our shareholders, business partners, local governments, property owners, customers, and the dedicated staff of Shimao Services for their immense supports. Your understanding and support in joining hands with us are very much appreciated.

We believe "responsibility" and "collaborative breakthrough" will help us "secure the fruitful results".

Amid the ever-changing landscape of the industry, Shimao Services will adapt to these changes and leverage its strengths as a competitive advantage. With practical action as our oar and innovation as our sail, we will navigate through challenges and seize opportunities to continuously create greater value for our shareholders.

Hui Sai Tan, Jason
Chairman

Hong Kong, 27 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Overview

The Group aims to become a leading comprehensive property management services provider in China, providing property owners with high quality property management services and diversified value-added services tailored to the needs of customers. Currently, the Group has four major business segments: (1) property management services; (2) community value-added services; (3) value-added services to non-property owners; and (4) city services.

As at 30 June 2025, the Group had business presence in 123 cities and provided a wide variety of services for 1,466 projects, covering various types of customers, including residential, public buildings, universities and colleges, industrial parks and hospitals, etc. The GFA under management amounted to 222.3 million sq.m. and contracted GFA was 343.4 million sq.m..

The following table sets out the number of cities covered by the Group's businesses and the number of projects under management as at 30 June 2025 and 30 June 2024, respectively:

	As at 30 June		
	2025 number *(unit)*	2024 number *(unit)*	Change *(%)*
Cities covered by businesses	**123**	121	1.7%
Projects under management	**1,466**	1,491	-1.7%

The following table sets forth the Group's GFA under management and contracted GFA as at 30 June 2025 and 30 June 2024, respectively:

	As at 30 June		
	2025 Area *(sq.m. in million)*	2024 Area *(sq.m. in million)*	Change *(%)*
GFA under management	**222.3**	246.9	-10.0%
Contracted GFA	**343.4**	332.6	3.2%

As of 30 June 2025, the Group recorded revenue of RMB3,619.8 million, gross profit of RMB709.0 million, and gross profit margin of 19.6%.

The following table sets forth the Group's business segments for the six months ended 30 June 2025 and 30 June 2024, respectively:

	For the six months ended 30 June					
	2025		2024			
	Revenue *(RMB million)*	**Percentage** *(%)*	Revenue *(RMB million)*	Percentage *(%)*	**Change in revenue** *(%)*	**Change in percentage** *(percentage point)*
Property management services	**2,812.3**	**77.7%**	2,761.0	68.5%	1.9%	increase by 9.2 percentage points
Community value-added services	**538.9**	**14.9%**	586.7	14.5%	-8.1%	increase by 0.4 percentage point
Value-added services to non-property owners	**61.2**	**1.7%**	80.9	2.0%	-24.4%	decrease by 0.3 percentage point
City services	**207.4**	**5.7%**	603.2	15.0%	-65.6%	decrease by 9.3 percentage points
Total	**3,619.8**	**100%**	4,031.8	100%	-10.2%	N/A

ANALYSIS ON BUSINESS SEGMENTS

➢ PROPERTY MANAGEMENT SERVICES

- **Representing 77.7% of total revenue and 79.4% of total gross profit**

  In the first half of 2025, the Group's property management services recorded higher revenue with stable gross profit margins.

  As of 30 June 2025, the Group's revenue from property management services amounted to RMB2,812.3 million, representing a period-to-period increase of 1.9% as compared to RMB2,761.0 million for the same period of 2024. The increase in revenue was mainly attributable to (1) the Group's proactive market expansion in third-party bidding with increase in GFA under management; (2) the capability of the Group's marketing team has strengthened and the quality of newly-added projects under management improved over the existing ones; and (3) an increase in the GFA under management delivered by Shimao Group Holdings Limited ("Shimao Group Holdings", together with its subsidiaries, collectively, the "Shimao Group") and its co-developers, which directly contributed to the revenue.

  As of 30 June 2025, gross profit from property management services of the Group was RMB562.7 million, representing a period-to-period increase of 1.7% as compared to RMB553.1 million for the same period of 2024; the gross profit margin was 20.0%, which remained stable as compared to 20.0% for the same period of 2024. The increase in gross profit was mainly attributable to (1) the Group's focus on the upgrade of its management to continuously enhance the operational capability; (2) enhancement of frontline efficiency by refining the operation; and (3) implementation of energy conservation reforms and multi-pronged approaches to control energy consumption expenditure, thereby achieving cost reduction and efficiency enhancement, which facilitated a growth in gross profit of property management.

- **Increase in management scale**

  In the first half of 2025, the Group's management scale expanded, with both the GFA under management and contracted GFA increased as compared to the full year of 2024, while the overall structure of projects under management was further enhanced.

  As at 30 June 2025, the Group's GFA under management amounted to 222.3 million sq.m., representing a period-to-period decline of 10.0% as compared to 246.9 million sq.m. for the same period of 2024; the Group's contracted GFA was 343.4 million sq.m., representing a period-to-period increase of 3.2% as compared to 332.6 million sq.m. for the same period of 2024.

As at 30 June 2025, the GFA under management from independent third-party developers was 160.1 million sq.m., representing a period-to-period decline of 13.7% as compared to 185.6 million sq.m. for the same period of 2024, accounting for 72.0%, representing a period-to-period decline of 3.2 percentage points as compared to 75.2% for the same period of 2024. The contracted GFA from independent third-party developers was 268.0 million sq.m., representing a period-to-period increase of 4.4% as compared to 256.8 million sq.m. for the same period of 2024, accounting for 78.0%, representing a period-to-period increase of 0.8 percentage point as compared to 77.2% for the same period of 2024. The increase in contracted GFA from independent third-party developers was mainly attributable to the continuous enhancement of the Group's market expansion capabilities, which have consistently contributed to the newly-added contracted GFA. Third-party bidding expansion became the most important source of the Group's contracted GFA, fuelling the Group's business development.

The following table sets forth the Group's GFA under management and contracted GFA which were categorised by property developer type as at 30 June 2025 and 30 June 2024, respectively:

	As at 30 June					
	2025		2024			
	Area *(sq.m. in million)*	**Percentage** *(%)*	Area *(sq.m. in million)*	Percentage *(%)*	**Change in area** *(%)*	**Change in percentage** *(percentage point)*
GFA under management	**222.3**	**100%**	246.9	100%	-10.0%	N/A
Among which:						
From Shimao Group and its co-developers	**62.2**	**28.0%**	61.3	24.8%	1.5%	increase by 3.2 percentage points
From independent third-party developers	**160.1**	**72.0%**	185.6	75.2%	-13.7%	decrease by 3.2 percentage points
Contracted GFA	**343.4**	**100%**	332.6	100%	3.2%	N/A
Among which:						
From Shimao Group and its co-developers	**75.4**	**22.0%**	75.8	22.8%	-0.5%	decrease by 0.8 percentage point
From independent third-party developers	**268.0**	**78.0%**	256.8	77.2%	4.4%	increase by 0.8 percentage point

As at 30 June 2025, the Group's GFA under management of non-residential properties was 85.4 million sq.m., representing a period-to-period decrease of 16.6% as compared to 102.4 million sq.m. for the same period of 2024, accounting for 38.4%, representing a period-to-period decrease of 3.1 percentage points as compared to 41.5% for the same period of 2024. Contracted GFA of non-residential properties was 147.8 million sq.m., representing a period-to-period increase of 5.0% as compared to 140.8 million sq.m. for the same period of 2024, accounting for 43.0%, representing a period-to-period increase of 0.7 percentage point as compared to 42.3% for the same period of 2024. The change was mainly attributable to (1) the Group's active development of non-residential property management services business; and (2) the increased efforts in expanding non-residential property projects by the Group's marketing team, which resulted in an increase in the GFA under management and contracted GFA of non-residential projects.

