遠洋服務
SINO-OCEAN SERVICE

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

RESULTS HIGHLIGHTS

- As of 30 June 2025, the total contracted GFA of property management services was 121.6 million sq.m. and the total GFA under management was 93.5 million sq.m., representing a decrease of approximately 9% and 7% respectively as compared to as of 30 June 2024. During the reporting period, the Group continued to actively withdraw from inefficient projects.

- Revenue decreased by approximately 3% to RMB1,385.8 million as compared to the corresponding period in 2024 (first half of 2024: RMB1,436.0 million), which was mainly due to the initiatives of the Group to withdraw the businesses and projects with unsatisfactory cash collection assurance during the reporting period, taking into account of the negative impacts of the sluggish macroeconomic environment and the real estate market downturn in the PRC.

- Gross profit decreased by approximately 50% to RMB162.6 million as compared to the corresponding period in 2024 (first half of 2024: RMB327.4 million). The gross profit margin was approximately 12% (first half of 2024: 23%).

- For the six months ended 30 June 2025, loss attributable to owners of the Company was RMB310.1 million (first half of 2024: profit of RMB59.3 million). The loss attributable to owners of the Company was mainly attributable to the continuous adverse impact of the real estate market, and the overall real estate market downturn, in the PRC, which led to (i) the lengthening of the settlement cycle of relevant businesses, which in turn led to an increase in the provision for impairment loss on trade and other receivables; and (ii) increases in the provision for impairment losses on inventories and goodwill.

- The Board did not recommend the payment of interim dividend for the six months ended 30 June 2025.

The Board is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2025.

MARKET REVIEW AND OUTLOOK

In the first half of 2025, the property management industry was still at the critical stage of considerable adjustment and transformation. Faced with multiple challenges and intensifying competition in the market of existing stock, the industry's growth slackened, management scale moved from extensive expansion to meticulous cultivation. Many regions publicized property management fee standards to encourage the market to raise service levels. As property owners' demands for high-quality and personalized services increased, the profitability of property management companies was further compressed. Under these circumstances, property management companies accelerated service upgrade and operation model transformation. The industrial core issues were how to continuously raise service quality and property owner satisfaction in a sustainable operation framework, and to balance service value and commercial efficiency.

In the first half of 2025, we persevered with high quality and sustainable operation, and intensification of operation reforms in multiple dimensions. We continued to optimize the full-cycle quality service control system, refine service details and user experience, and build up a solid property owner satisfaction base. We strengthened our capabilities in securing third-party projects and focused on high quality projects in deeply cultivated cities. Building on the core business base of residential and commercial properties, we actively developed the existing non-residential property market and further raised project quality. We dug deep into the potential of existing properties, enhanced our product matrix around property owners' sore points in daily life to build a differentiating value-added service system; promoted streamlined cost control, raised operational efficiency; continued to optimize business structure, innovate the organisational structure, and consolidate the foundation for sustainable growth. We adhered to the service philosophy of "being understanding and innovative", positioned ourselves for servicing people's needs in life, focused on property owners' living scenarios and pursued high quality services.

Currently, China's economy continues to face complex and severe internal and external challenges, with macroeconomic conditions expected to progress amid ongoing fluctuations. The property management industry still confronts multiple pressures, including increasingly fierce competition in the existing market, governance model transformations driven by the rise of property owners' associations, growing demands from property owners for higher service quality, and profit margin pressures due to rising costs. At the same time, we also recognize the historic opportunities presented by policy empowerment and value reassessment in the property management sector. On the policy front, the industry has been included in the category of encouraged business services, and the directive for "good housing, good services" has become clearer, marking a substantial elevation of the industry's strategic positioning and reflecting deep recognition of its value. Although the industry's growth rate has shifted, its "anti-cyclical, policy-driven, and cash-flow-positive" attributes remain unchanged. Property owners' focus on value-for-money services is precisely the core driver of high-quality development in the sector. Policy adjustments and market mechanisms will gradually reshape the industry's pricing system and profitability expectations, presenting significant growth opportunities. Only by maintaining strategic focus and returning to the essence of service value can we secure a long-term future amid industry transformation.