As at 30 June 2025, among the Group's GFA under management, 86.0% of the property projects was in first-tier, new first-tier and second-tier cities in China. With its high-quality project portfolio and robust management scale, the Group has ensured the continuous growth of its revenue from property management services as well as building a foundation for the development and expansion of a wide range of diversified value-added services.

The following table sets forth the Group's GFA under management and contracted GFA which were categorised by property type as at 30 June 2025 and 30 June 2024, respectively:

	As at 30 June					
	2025		2024			
	Area *(sq.m. in million)*	**Percentage** *(%)*	Area *(sq.m. in million)*	Percentage *(%)*	**Change in area** *(%)*	**Change in percentage** *(percentage point)*
GFA under management	**222.3**	**100%**	246.9	100%	-10.0%	N/A
Among which:						
Residential properties	**136.9**	**61.6%**	144.5	58.5%	-5.3%	increase by 3.1 percentage points
Non-residential properties	**85.4**	**38.4%**	102.4	41.5%	-16.6%	decrease by 3.1 percentage points
Contracted GFA	**343.4**	**100%**	332.6	100%	3.2%	N/A
Among which:						
Residential properties	**195.6**	**57.0%**	191.8	57.7%	2.0%	decrease by 0.7 percentage point
Non-residential properties	**147.8**	**43.0%**	140.8	42.3%	5.0%	increase by 0.7 percentage point

As of 30 June 2025, the Group's terminated GFA under management amounted to 11.1 million sq.m., representing a period-to-period decrease of 36.6% as compared to 17.5 million sq.m. for the same period of 2024; and the Group's terminated contracted GFA amounted to 11.1 million sq.m., representing a period-to-period decrease of 36.6% as compared to 17.5 million sq.m. for the same period of 2024. The change was mainly attributable to the fact that the Group (1) proactively launched the service quality enhancement initiative to improve the service quality and enhance customer satisfaction, which in turn increased the overall project retention rate; and (2) focused on operational efficiency and analysed all projects under management on a systematic basis, and through benchmarking research and project evaluation, it aligned the adjustment strategies according to the development potential and operational contribution of each project, thereby unleashing more vitality for development.

The following table sets forth the Group's terminated GFA under management and terminated contracted GFA which were categorised by property type for the six months ended 30 June 2025 and 30 June 2024, respectively:

	For the six months ended 30 June					
	2025		2024			
	Area *(sq.m. in million)*	**Percentage** *(%)*	Area *(sq.m. in million)*	Percentage *(%)*	**Change in area** *(%)*	**Change in percentage** *(percentage point)*
Terminated GFA under management	**11.1**	**100%**	17.5	100%	-36.6%	N/A
Among which:						
Residential properties	**4.1**	**36.9%**	5.5	31.4%	-25.5%	increase by 5.5 percentage points
Non-residential properties	**7.0**	**63.1%**	12.0	68.6%	-41.7%	decrease by 5.5 percentage points
Terminated contracted GFA	**11.1**	**100%**	17.5	100%	-36.6%	N/A
Among which:						
Residential properties	**4.1**	**36.9%**	5.5	31.4%	-25.5%	increase by 5.5 percentage points
Non-residential properties	**7.0**	**63.1%**	12.0	68.6%	-41.7%	decrease by 5.5 percentage points

- **High quality projects from third-party bidding expansion**

  In the first half of 2025, riding on the momentum, the Group focused on third-party bidding expansion to scale new heights. The Group's third-party bidding expansion performance has once again reached a new historical high. As of 30 June 2025, the Group's annualised contract amount of new projects from third-party bidding expansion recorded RMB958.4 million, representing a period-to-period increase of 54.6% as compared to RMB620.1 million for the same period of 2024; the newly-added contracted GFA was 40.1 million sq.m., representing a period-to-period increase of 126.6% as compared to 17.7 million sq.m. for the same period of 2024; and the newly-added GFA under management was 3.7 million sq.m., representing a period-to-period decrease of 62.2% as compared to 9.8 million sq.m. for the same period of 2024.

  The newly-added contracted GFA of non-residential properties from third-party bidding expansion was 33.4 million sq.m., representing a period-to-period increase of 237.4% as compared to 9.9 million sq.m. for the same period of 2024; accounting for 83.3%, representing a period-to-period increase of 27.4 percentage points as compared to 55.9% for the same period of 2024. The increase was mainly attributable to (1) the Group's proactive efforts to expand its customer base and various types of non-residential properties projects; and (2) the capability of the Group's marketing team continued to strengthen, leading to a rapid rise in successful bids of new non-residential property project.

  The following table sets forth the Group's newly-added annualised contract amount from third-party bidding expansion which were categorised by property type for the six months ended 30 June 2025 and 30 June 2024, respectively:

	For the six months ended 30 June					
	2025		2024			
	Contract amount *(RMB in million)*	**Percentage** *(%)*	Contract amount *(RMB in million)*	Percentage *(%)*	**Change in amount** *(%)*	**Change in percentage** *(percentage point)*
Newly-added annualised contract amount	**958.4**	**100%**	620.1	100%	54.6%	N/A
Among which:						
Residential properties	**232.0**	**24.2%**	165.1	26.6%	40.5%	decrease by 2.4 percentage points
Non-residential properties	**726.4**	**75.8%**	455.0	73.4%	59.6%	increase by 2.4 percentage points

The following table sets forth the Group's newly-added GFA under management and newly-added contracted GFA from third-party bidding expansion which were categorised by property type for the six months ended 30 June 2025 and 30 June 2024, respectively:

	For the six months ended 30 June					
	2025		2024			
	Area *(sq.m. in million)*	**Percentage** *(%)*	Area *(sq.m. in million)*	Percentage *(%)*	**Change in area** *(%)*	**Change in percentage** *(percentage point)*
Newly-added GFA under management	**3.7**	**100%**	9.8	100%	-62.2%	N/A
Among which:						
Residential properties	**1.8**	**48.6%**	3.5	35.7%	-48.6%	increase by 12.9 percentage points
Non-residential properties	**1.9**	**51.4%**	6.3	64.3%	-69.8%	decrease by 12.9 percentage points
Newly-added contracted GFA	**40.1**	**100%**	17.7	100%	126.6%	N/A
Among which:						
Residential properties	**6.7**	**16.7%**	7.8	44.1%	-14.1%	decrease by 27.4 percentage points
Non-residential properties	**33.4**	**83.3%**	9.9	55.9%	237.4%	increase by 27.4 percentage points

➢ COMMUNITY VALUE-ADDED SERVICES

- **Representing 14.9% of total revenue and 16.4% of total gross profit**

As of 30 June 2025, the Group's revenue from community value-added services amounted to RMB538.9 million, representing a period-to-period decrease of 8.1% as compared to RMB586.7 million for the same period of 2024; gross profit was RMB116.6 million, representing a period-to-period decrease of 26.3% as compared to RMB158.2 million for the same period of 2024; and gross profit margin was 21.6%, representing a period-to-period decrease of 5.4 percentage points as compared to 27.0% for the same period of 2024. The decrease in revenue, gross profit and gross profit margin was mainly attributable to (1) the shifts in the overall consumption sentiment due to domestic economic conditions changed; and (2) the fact that property owners became more prudent in spending.

In the first half of 2025, the Group optimised and adjusted its development strategy for the community value-added services. It has developed a brand new retail business that focuses on the businesses relating to the daily lives of residents, and created a convenient and efficient "15-minute living circle", so as to provide customers with more caring and immediate services.

The following table sets forth the Group's revenue from community value-added services by category for the six months ended 30 June 2025 and 30 June 2024, respectively:

	For the six months ended 30 June					
	2025		2024		**Change in revenue**	**Change in percentage**
	Revenue *(RMB million)*	**Percentage** *(%)*	Revenue *(RMB million)*	Percentage *(%)*	*(%)*	*(percentage point)*
Community asset management services	**123.4**	**22.9%**	113.7	19.4%	8.5%	increase by 3.5 percentage points
Smart scenario solutions	**4.0**	**0.7%**	47.3	8.1%	-91.5%	decrease by 7.4 percentage points
Carpark asset operation services	**113.6**	**21.1%**	125.6	21.4%	-9.6%	decrease by 0.3 percentage point
Home decoration services	**38.6**	**7.2%**	38.6	6.5%	remained stable	increase by 0.7 percentage point
Campus value-added services	**154.0**	**28.6%**	175.8	30.0%	-12.4%	decrease by 1.4 percentage points
Elderly care services	**105.3**	**19.5%**	85.7	14.6%	22.9%	increase by 4.9 percentage points
Total of community value-added services	**538.9**	**100%**	586.7	100%	-8.1%	N/A

- **Community asset management services**

  In the first half of 2025, revenue from community asset management services was RMB123.4 million, representing a period-to-period increase of 8.5% as compared to RMB113.7 million for the same period of 2024. The increase in revenue was mainly due to (1) the fact that the Group actively improved frontline operation capabilities by vigorously exploring common spaces for commercial use and enhancing the value of the common spaces; and (2) increased efforts in developing property leasing and sales business within communities and hence achieving revenue growth.

- **Smart scenario solutions**

  In the first half of 2025, revenue from smart scenario solutions was RMB4.0 million, representing a period-to-period decrease of 91.5% as compared to RMB47.3 million for the same period of 2024. The decrease in revenue was mainly due to (1) the changes in domestic economic conditions; and (2) the fact that customers became more prudent in spending.

- **Carpark asset operation services**

  In the first half of 2025, revenue from carpark asset operation services was RMB113.6 million, representing a period-to-period decrease of 9.6% as compared to RMB125.6 million for the same period of 2024. The decrease in revenue was mainly due to (1) the changes in domestic economic conditions; and (2) the fact that customers became more prudent in spending, resulting in a slight period-to-period decrease in revenue from parking management services.

- **Home decoration services**

  In the first half of 2025, revenue from home decoration services was RMB38.6 million, which remained stable as compared to RMB38.6 million for the same period of 2024, which was mainly due to the fact that (1) the Group actively developed its new retail business, achieving significant results; and (2) the property owners became more prudent in spending, resulting in a contraction in home decoration business scale.

- **Campus value-added services**

  In the first half of 2025, revenue from campus value-added services was RMB154.0 million, representing a period-to-period decrease of 12.4% as compared to RMB175.8 million for the same period of 2024. The decrease in revenue was mainly due to the impact of changes in the overall economic conditions, and as a result, some public institutions downsized their service demand, which affected revenue.

- **Elderly care services**

  In the first half of 2025, revenue from elderly care services was RMB105.3 million, representing a period-to-period increase of 22.9% as compared to RMB85.7 million for the same period of 2024. The increase in revenue was mainly due to the fact that (1) Shanghai Chunqiji Elderly Care Services Co., Ltd. (上海椿祺集養老服務有限公司) (“Healthtop”) actively cooperated with Shimao Services to jointly develop the market; and (2) Healthtop and Shimao Services shared customer resources and established an efficient business model to provide customers with high-quality services and thus achieving revenue growth.

➢ **VALUE-ADDED SERVICES TO NON-PROPERTY OWNERS**

- **Representing 1.7% of total revenue and 1.3% of total gross profit**

  As of 30 June 2025, the Group’s revenue from value-added services to non-property owners amounted to RMB61.2 million, representing a period-to-period decrease of 24.4% as compared to RMB80.9 million for the same period of 2024. The decrease in revenue, gross profit and gross profit margin was due to a drop in the number of newly-started houses, resulting in a contraction of the show room services business, weighing on revenue sources.

➢ **CITY SERVICES**

- **Representing 5.7% of total revenue and 2.9% of total gross profit**

  As of 30 June 2025, the Group’s revenue from city services amounted to RMB207.4 million, representing a period-to-period decrease of 65.6% as compared to RMB603.2 million for the same period of 2024. The decrease in revenue was mainly due to the decrease in consolidated revenue following the Group’s disposal of the 60% of the equity interests in Wuxi Jinshatian Technology Co., Ltd. (“Jinshatian”) in September 2024. For details of the disposal of Jinshatian, please refer to the announcements of the Company dated 24 September 2024 and 8 November 2024.

SHARE AWARD SCHEME

A Share Award Scheme of the Company (the “Share Award Scheme”) was adopted by the board of directors of the Company (the “Board”) on 28 June 2021 (the “Adoption Date”). The purpose of the Share Award Scheme is to recognise the contributions by certain selected employees of the Group and to provide them with incentives so as to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Share Award Scheme shall be valid and effective for a term of ten years commencing from the Adoption Date. The maximum number of shares which can be awarded under the Share Award Scheme is 3% of the total number of issued shares of the Company as at the Adoption Date (i.e. 70,919,190 shares). During the six months ended 30 June 2025, no award share was granted by the Company under the Share Award Scheme. Further details of the Share Award Scheme will be set out in the 2025 interim report of the Company in due course.

EMPLOYEES AND COMPENSATION POLICY

As at 30 June 2025, the Group had a total of 34,592 employees, representing a period-to-period decrease of 21.4% as compared to 44,011 employees for the same period of 2024. Total staff costs amounted to RMB1,517.7 million, representing a period-to-period decrease of 16.4% as compared to RMB1,815.3 million for the same period of 2024. The decrease in both staff number and staff costs was mainly due to the fact that the Group (1) disposed of its subsidiaries, such as Jinshatian; (2) rationalised the resource allocation structure; and (3) focused on the enhancement of operational and management capabilities, explored more potential for cost reductions, and enhanced the efficiency of internal operations.

The salary paid to the employees by the Group was determined according to their duties, market levels as well as performance and contribution, and bonuses were also paid to employees based on their work performance. In addition, the Group offered its employees a variety of training and personal development schemes together with employee benefits, including pension fund, medical insurance and provident fund, etc.

PROCEEDS FROM THE LISTING

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30 October 2020. Excluding underwriting fees and related expenses, the net proceeds from the listing amounted to HK$5,917.4 million (equivalent to approximately RMB5,126 million). Details of the actual or intended use of proceeds from the listing are as follows:

Intended use of net proceeds	**Proceeds available for utilisation** *(RMB million)*	**Allocation percentage** %	**Utilised amount as of 30 June 2025** *(RMB million)*	**Unutilised amount as of 30 June 2025** *(RMB million)*	**Expected timeline for utilising the remaining unutilised amount**
(1) To continue to expand business scale through multiple channels	3,332	65%	3,332	–	
(2) To diversify people-oriented and property-oriented value-added service offerings	769	15%	303	466	2025
(3) To improve the information technology system and smart technologies	256	5%	256	–	
(4) To attract and nurture talent	256	5%	74	182	2025
(5) For working capital and other general corporate purposes	513	10%	213	300	2025
Total	**5,126**	**100%**	**4,178**	**948**	

The proceeds set out above have not been utilised, mainly because the Group did not successfully acquire previous potential target projects. The Group will continue to identify suitable acquisition and investment targets, and the management will also continue to take both prudent and proactive approach into consideration for facilitating the utilisation of the proceeds to achieve healthy development of business and long-term benefit of shareholders.