Cyclical fluctuations may affect short-term performance, but delivering good service will always remain our foundation. Only by enhancing service quality and earning the trust and satisfaction of property owners can we achieve sustainable development in the long run. In the second half of 2025, we will continue to uphold our service philosophy of "being understanding and innovative", focusing on elevating service quality, refining our standardized service system, and improving service details to strengthen owner loyalty and trust. We will deepen our presence in key regions, expand into diverse market segments, and enhance the quality of our project portfolio to achieve intensive growth in operational efficiency. We will strengthen cultivated operational capabilities, with a particular emphasis on accounts receivable and cash flow management, optimizing cost structures to ensure operational stability. Simultaneously, we will advance organizational efficiency upgrades, improve talent development and selection mechanisms, and further enhance management effectiveness and service standards. By addressing pain points in owners' daily lives, we will expand our value-added service offerings and continue exploring innovative business growth opportunities. Adhering to a long-term development philosophy, the Group will earn customer trust through high-quality services, solidify our foundation with cultivated operations, unlock growth potential through forward-looking strategies, and ensure safety barriers with compliant governance. By aligning with national strategies, empowering community development, and delivering returns to Shareholders, we will achieve harmony between corporate and social value, building a sustainable and enduring model for long-term success.

RESULTS REVIEW

In the first half of 2025, the Group intensified the market-oriented expansion strategy, optimized project structure and quality, laying a solid foundation for quality and sustainable growth. We continued to drive market growth, using the core business of residential and commercial properties we expanded non-residential business, adding a new contracted GFA of 3.9 million sq.m., of which third-party new contracted GFA rose from 64% to 96% YoY, including commercial space, offices, industrial parks, public buildings and scenic spots. We persevered with deep cultivation in core regions, and taking advantage of our experience and expertise in commercial and office space we continued to strengthen our core business fortress. The commercial buildings in the top two tiers maintained at a high level of 99% of GFA under management. At the same time, we actively competed in the existing market, accumulated experience in providing services for specific business segments, and pushed further our advantage of scale in industrial parks and logistics parks. We continued to heighten strategic collaboration with key customers, tap into high-quality client resources, and develop one-stop, bespoke solutions by efficiently meeting clients' overarching needs. We successfully secured public construction projects such as the Zhengzhou Customs Office Area, the Shenyang Xinmin Municipal Supervision Bureau Project, and the Guangxi Investment Expressway Service Area. As at 30 June 2025, the contracted GFA of property management services was 121.6 million sq.m., down 1% compared to the end of 2024; GFA under management was 93.5 million sq.m., up 1% compared to the end of 2024.

BUSINESS REVIEW

The Group is a comprehensive property management service provider with extensive geographic coverage in the PRC. We manage a portfolio of diversified property types covering mid- to high-end residential properties, commercial properties such as shopping malls and office buildings and public and other properties, providing customers with comprehensive services along the value chain of property management, including, among others, property management services, community value-added services and value-added services to non-property owners. The Group has consistently enjoyed a sound reputation in the industry on the back of its quality services and proven industry experience over the years.

Property management services

For the six months ended 30 June 2025, the Group's revenue from property management services amounted to RMB1,031.2 million, accounting for approximately 74% of the Group's total revenue.

Seize the opportunity from industry upgrade, driving resilient growth in our managed portfolio. As at 30 June 2025, the Group had 567 contracted property management service projects for various business types, with contracted GFA of 121.6 million sq.m., a decrease of approximately 1% as compared to 31 December 2024, and GFA under management of 93.5 million sq.m., an increase of approximately 1% as compared to 31 December 2024. During the period, the Group effectively drove market expansion by fully leveraging its established presence and advantages in expansion, further strengthening resource synergies and strategic cooperation with key clients, and refining our tendering and bidding process to better meet market demands. While consolidating our core business segments of residential and commercial properties, the Group has continued to expand into strategic emerging business areas such as industrial parks, business parks, government facilities, and parks and scenic spots, laying the foundation for service matrix upgrading and new long-term momentum.