EQUITY FUND RAISING ACTIVITIES AND USE OF PROCEEDS

Placing of Existing Shares and Top-up Subscription of New Shares under the General Mandate (the "Top-Up Placing")

On 19 October 2021, the Company entered into a placing and subscription agreement (the "2021 Placing and Subscription Agreement") with Morgan Stanley & Co. International plc (the "Placing Agent"), Shimao Group Holdings and the vendor, Best Cosmos Limited ("Best Cosmos"), pursuant to which the Placing Agent conditionally agreed to place to not less than six independent professional, institutional and/or individual investors, on a fully underwritten basis, 115,000,000 existing ordinary shares of the Company at the placing price of HK$15.18 per share, and Best Cosmos conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue to Best Cosmos new ordinary shares, which were the same number as the placing shares that have been placed by the Placing Agent, at the placing price. The subscription shares have a nominal value of HK$1.15 million and a market value of HK$1,934.3 million, based on the closing price of HK$16.82 per share as quoted on the Stock Exchange on the last full trading day immediately before the time at which the 2021 Placing and Subscription Agreement was signed. The net price per subscription share is HK$15.09. The completion of placing of existing shares took place on 22 October 2021, and the Company allotted and issued 115,000,000 ordinary shares to Best Cosmos on 2 November 2021 under the general mandate granted to the Directors pursuant to an ordinary resolution passed at the 2021 annual general meeting of the Company (the "General Mandate").

The net proceeds received by the Company after deducting related fees and expenses were approximately HK$1,735 million. The Company intends to apply such net proceeds for potential mergers and acquisitions ("M&A"), business expansion, general working capital and general corporate uses. The Directors consider that the placing and subscription represent an opportunity to raise capital for the Company while broadening its shareholders and capital base, and it would strengthen the financial position of the Group and provide working capital to the Group. For further details, please refer to the announcements of the Company dated 20 October 2021 and 2 November 2021.

Details of the intended and actual use of the aggregate net proceeds of approximately HK$1,735 million (equivalent to approximately RMB1,426 million) from the above equity fund raising activities are as follows:

Intended use of net proceeds	Net proceeds from Top-Up Placing available for utilisation *(RMB million)*	Allocation percentage *%*	Utilised net proceeds as of 30 June 2025 *(RMB million)*	Unutilised net proceeds as of 30 June 2025 *(RMB million)*	Expected timeline for utilising the remaining unutilised net proceeds
(1) Potential M&A	1,140	80%	810	330	2025
(2) Business expansion	143	10%	–	143	2025
(3) General working capital and general corporate uses	143	10%	143	–	
Total	**1,426**	**100%**	**953**	**473**	

The core reason for the net proceeds set out above remaining unutilised was due to the contemplated project acquisitions have yet to materialise. The Group will continue to identify high-quality M&A targets and the management will adhere to a prudent and proactive philosophy to ensure reasonable capital deployment, thereby safeguarding steady business growth and fostering shareholders' value in the long term.

EVENTS DURING THE PERIOD

Acquisition of the Remaining Equity Interests in a Subsidiary

On 3 January 2025, Shimao Tiancheng Property Services Group Co., Ltd. and Shanghai Xumaorui Enterprise Management Co., Ltd. ("Shanghai Xumaorui", as the purchaser), both indirect wholly-owned subsidiaries of the Company, entered into an equity transfer agreement and a settlement agreement with Shenzhen Jiaxiong Investment Development Co., Ltd. (the "Vendor") and original shareholders, under which the Vendor agreed to sell and Shanghai Xumaorui agreed to purchase 33% of the equity interests in Shenzhen Shi Lu Yuan Environmental Co., Ltd. (the "Target Company") at the consideration of RMB83,159,000. The consideration will be utilised to partially settle the net contingent consideration receivables amounting to RMB138,703,000 (the "Acquisition"). For further details, please refer to the announcement of the Company dated 3 January 2025.

The Target Company is principally engaged in the provision of urban and rural environmental sanitation integrated services in the People's Republic of China (the "PRC"). Prior to the completion of the Acquisition, it was a 67% held non-wholly owned subsidiary of the Group. During the reporting period, the Acquisition and the settlement were completed in January 2025, and the Target Company is now an indirect wholly-owned subsidiary of the Company.

Formation of the Partnership

On 19 June 2025, Shanghai Shimao Tianjing Property Services Co., Ltd. (上海世茂天鏡物業服務有限公司) ("Shanghai Shimao Tianjing") (as a limited partner), an indirect wholly-owned subsidiary of the Company, entered into a partnership agreement with Wuxi Xinghe Investment Consultation Partnership (Limited Partnership) (無錫星河投資諮詢合夥企業(有限合夥)) ("Wuxi Xinghe") (as the general partner) under which the two parties agreed to establish the partnership to invest and operate a cold chain logistics project in the Huludao area, Liaoning Province, the PRC.

Pursuant to the terms of the partnership agreement, the total capital contribution amount to be paid by all partners of the partnership shall be RMB240,000,000, of which RMB237,600,000 shall be contributed by Shanghai Shimao Tianjing and RMB2,400,000 shall be contributed by Wuxi Xinghe. For further details, please refer to the announcement of the Company dated 19 June 2025. Subsequent to the reporting period, Shanghai Shimao Tianjing and Wuxi Xinghe jointly completed capital contribution and established the partnership, namely, Nanjing Maoxing Project Management Partnership (Limited Partnership) (南京茂星項目管理合夥企業(有限合夥)) in July 2025.

ACQUISITIONS AND FUTURE OUTLOOK

Acquisitions

When making acquisitions, the Group focuses on the alignment between the target company and the Group, while it also takes into account the development demands, including scale growth, the deployment of new business lines and the new building capabilities. For potential acquisition targets, the Group will comprehensively consider the following factors: (1) being within the Group's existing management radius; (2) being a leading company in the region or sub-sector; (3) not touching red-line issues, such as safety issues, etc.; (4) being able to accept the Group's integration requirements; and (5) having a customer base that is from local middle-income and high-income class. Through the above assessment criteria, the Group can ensure the effective operation and management of the target company and promote its sustainable development after the completion of the M&A.

In the first half of 2025, the downturn in the real estate industry persisted, the Group therefore was unable to acquire any targets successfully. Looking ahead, the Group will remain prudent and continue to look for suitable acquisition targets in the market. In view of the prevailing industry situation, the Group will further strengthen its pre-acquisition due diligence by conducting in-depth analysis of the targets in terms of their performance in market position, business model, financial conditions and service quality, with particular attention to their risk resilience and growth potential in the complex market environment. At the same time, the Group will fully consider its own strategic planning and integration capabilities, so as to ensure the acquisitions not only can facilitate the expansion of its scale, but also deeply integrate into the Group's existing business structure, thereby achieving synergistic development and promoting the Group's continuous enhancement of its competitiveness in the property management services industry.

Future Outlook

As artificial intelligence ("AI") and big data boom, the property management services sector is standing at the critical point for transformation, and the road ahead is full of possibilities. On the one hand, algorithms are taking over processes, self-checks and the self-routing of work orders by automated equipment to lower costs and raise efficiency. By analysing and applying big data, services are evolving from "one-size-fits-all" approach to "hyper-personalisation", which increases customer satisfaction and the sense of belonging amongst users. On the other hand, property management services providers closely operate around communities and office space, enabling them to rapidly enter emerging businesses such as community elderly care and pet care, which allow the transformation of their traditional business into diversified revenue-generating streams. Meanwhile, the old labour-intensive operational model is yielding to a technology-intensive new model, featuring lower labour cost and higher service quality. Consequently, new competitive advantages are taking shape.

Beyond embracing technology, Shimao Services has further included "return to quality" into its strategy. By refining its services through a multi-dimensional approach and leveraging its brand reputation to drive scale, the Company is ushering in a new chapter of sustainable growth.