The table below sets forth details of the Group's contracted GFA and GFA under management as at the dates indicated:

	As at 30 June	
	2025	2024
Contracted GFA *('000 sq.m.)*	**121,559**	133,625
Number of projects relating to contracted GFA	**567**	583
GFA under management *('000 sq.m.)*	**93,503**	100,097
Number of projects relating to GFA under management	**511**	501

Precisely meeting the core needs of residents and strengthening our competitiveness on multiple fronts. During the period, the Group has fully fueled our expansion momentum by optimizing incentive and assessment measures, strengthening our team's professional capabilities, and enhancing the skills training system. At the same time, guided by our customers' core demands, the Group has built a differentiated product system to consistently enhance the competitiveness of our products. For the first half of 2025, the new contracted GFA reached 3.9 million sq.m., of which 96% were sourced from third parties, further highlighting our independent business expansion capabilities.

The table below sets forth a breakdown of the Group's contracted GFA and GFA under management as at the dates indicated by the source of projects:

	As at 30 June							
	2025				2024			
	Contracted GFA *('000 sq.m.)*	**%**	**GFA under management** *('000 sq.m.)*	**%**	Contracted GFA *('000 sq.m.)*	%	GFA under management *('000 sq.m.)*	%
Properties developed/owned by Sino-Ocean Group together with its joint ventures and associates	**57,289**	**47**	**50,573**	**54**	61,938	46	52,456	52
Properties developed/owned by other third parties[1]	**64,270**	**53**	**42,930**	**46**	71,687	54	47,641	48
Total	**121,559**	**100**	**93,503**	**100**	133,625	100	100,097	100

Note:

1) Refers to property developers other than Sino-Ocean Group together with its joint ventures and associates; and property owners of certain public properties and others other than Sino-Ocean Group together with its joint ventures and associates.

As of 30 June 2025, our projects covered 87 cities across 28 provinces, autonomous regions and municipalities in China. Our geographical presence covered 5 major city clusters, including the Beijing-Tianjin-Hebei region, Bohai Rim region, Eastern China region, Southern China region and Central and Western China region. We continue to consolidate our scale-based moat in the Beijing-Tianjin-Hebei region, the Bohai Rim region, and the Eastern China region, solidifying our competitive edge in these key areas. The Southern China region, Central and Western China region serve as new growth engines, effectively driving the dynamic optimisation of regional structures. As of 30 June 2025 the Beijing-Tianjin-Hebei region, Bohai Rim region, Eastern China region, Southern China region, and Central and Western China region accounted for approximately 30%, 22%, 16%, 14% and 18%, respectively, of our GFA under management.

The table below sets forth a breakdown of the Group's contracted GFA and GFA under management by geographic location as at the dates indicated and revenue generated from its property management services for the six months ended 30 June 2025 and 2024, respectively:

	As at or for the six months ended 30 June							
	2025				2024			
	Contracted GFA	**GFA under management**	**Revenue**		Contracted GFA	GFA under management	Revenue	
	('000 sq.m.)	***('000 sq.m.)***	***(RMB'000)***	**%**	*('000 sq.m.)*	*('000 sq.m.)*	*(RMB'000)*	%
Beijing-Tianjin-Hebei region[1]	**41,454**	**28,009**	**332,354**	**32**	46,561	32,253	341,739	33
Bohai Rim region[2]	**24,159**	**20,552**	**210,260**	**20**	26,402	21,446	210,329	20
Eastern China region[3]	**17,815**	**15,007**	**180,314**	**18**	20,024	16,223	210,495	20
Southern China region[4]	**15,288**	**13,387**	**153,576**	**15**	16,995	14,396	139,124	13
Central and Western China region[5]	**22,843**	**16,548**	**154,668**	**15**	23,643	15,779	151,002	14
Total	**121,559**	**93,503**	**1,031,172**	**100**	133,625	100,097	1,052,689	100

Notes:

1) "Beijing-Tianjin-Hebei region" refers to cities or municipalities including Beijing, Tianjin, Shijiazhuang, Qinhuangdao, Langfang, etc.