FINANCIAL REVIEW

During the period, the Group realised:

Revenue

Revenue was RMB3,619.8 million, representing a decrease of 10.2% as compared to RMB4,031.8 million for the same period of 2024. The Group generated revenue from four business segments: (i) property management services; (ii) community value-added services; (iii) value-added services to non-property owners; and (iv) city services. During the period, (i) property management services remained the largest source of revenue and profit to the Group, with revenue amounting to RMB2,812.3 million, accounting for 77.7% of the total revenue and representing a period-to-period increase of 1.9% as compared to RMB2,761.0 million for the same period of 2024; (ii) revenue from community value-added services amounted to RMB538.9 million, accounting for 14.9% of the total revenue and representing a period-to-period decrease of 8.1% as compared to RMB586.7 million for the same period of 2024; (iii) revenue from value-added services to non-property owners amounted to RMB61.2 million, accounting for 1.7% of the total revenue and representing a period-to-period decrease of 24.4% as compared to RMB80.9 million for the same period of 2024; and (iv) revenue from city services amounted to RMB207.4 million, accounting for 5.7% of the total revenue and representing a period-to-period decrease of 65.6% as compared to RMB603.2 million for the same period of 2024.

Cost of Sales and Services

Cost of sales and services of the Group primarily included staff costs, subcontracting costs, utilities and facility operating costs, cost of selling carpark spaces, cost of smart community solutions and others. During the period, cost of sales and services was RMB2,910.8 million, representing a period-to-period decrease of 9.6% as compared to RMB3,220.3 million for the same period of 2024. Such decrease was mainly due to (1) the optimisation of the Group's team structure to enhance labour productivity during the period; (2) focusing on the improvement of project quality; and (3) the disposal of subsidiaries by the Group between July and December 2024.

Gross Profit and Gross Profit Margin

During the period, gross profit amounted to RMB709.0 million, representing a period-to-period decrease of 12.6% as compared to RMB811.5 million for the same period of 2024. Gross profit margin was 19.6%, representing a decrease of 0.5 percentage point as compared to 20.1% for the same period of 2024. Gross profit margins for the four business segments were 20.0% for property management services, 21.6% for community value-added services, 15.0% for value-added services to non-property owners and 9.9% for city services, respectively. Gross profit margins for those business segments for the same period of 2024 were 20.0%, 27.0%, 16.9% and 14.3%, respectively.

Gross profit margin for property management services was 20.0%, which remained stable as compared to 20.0% for the same period of 2024.

Gross profit margin for community value-added services was 21.6%, representing a decrease of 5.4 percentage points as compared to 27.0% for the same period of 2024. It was mainly due to the impact of changes in the real estate industry and the economic conditions, which led to a decline in gross profit for the segment businesses, such as the carpark asset operation services and the community asset management services.

Gross profit margin for value-added services to non-property owners was 15.0%, representing a decrease of 1.9 percentage points as compared to 16.9% for the same period of 2024. It was mainly due to the continued adjustment of the real estate market and the slowdown in developers' property launch schedules, which led to a decline in gross profits from property sales office services and preliminary fees.

Gross profit margin for the city services business was 9.9%, representing a decrease of 4.4 percentage points as compared to 14.3% for the same period of 2024. Such decrease was mainly due to the fact that the government reduced relevant budgets, while the Group maintained its cost expenditure at the same level as the corresponding period to ensure the quality of services, which resulted in a decrease in gross profit.

Selling and Marketing Expenses

Selling and marketing expenses for the period were RMB56.3 million, representing a period-to-period decrease of 5.5% as compared to RMB59.6 million for the same period of 2024. Selling and marketing expenses as a percentage of revenue was 1.6%, which remained stable as compared to 1.5% for the same period of 2024.

Administrative Expenses

Administrative expenses for the period were RMB339.8 million, representing a period-to-period decrease of 18.9% as compared to RMB418.9 million for the same period of 2024. Administrative expenses as a percentage of revenue was 9.4%, representing a decrease of 1.0 percentage point as compared to 10.4% for the same period of 2024, which was mainly due to (1) the improvement in efficiency of the management of the Group's organisational structure, resulting in lower labour costs and management expenses; and (2) a decrease in amortisation of customer relationships arising from the valuation of the appreciation as a result of the disposal of acquired subsidiaries by the Group.

Operating Profit

Operating profit for the period was RMB40.2 million, representing a period-to-period decrease of 84.0% as compared to RMB252.0 million for the same period of 2024. Operating profit margin was 1.1%, representing a decrease of 5.2 percentage points as compared to 6.3% for the same period of 2024.

Finance Costs/Income – Net

Finance costs – net for the period were RMB2.1 million, as compared to finance income – net of RMB2.9 million for the same period of 2024. It was primarily due to the recognition of amortisation of unrecognised finance charges from discount on consideration for the acquired companies during the period.

Profit before Income Tax

Profit before income tax for the period amounted to RMB29.5 million, representing a period-to-period decrease of RMB232.5 million or a decrease of 88.7% as compared to RMB262.0 million for the same period of 2024. It was primarily due to the provision of significant credit impairment losses and impairment losses on goodwill during the period.

Income Tax Expense

Income tax expense for the period amounted to RMB7.3 million, representing a period-to-period decrease of 85.7% as compared to RMB51.2 million for the same period of 2024. It was primarily due to the dramatic decrease in profit before income tax for the period.

Tibet Shimao Tiancheng Property enjoyed tax benefits for being headquartered in Tibet; while Chengdu Xinyi, Xi'an Fangrui and the newly established "second headquarters" enjoyed the preferential tax policy for the "Western Region Development".

Pursuant to the regulations of the Cayman Islands, the Group is not required to pay income tax of the Cayman Islands.

The tax rate applicable to the Group's entities incorporated in Hong Kong was 16.5%. However, no provision was made for the relevant tax, as the Group did not derive any income subject to Hong Kong profits tax over the period from 1 January to 30 June 2025.

Unless otherwise specified, the corporate income tax rate applicable to the Group's subsidiaries in the PRC was 25%.

Profit for the Period

Profit for the period was RMB22.3 million, representing a period-to-period decrease of 89.4% as compared to RMB210.8 million for the same period of 2024. Profit attributable to equity holders of the Company was RMB8.5 million, representing a period-to-period decrease of 95.4% as compared to RMB184.0 million for the same period of 2024.

Profit margin for the period was 0.6%, representing a decrease of 4.6 percentage point as compared to 5.2% for the same period of 2024.

Core Net Profit (Non–HKFRS Measure)

To supplement the consolidated financial statements prepared in accordance with HKFRSs, the Company have also adopted core net profit (a non-HKFRS measure) as an additional financial measure, which is not required or presented under HKFRSs, and believed that by excluding the potential impact of certain items irrelevant to the Company's daily business operations and management, the presentation of core net profit (a non-HKFRS measure) provides investors and management with useful information regarding the consolidated results of the Group's core business for each period. Core net profit (a non-HKFRS measure) is defined as net profit attributable to equity holders of the Company, adjusted by deducting the provisions for bad debts attributable to the parent, share-based compensation expenses, amortisation of intangible assets – customer relationships, loss on disposal of subsidiaries, impairment losses on goodwill and customer relationships, amortisation of unrecognised financing charges from discount on acquisition consideration, and the impact of related deferred tax.

During the period, core net profit attributable to equity holders of the Company (a non-HKFRS measure, adjusted by deducting (i) the provisions for bad debts attributable to the parent of RMB228.9 million; (ii) share-based compensation expenses of RMB0.5 million; (iii) amortisation of intangible assets – customer relationships of RMB50.3 million; (iv) loss on disposal of subsidiaries of RMB0.3 million; (v) impairment losses on goodwill and customer relationships of RMB34.7 million; (vi) amortisation of unrecognised financing charges from discount on acquisition consideration of RMB12.6 million; and (vii) the impact of related deferred tax of RMB74.7 million) was RMB261.0 million, representing a period-to-period decrease of 11.3% as compared to RMB294.4 million for the same period of 2024.