2) "Bohai Rim region" refers to cities including Dalian, Qingdao, Shenyang, Jinan, Changchun, Taiyuan, etc.

3) "Eastern China region" refers to cities or municipalities including Shanghai, Hangzhou, Wenzhou, Zhenjiang, Suzhou, Nantong, Nanjing, Wuxi, Jinhua, etc.

4) "Southern China region" refers to cities including Zhongshan, Shenzhen, Liuzhou, Zhanjiang, Foshan, Guangzhou, Fuzhou, Sanya, etc.

5) "Central and Western China region" refers to cities or municipalities including Wuhan, Changsha, Zhengzhou, Xi'an, Chengdu, Kunming, Nanchang, Guiyang, Chongqing, etc.

The Group's properties management projects are mainly concentrated in first-tier and second-tier cities such as Beijing, Tianjin, Shanghai, Hangzhou and Wuhan. First-tier and second-tier cities accounted for approximately 83% of our GFA under management.

The table below sets out a breakdown of the contracted GFA and GFA under management in cities where the Group's property management service projects were primarily located as at 30 June 2025 according to the city classification by China Business Network:

	Contracted GFA		**GFA under management**	
	('000 sq.m.)	***%***	***('000 sq.m.)***	***%***
First-tier cities	**18,882**	**16**	**17,828**	**19**
New first-tier cities	**32,547**	**27**	**26,806**	**29**
Second-tier cities	**36,616**	**30**	**32,550**	**35**
Other cities	**33,514**	**27**	**16,319**	**17**
Total	**121,559**	**100**	**93,503**	**100**

Staying rooted in the essence of community services to refine the quality benchmark of "good services" and deepen sustained value creation. In the first half of 2025, staying rooted in the essence of community services, we placed a high priority on residents' needs and improved the quality of services through meticulous attention to details. These measures ensure the property service satisfaction remains at an excellent level. Meanwhile, we were awarded with multiple prestigious industry awards, including "2025 Top 100 Brand Influential Property Management Companies in China (2025中國物業品牌影響力百強企業)", "14th among 2025 Listed Companies of China Property Management Service (2025中國物業管理行業上市物企第14名)", and "2025 China Leading Property Management Companies in terms of Service Quality (2025中國物業服務質量領先企業)". During the period, our frequent meetings with residents to strengthen the direct communication mechanism between management and residents, have helped us to deeply understand their real needs, and develop tailored project-based solutions. We also had our support staff on-site at projects to enhance our understanding of customer needs and ensure a granular and refined service response. Additionally, we innovatively developed a reverse management evaluation system to realize cross-level information sharing and further improve the closed-loop management. We advanced the "four-party collaborative governance" model at red properties, integrating the party-led guidance, professional services, residents' self-governance, and community governance to build a collaborative ecosystem where we build, govern, and share in the benefits of an improved community. We promoted the home renovation initiative (家園煥新行動) nationwide, continuously upgrading community landscapes and homecoming pathways, and creating green and livable spaces. Furthermore, we continued to focus on children's safety education: our "Sino-Ocean Little Citizen Growth Practice Base" launched the 3rd "First-Aid Knowledge Empowers Growth" event, collaborating with members of the Blue Sky Rescue Team to carry out outdoor first-aid classes and drills, empowering children's healthy growth.

Property management services on residential and other non-commercial properties

As at 30 June 2025, the contracted GFA of the Group's residential and other non-commercial property projects was 112.7 million sq.m., and GFA under management was 87.9 million sq.m. During the period, the Group enhanced its external competitiveness through multiple channels, leveraging its accumulated historical resources and expertise. It intensified its market expansion efforts, representing an increase of approximate 1% in the GFA under management as compared to 31 December 2024. As at 30 June 2025, total number of contracted properties management projects was 490, representing a decrease of approximately 2% as compared to 31 December 2024.

The table below sets forth details of the contracted GFA and GFA under management of the Group's residential and other non-commercial properties projects as at the dates indicated:

	As at 30 June	
	2025	2024
Contracted GFA *('000 sq.m.)*	**112,685**	123,828
Number of projects relating to contracted GFA	**490**	504
GFA under management *('000 sq.m.)*	**87,851**	94,445
Number of projects relating to GFA under management	**446**	436

Property management services on commercial properties

For the six months ended 30 June 2025, the Group's revenue from property management services on commercial properties amounted to RMB166.7 million, representing a decrease of approximately 10% compared with the same period of last year, mainly due to the Group's withdrawal from two persistently loss-making commercial property projects during the period, which were developed/owned by Sino-Ocean Group. Meanwhile, the revenue generated by newly taken-over commercial property projects in the current period was not sufficient to offset the decline in this segment.

The table below sets forth details of the contracted GFA and GFA under management of the Group's commercial property management projects as at the dates indicated:

	As at 30 June	
	2025	2024
Contracted GFA *('000 sq.m.)*	**8,874**	9,797
Number of projects relating to contracted GFA	**77**	79
GFA under management *('000 sq.m.)*	**5,652**	5,652
Number of projects relating to GFA under management	**65**	65

Focusing on better customer experience and refining the commercial service system. As of 30 June 2025, the contracted GFA of commercial property management service projects provided by the Group was 8.9 million sq.m. and the GFA under management was 5.7 million sq.m., which remained unchanged from 30 June 2024. 99% of our GFA under management concentrated in first- and second-tier cities. The Group's commercial property management services focus on two major property categories: shopping malls and office buildings. During the period, we refined the service details of benchmark projects to establish a meticulous service paradigm and elevate standard across our regional network. Simultaneously, we established an inter-project resource sharing mechanism to expand service scope through ecological synergy. Based on our insights into customers' full-cycle needs, our menu-based value-added service model created one-stop solutions covering space customization, corporate service support, and green operation and maintenance guarantees, further consolidating our differentiated service moat.

Community value-added services

Focusing on C-end owners' life needs and building a sustainable growth model for value-added services. For the six months ended 30 June 2025, the revenue from community value-added services amounted to RMB248.5 million, representing an increase of approximately 2% compared to the same period of last year and accounting for approximately 18% of the Group's total revenue. In the first half of 2025, centered on four main business service matrices of "community living, leasing and sales, home decoration and spatial resources", we addressed residents' high-frequency lifestyle needs, leveraged the synergies of our diversified business operations, and promoted the steady scaling-up of our business. In terms of community living services, we upgraded the community retail product offering system, focusing on residents' high-frequency daily necessities such as firewood, rice, oil and salt, and simultaneously promoted online and offline marketing models to strengthen user loyalty. In terms of leasing and sales services, we strengthened the online self-media operation model, establishing benchmark service standards for our stores, and improving the efficiency of property transaction conversion. In terms of home decoration services, we responded the essential demand for house maintenance and partial renovation in the community by establishing in-home repair services and revitalising living standards through micro-renovation projects. In terms of spatial resources, we tapped into the value potential of spatial resources, continuously optimized the layout of public facility networks, such as community water stations and charging piles, and strengthened the support for community life convenience.

Deepening the ecosystem of community retail scenarios and solidifying the growth pillar of businesses. We have firmly upheld the strategy of positioning community value-added services as a vital pillar for growth. To this end, we have been actively exploring and promoting a replicable model for value-added services, building a diversified service product matrix, and continuously strengthening our differentiated competitive edges. We will continue to upgrade our community retail operating model. Leveraging the inherent near-field advantages such as community access points and trust from property owners, we will actively develop private domain traffic, while simultaneously building localized characteristic supply chains and creating competitive products. Through pre-warehouse distribution and door-to-door services, we will enhance the consumption experience of property owners to ensure the efficient delivery of livelihood necessities and strengthen customer interaction and loyalty.