Investment Properties, Property, Plant and Equipment

As of 30 June 2025, net book value of investment properties, property, plant and equipment was RMB501.0 million, representing an increase of 40.8% as compared to RMB355.9 million as at 31 December 2024, which was mainly due to the investment in new intelligent equipment for projects during the period to enhance the quality of the projects and property owners' satisfaction.

Intangible Assets

As of 30 June 2025, the carrying amount of the Group's intangible assets was RMB2,154.2 million, representing an increase of 2.5% as compared to RMB2,101.2 million as at 31 December 2024. The Group's intangible assets primarily included: (i) goodwill amounting to RMB1,273.0 million arising from the acquired companies; (ii) customer relationships amounting to RMB420.3 million arising from the acquired companies; (iii) software developed and procured by the Group amounting to RMB460.8 million. Customer relationships and software have definite useful lives and are measured at cost less accumulated amortisation.

As of 30 June 2025, the Group's goodwill was RMB1,273.0 million, mainly derived from the expected future development of the acquired companies, the improvement of market coverage, the expansion of service scope, the integration of value-added services and the enhancement of management efficiency.

As of 30 June 2025, the Group's management had made a provision of impairment losses on goodwill amounting to RMB34.7 million for certain acquired companies, including Zhejiang Yefeng, Yantai Kangqiao, Tianjin Rongwei and Zhejiang Xindadi.

Trade Receivables

As at 30 June 2025, trade receivables amounted to RMB3,635.3 million, representing an increase of 7.6% as compared to RMB3,378.3 million as at 31 December 2024, which was primarily due to the tightening cash flows of customers as a result of the macroeconomic downturn, which led to lower-than-expected recovery, as well as the increase in balances with related parties. As at the date of this announcement, subsequent recovery of receivables accounted for approximately 3.5% of the closing balance.

In respect of long aged trade receivables, the management of the Company has formulated specific plans for recovery based on the residential and non-residential businesses respectively.

The recovery for the residential business was made mainly through (1) differentiating services to enhance the perception of owners and facilitate the recovery; (2) increasing the means of collection, including the transfer of credits, project-specific collection actions and third-party collection, to enhance the efficiency of the recovery; (3) strengthening the management of internal control and deepening the "online payment lifecycle system" to further enhance the standardisation process of payment procedures; and (4) designating the functional management team to respective business units to assist in projects with a low collection rate.

The recovery for the non-residential business was mainly focused on major customer projects and multi-owner projects, among which, (1) for major customer business, it focused on the governmental customers of Hexing, Kangqiao and Fangrui, set up an early-warning ledger for recovery, carried out special assessment of accounts receivable in excess of RMB1 million, and actively procured the signing of agreements on recovery in line with the local government's specialised financial policies; and (2) for multi-owner business, it strengthened the foundation with isolated set of files per each household for the purpose of enhancing collection efforts by means of inspections, supervision and review, and devoting more efforts in the management of non-residential frontline collection work.

Trade Payables

As of 30 June 2025, trade payables amounted to RMB1,996.7 million, representing an increase of 41.4% as compared to RMB1,412.3 million as at 31 December 2024, which was due to the gradual increase in trade payables after the Group properly rescheduled its payment with suppliers as a result of the slowdown in payment collection under the impact of market conditions.

Liquidity, Reserves and Capital Structure

The Group maintained a strong financial position during the period. Current assets amounted to RMB9,819.1 million as of 30 June 2025, representing an increase of 1.8% as compared to RMB9,648.9 million as at 31 December 2024. Cash and cash equivalents, including time deposits with maturity over three months, amounted to RMB4,807.4 million, representing an increase of 27.7% as compared to RMB3,764.2 million as at 31 December 2024, which was mainly due to the recovery of the security deposit upon the expiry of the carpark asset agency service contract with Shanghai Quzhi Investment Management Consulting Co., Ltd.

The Group's net current assets amounted to RMB4,551.5 million as of 30 June 2025, with a current ratio of 1.86, which still stood at a robust level as compared to the net current assets of RMB4,880.9 million as at 31 December 2024.

Capital Expenditure Commitments

As of 30 June 2025, the capital commitments that the Group had contracted but not provided for amounted to RMB237.6 million.

Foreign Exchange Risk

The Group principally operates in the PRC, and the majority of its businesses are conducted in RMB with limited exposure to the foreign exchange risk. However, any depreciation or appreciation in HKD and adjustment in the interest rates will affect the performance of the Group. Therefore, the Group will closely monitor its exchange rate risk and interest rate risk exposure, actively explore foreign exchange hedging plans with major banks and use financial instruments to hedge against such risks when necessary.

UNAUDITED INTERIM RESULTS

The Board is pleased to present the unaudited consolidated results of the Group for the six months ended 30 June 2025 together with comparative figures. These interim financial statements have not been audited, but have been reviewed by the Company's Audit Committee.

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

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*5*	**3,619,813**	4,031,765
Cost of sales and services	*5*	**(2,910,819)**	(3,220,257)
Gross profit		**708,994**	811,508
Selling and marketing expenses		**(56,261)**	(59,551)
Administrative expenses		**(339,805)**	(418,856)
Impairment losses on financial assets – net	*6*	**(235,938)**	(86,516)
Impairment losses on intangible assets		**(34,742)**	–
Other income	*7*	**5,497**	5,971
Other gains and losses – net		**(4,581)**	(51)
Other operating expenses		**(2,970)**	(473)
Operating profit		**40,194**	252,032
Finance income		**12,720**	22,115
Finance costs		**(14,772)**	(19,171)
Finance (costs)/income – net		**(2,052)**	2,944
Share of results of associates		**(8,632)**	7,050
Profit before income tax	*6*	**29,510**	262,026
Income tax expense	*8*	**(7,253)**	(51,189)
Profit for the period		**22,257**	210,837
Profit attributable to:			
– Equity holders of the Company		**8,519**	183,965
– Non-controlling interests		**13,738**	26,872
		22,257	210,837

	Note	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other comprehensive income for the period, net of tax			
Items that may be reclassified to profit or loss			
– Exchange differences on translation of foreign operations		**(1,526)**	13,503
Total comprehensive income for the period		**20,731**	224,340
Total comprehensive income attributable to:			
– Equity holders of the Company		**6,993**	197,468
– Non-controlling interests		**13,738**	26,872
		20,731	224,340
Earnings per share	*9*		
– Basic *(RMB)*		**0.003**	0.075
– Diluted *(RMB)*		**0.003**	0.074

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**484,138**	338,593
Right-of-use assets		**33,134**	43,484
Investment properties		**16,908**	17,337
Intangible assets		**2,154,173**	2,101,162
Deferred tax assets		**322,642**	280,898
Interests in associates		**482,783**	502,204
Financial assets at fair value through profit or loss		**6,501**	5,619
Prepayments, deposits and other receivables		**38,315**	49,247
Total non-current assets		**3,538,594**	3,338,544
Current assets			
Inventories		**166,956**	174,346
Trade receivables	*10*	**3,635,253**	3,378,267
Financial assets at fair value through profit or loss		**–**	138,703
Prepayments, deposits and other receivables		**1,166,557**	2,119,426
Restricted bank balances		**42,934**	37,489
Time deposits with maturity over three months		**500,000**	1,600,129
Cash and cash equivalents		**4,307,361**	2,164,112
		9,819,061	9,612,472
Asset classified as held for sale		**–**	36,462
Total current assets		**9,819,061**	9,648,934