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

	For the six months ended 30 June			
	2025		2024	
	(RMB'000)	***%***	*(RMB'000)*	*%*
Community asset value-added services[1]	**175,362**	**71**	173,608	71
Community living services[2]	**47,676**	**19**	48,561	20
Property brokerage services[3]	**25,487**	**10**	21,629	9
Total	**248,525**	**100**	243,798	100

Notes:

1) Community asset value-added services mainly include carpark management services, community space operation services and energy management services.

2) Community living services mainly include housekeeping and cleaning services, repair and maintenance services of home electrical appliances and equipment, retail sales of commodities, home decoration services and other bespoke services.

3) Property brokerage services mainly include sales transactions and sales agency services of parking spaces, agency in the resale or lease transactions of owners' properties and parking spaces.

Value-added services to non-property owners

Continuously deepening the engineering operation and maintenance service system and actively expanding our comprehensive facility management capabilities. For the six months ended 30 June 2025, revenue from value-added services to non-property owners amounted to RMB106.1 million. Amid the profound structural adjustments in the real estate sector, the Group continued to optimize its business structure. It reduced the scale of related-party transactions, resulting in a YoY decrease of approximately 24% in revenue from this segment, which accounted for approximately 8% of the Group's total revenue. This has further strengthened the overall operational resilience against risks. During the period, the Group fully leveraged its technological strengths and service experience in the non-residential sector. Building on the operational expertise gained from multiple benchmark projects, we successfully drove market expansion for major clients in our property engineering services, thereby continuously strengthening our competitive edge in the engineering and maintenance segment. Looking ahead, we will maintain our sharp focus on non-residential properties. We will further standardize our engineering and maintenance services, explore full life-cycle management models for facilities and equipment, and drive sustainable growth through business synergies and technological innovation to optimize the operational quality across our diversified business portfolio.

The following table sets forth a breakdown of the Group's revenue generated from value-added services to non-property owners by service types for the six months ended 30 June 2025 and 2024, respectively:

	For the six months ended 30 June			
	2025		2024	
	(RMB'000)	***%***	*(RMB'000)*	*%*
Pre-delivery services[1]	**31,654**	**30**	50,555	36
Consultancy services[2]	**25,316**	**24**	25,915	19
Property engineering services[3]	**49,114**	**46**	63,056	45
Total	**106,084**	**100**	139,526	100

Notes:

1) Mainly represents on-site services to offer pre-delivery services to property developers, such as assistance for their sales and marketing activities at property sales venues and display units, so as to create high-quality service brands for property developers among potential property buyers.

2) Mainly represents provision of additional specialized and customized support services, including dedicated security, cleaning, greening and protocol reception services.

3) Mainly represents engineering services to property developers and other property management companies, including property engineering, greening, gardening, repair and maintenance of residential communities and non-residential properties, operation and maintenance of facilities and equipment, and the upgrade of smart security systems.

FUTURE DEVELOPMENT PLANS AND OUTLOOK

Actively responding to changes in the industry ecosystem and strengthening our operational foundation in diversified formats. Based on our extensive experience in residential and commercial properties, we will focus on developing high-quality non-residential sectors such as public buildings, education, and healthcare. Through the organic linkage between our real estate development and property management arms, we will create a high degree of synergy between our resources and business capabilities, building a differentiated competitive edge in the non-residential market. By implementing a systematic operational framework of "full-staff participation, full-process incentives, and full-resource support", we will systematically link performance goals with incentive policies to fully drive our organization's expansion. Simultaneously, we will enhance our team's professional competitiveness by refining the management of the entire bidding process and optimizing our bidding strategy training and standardization systems, thereby improving our project resources conversion rate. We will also innovatively implement an "Expansion-Operations Integration" mechanism. This involves establishing multi-disciplinary teams during the service preparation stage to ensure continuous quality management and a consistently excellent customer experience, creating an end-to-end support framework for unlocking the value of existing assets.