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Current liabilities			
Trade payables	*12*	**1,996,655**	1,412,288
Deposits received, accruals and other payables		**1,673,790**	1,602,571
Contract liabilities		**1,200,855**	1,287,690
Income tax liabilities		**383,065**	416,177
Lease liabilities		**13,199**	20,138
		5,267,564	4,738,864
Liabilities directly associated with assets classified as held for sale		**–**	29,203
Total current liabilities		**5,267,564**	4,768,067
Net current assets		**4,551,497**	4,880,867
Total assets less current liabilities		**8,090,091**	8,219,411
Non-current liabilities			
Lease liabilities		**20,755**	23,628
Deferred tax liabilities		**127,622**	132,124
Provisions for other liabilities and charges		**22,688**	22,688
Other payables		**1,913**	1,928
Total non-current liabilities		**172,978**	180,368
Net assets		**7,917,113**	8,039,043
Equity			
Share capital	*11*	**21,358**	21,358
Reserves		**7,605,916**	7,637,394
Equity attributable to equity holders of the Company		**7,627,274**	7,658,752
Non-controlling interests		**289,839**	380,291
Total equity		**7,917,113**	8,039,043

SELECTED NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

Shimao Services Holdings Limited (the "Company") was incorporated on 3 December 2019 under the laws of the Cayman Islands with limited liability. The address of the Company's registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box. 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business is located at Unit 3820, 38th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong. The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30 October 2020.

The Company is an investment holding company. The Company and its subsidiaries (the "Group") are principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners and city services in the People's Republic of China (the "PRC").

The Company's immediate holding company is Best Cosmos Limited, a company incorporated in the British Virgin Island (the "BVI") and intermediate holding company is Shimao Group Holdings Limited whose shares are listed on the Stock Exchange since 5 July 2006. The Company's ultimate holding company is Gemfair Investments Limited, a company incorporated in the BVI which is wholly owned by Mr. Hui Wing Mau (the "Ultimate Controlling Shareholder").

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accounts ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The interim condensed consolidated financial statements does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024 which have been prepared in accordance with HKFRS Accounting Standards ("HKFRSs) as issued by HKICPA, and any public announcements made by the Company during the interim reporting period.

The interim condensed consolidated financial statements has been prepared on historical cost basis except for certain financial instruments which are measured at fair values. As the Group mainly operates in the PRC, Renminbi ("RMB") is used as the presentation currency of the interim condensed consolidated financial statements and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 January 2025

The interim condensed consolidated 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 consolidated financial statements for the year ended 31 December 2024, except for the adoption of the Amendments to HKAS 21 "Lack of Exchangeability" which became effective on 1 January 2025.

The adoption of these amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

Issued but not yet effective HKFRS Accounting Standards

As at the date of authorisation of this announcement, certain new and amended HKFRS Accounting Standards have been published but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[1]
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[4]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 Effective date not yet determined
4 The references in the amendments to Hong Kong Interpretation 5 have been updated to reflect the requirements of HKFRS 18, which is effective for annual periods beginning on or after 1 January 2027

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policies for the first reporting period beginning on or after their effective dates. The Group is currently assessing the expected impact of these developments during the period of initial application. Based on its preliminary conclusions, the adoption of these pronouncements is not expected to have a significant impact on the Group's interim condensed consolidated financial statements.

4. SEGMENT INFORMATION

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

The CODM considers business from a product perspective and has identified the following two operating segments:

– Property management and related services, which include property management services, community value-added services and value-added services to non-property owners; and

– City services, which includes sanitation, cleaning and sewage and waste treatment business.

The CODM assesses the performance of the operating segments based on a measure of operating results, adjusted by excluding financial income, finance costs, other gains and losses – net, shares of results of associates and certain unallocated expenses.

All assets are allocated to operating segment assets other than deferred tax assets, interests in associates, asset classified as held for sale and other corporate assets. All liabilities are allocated to operating segment liabilities other than deferred tax liabilities, income tax liabilities, liabilities directly associated with assets classified as held for sale.

Sales between segments are carried out on terms agreed upon by the respective segments' management.

The principal operating entity of the Group is domiciled in the PRC. For the purpose of segment information disclosure under HKFRS 8, the Group regard the PRC as its place of domicile. The Group's revenue from external customers is classified based on the geographical locations of the customers and the details are disclosed above. Accordingly, all of the Group's revenue were derived in the PRC during the six months ended 30 June 2025 (six months ended 30 June 2024: Same).

As at 30 June 2025, all of the non-current assets of the Group were located in the PRC (31 December 2024: Same).

The segment revenue and results are as follows:

	Property management and related services *RMB'000*	City services *RMB'000*	Total *RMB'000*
Six months ended 30 June 2025 (Unaudited)			
Reportable segment revenue	**3,412,372**	**207,441**	**3,619,813**
Reportable segment results	**47,611**	**1,047**	**48,658**
Amounts included in the measure of segment results:			
Impairment losses on financial assets – net	**(233,218)**	**(2,720)**	**(235,938)**
Impairment losses on intangible assets	**(34,742)**	**–**	**(34,742)**
Depreciation of property, plant and equipment, right-of-use assets and investment properties	**(63,750)**	**(10,622)**	**(74,372)**
Amortisation of intangible assets	**(72,030)**	**(57)**	**(72,087)**
Six months ended 30 June 2024 (Unaudited)			
Reportable segment revenue	3,428,574	603,191	4,031,765
Reportable segment results	218,580	35,910	254,490
Amounts included in the measure of segment results:			
Impairment losses on financial assets – net	(75,496)	(11,020)	(86,516)
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(57,842)	(44,564)	(102,406)
Amortisation of intangible assets	(62,487)	(12,471)	(74,958)

A reconciliation of segment results to profit before income tax is provided as follows:

	Six months ended 30 June	
	2025 *RMB'000* **(Unaudited)**	2024 *RMB'000* (Unaudited)
Segment results	**48,658**	254,490
Other gains and losses – net	**(4,581)**	(51)
Share of results of associates	**(8,632)**	7,050
Finance costs	**(14,772)**	(19,171)
Finance income	**12,720**	22,115
Unallocated expenses	**(3,883)**	(2,407)
Profit before income tax	**29,510**	262,026

The segment assets and liabilities are as follows:

	Property management and related services *RMB'000*	**City services** *RMB'000*	**Total** *RMB'000*
As at 30 June 2025 (Unaudited)			
Segment assets	**9,884,688**	**382,910**	**10,267,598**
Segment liabilities	**4,687,530**	**242,324**	**4,929,854**
As at 31 December 2024 (audited)			
Segment assets	10,909,791	342,799	11,252,590
Segment liabilities	4,229,441	141,490	4,370,931

Reconciliation of segment assets to total assets and segment liabilities to total liabilities provided as follows:

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Segment assets	**10,267,598**	11,252,590
Deferred tax assets	**322,642**	280,898
Interests in associates	**482,783**	502,204
Other corporate assets	**2,284,632**	915,324
Asset classified as held for sale	**–**	36,462
Total assets	**13,357,655**	12,987,478
Segment liabilities	**4,929,855**	4,370,931
Deferred tax liabilities	**127,622**	132,124
Income tax liabilities	**383,065**	416,177
Liabilities directly associated with assets classified as held for sale	**–**	29,203
Total liabilities	**5,440,542**	4,948,435

5. **REVENUE AND COST OF SALES AND SERVICES**

Revenue mainly comprises of proceeds from property management services, value-added services and city services rendered to customers, net of value added tax and surcharges, and allowances for discounts. An analysis of the Group's revenue and cost of sales and services by category for the reporting period is as follows:

	Six months ended 30 June			
	2025 (Unaudited)		2024 (Unaudited)	
	Revenue *RMB'000*	**Cost of sales and services** *RMB'000*	Revenue *RMB'000*	Cost of sales and services *RMB'000*
Revenue from customer and recognised over time:				
Property management services	**2,812,286**	**2,249,644**	2,760,965	2,207,873
Community value-added services	**212,233**	**145,852**	212,348	139,398
Value-added services to non-property owners	**61,232**	**52,036**	80,870	67,212
City services	**207,441**	**186,921**	603,191	516,675
	3,293,192	**2,634,453**	3,657,374	2,931,158
Revenue from customer and recognised at a point in time:				
Community value-added services	**326,621**	**276,366**	374,391	289,099
	3,619,813	**2,910,819**	4,031,765	3,220,257
Gross basis	**3,513,064**	**2,845,426**	3,929,817	3,173,927
Net basis	**106,749**	**65,393**	101,948	46,330
	3,619,813	**2,910,819**	4,031,765	3,220,257

For the six months ended 30 June 2025, revenue from entities controlled by the Ultimate Controlling Shareholder and joint ventures and associates of the Ultimate Controlling Shareholder contributed to approximately 3.67% (six months ended 30 June 2024: 2.90%) of the Group's revenue. Other than entities controlled by the Ultimate Controlling Shareholder and joint ventures and associates of the Ultimate Controlling Shareholder, the Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

6. PROFIT BEFORE INCOME TAX

The Group's profit before income tax is calculated after deducting the following expenses:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses (excluding directors' and chief executive's remuneration)	**1,517,663**	1,815,305
Equity-settled share-based payment		
– Employees other than directors	**369**	394
– Directors	**117**	257
	486	651
Impairment losses on financial assets – net		
– Third parties		
Impairment losses on trade receivables	**262,216**	100,677
Reversal of impairment losses on other financial assets included in deposits and other receivables	**(66,890)**	(93)
– Related parties		
Impairment losses on trade receivables	**35,225**	216
Provisions for/(reversal of) impairment losses on other financial assets included in deposits and other receivables	**5,387**	(14,284)
Total impairment losses on financial assets – net	**235,938**	86,516
Depreciation and amortisation:		
Depreciation of property, plant and equipment	**59,310**	83,079
Depreciation of right-of-use assets, included in administrative expenses	**14,633**	18,860
Depreciation of investment properties	**429**	467
Amortisation of intangible assets	**72,087**	74,958
	146,459	177,364
Auditors' remuneration		
– Non-audit services	**500**	500
Cost of inventories sold	**108,671**	83,811
Cost of selling parking lots	**14,968**	3,356
Raw materials used in catering services	**51,401**	56,445

7. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants	**5,497**	5,971

Note: Government grants consisted mainly of financial subsidies granted by the local government. There are no unfulfilled conditions or other conditions attached to the government grant recognised during the six months ended 30 June 2025 and 2024.

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax – PRC		
– Corporate income tax	**(53,499)**	(75,590)
Deferred income tax credit	**46,246**	24,401
	(7,253)	(51,189)

9. EARNINGS PER SHARE

Basic earnings per share

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company *(RMB'000)*	**8,519**	183,965
Weighted average number of equity shares *(in thousands)*	**2,456,741**	2,467,624
Basic earnings per share *(expressed in RMB per share)*	**0.003**	0.075

Diluted earnings per share

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit for the year, attributable to owners of the Company for diluted earnings per share *(RMB'000)*	**8,519**	183,965
Weighted average number of equity shares for basic earnings per share *(in thousands)*	**2,456,741**	2,467,624
Adjustments: share award scheme *(in thousands)*	**–**	8,768
Weighted average number of ordinary shares for dilutive earnings per share *(in thousands)*	**2,456,741**	2,476,392
Diluted earnings per share *(expressed in RMB per share)*	**0.003**	0.074

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has potential ordinary shares arising from the share award schemes.

Diluted earnings per share is the same as the basic earnings per share for the six months ended 30 June 2025. The potential shares arising from the share award schemes would increase the earnings per share attributable to equity holders of the Company and was not taken into account as they had anti-dilutive effect.

10. TRADE RECEIVABLES

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Trade receivables		
– Related parties	**815,033**	753,235
– Third parties	**3,953,500**	3,635,434
	4,768,533	4,388,669
Note receivables		
– Related parties	**200**	200
– Third parties	**1,019**	227
	1,219	427
Less: allowance for impairment losses on trade receivables	**(1,134,499)**	(1,010,829)
	3,635,253	3,378,267

For trade receivables from property management services, the Group charges property management fees on a monthly or quarterly basis and the payment is generally due upon the issuance of demand notes. No credit period is granted (31 December 2024: Nil).

Trade receivables from value-added services and city services are due for payments in accordance with the terms of the relevant services agreements with property developers and government bodies, which is normally within 30-90 days (31 December 2024: 30-90 days) from the issue of demand note.

The amounts due from related parties are repayable on credit terms similar to those offered to other major customers of the Group.

An ageing analysis of the trade receivables as at the end of the period/year, based on the recognition date and before impairment, is as follows:

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Within 1 year	**2,346,216**	2,561,773
1 to 2 years	**1,208,718**	651,705
2 to 3 years	**470,121**	641,321
3 to 4 years	**481,106**	415,253
4 to 5 years	**212,305**	109,918
Over 5 years	**50,067**	8,699
	4,768,533	4,388,669

As at 30 June 2025, the trade receivables were denominated in RMB (31 December 2024: Same).

As at 30 June 2025, the total note receivables (before impairment) amounting to RMB1,219,000 are held by the Group for future settlement of trade receivables (31 December 2024: RMB427,000). All note receivables received by the Group are with a maturity period of less than one year.

11. SHARE CAPITAL

Ordinary shares	**Number of ordinary shares of HK$0.01 each**	**Share capital**	
		HKD	***RMB***
Authorised			
As at 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	3,500,000,000	35,000,000	30,350,583
Issued and fully paid			
As at 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025 (unaudited)	2,468,173,000	24,681,730	21,357,812

12. TRADE PAYABLES

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Trade payables		
– Related parties	**26,733**	18,548
– Third parties	**1,969,922**	1,393,740
	1,996,655	1,412,288

The trade payables have a normal credit terms of 30 to 90 (31 December 2024: 30 to 90) days. As at 30 June 2025, the carrying amounts of trade payables approximated to their fair values (31 December 2024:Same). As at 30 June 2025, the trade payables were denominated in RMB (31 December 2024: Same).

The ageing analysis of trade payables based on the invoice date was as follows:

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Within 1 year	**1,700,897**	1,028,286
1 to 2 years	**148,413**	222,145
2 to 3 years	**58,318**	44,564
3 to 4 years	**42,050**	98,161
4 to 5 years	**43,770**	16,600
Over 5 years	**3,207**	2,532
	1,996,655	1,412,288

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE CODE

The Company has complied with all applicable 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 (the "Listing Rules") throughout the six months ended 30 June 2025, except for the following deviation:

The Chairman of the Board was unable to attend the annual general meeting of the Company held on 10 June 2025 as required by the code provision F.1.3 of the CG Code due to other commitment.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the directors of the Company (the "Directors"). The Company has made specific enquiry of all Directors and all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025.

On behalf of the Board
Shimao Services Holdings Limited
Hui Sai Tan, Jason
Chairman

Hong Kong, 27 August 2025

As at the date of this announcement, the Board comprises three Executive Directors, namely, Mr. Hui Sai Tan, Jason (Chairman), Mr. Shao Liang (President) and Mr. Cao Shiyang; and three Independent Non-executive Directors, namely, Mr. Gu Yunchang, Ms. Zhou Xinyi and Mr. Hui Wai Man, Lawrence.