Promoting the innovation of organizational structure and talent system, and building core support for resilient development. We will continue to flatten our organizational structure by streamlining management layers, which will accelerate decision-making and improve two-way communication between headquarters and on-site project operation teams. This enhances both organizational flexibility and market responsiveness. Our staffing model will prioritize front-line roles. We are substantially increasing the value of these positions by optimizing our career ranking system, strengthening professional skills training, and implementing more precise incentive and assessment mechanisms. Regular dialogue between executives and employees will be institutionalized to ensure a continuous feedback loop and optimize management processes. Simultaneously, we will enhance our "recruit and cultivate" approach to talent development to consistently strengthen our customer-facing teams. Furthermore, we will implement an innovative, tiered evaluation system and differentiated incentive mechanisms for our city-level companies. A corresponding tiered management system for projects will also be established to precisely align resources with the unique operational demands of each project. This ensures effective resource allocation and drives the synergistic improvement of both service quality and operational efficiency.

Refining standards of property management services, enhancing service perception, and reshaping the value of property services. We will position our on-site housekeepers as the service hub to coordinate the communication of client needs and professional collaboration. Through conducting comprehensive client visits, we will proactively identify concerns and ensure our professional teams respond swiftly and resolve issues efficiently. We are also upgrading our community maintenance standards, with ongoing initiatives in landscaping, infrastructure upkeep, and energy-saving retrofits to improve the comfort of the living environment. Regular community events will be organized to foster interaction among neighbors and cultivate a warm, welcoming atmosphere. At the same time, we will strengthen the professional training of the housekeeper team and empower them on the front line, clearly defining the matching system of rights and responsibilities, while enhancing the speed of demand response and the warmth of care. By effectively addressing everyday problems, creating clean and livable spaces, and providing a platform for neighborly connection, we ensure our residents feel that their lives are easier, their homes are more comfortable, and their community is more welcoming. This strategy elevates our services beyond basic property maintenance, transforming them into a true enhancement of our residents' quality of life.

FINANCIAL REVIEW

Revenue

The Group's revenue for the six months ended 30 June 2025 decreased by approximately 3% to RMB1,385.8 million from RMB1,436.0 million for the six months ended 30 June 2024. The Group's revenue for the period was generated from (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners, which contributed approximately 74%, 18% and 8% of the Group's total revenue, respectively.

The following table sets forth the breakdown of our unaudited total revenue by business lines for the six months ended 30 June 2025 and 2024, respectively:

	For the six months ended 30 June			
	2025		2024	
	(RMB'000)	***%***	*(RMB'000)*	*%*
Property management services	**1,031,172**	**74**	1,052,689	73
Community value-added services	**248,525**	**18**	243,798	17
Value-added services to non-property owners	**106,084**	**8**	139,526	10
Total	**1,385,781**	**100**	1,436,013	100

Revenue from property management services for the first half of 2025 slightly decreased by approximately 2% to RMB1,031.2 million from RMB1,052.7 million for the first half of 2024. The decrease was mainly attributable to the decrease in the GFA under management of public buildings and commercial properties.

Revenue from community value-added services for the first half of 2025 slightly increased by approximately 2% to RMB248.5 million (first half of 2024: RMB243.8 million), which was mainly attributable to the increase in revenue from property brokerage services.

Revenue from value-added services to non-property owners for the first half of 2025 decreased by approximately 24% to RMB106.1 million (first half of 2024: RMB139.5 million). The decrease was mainly caused by (i) revenue from pre-delivery services which decreased by approximately 37% to RMB31.7 million for the first half of 2025 from RMB50.6 million for the first half of 2024, mainly attributable to the decrease in pre-sale activities in the real estate market; and (ii) revenue from property engineering services which decreased by approximately 22% to RMB49.1 million for the first half of 2025 (first half of 2024: RMB63.1 million), mainly attributable to the proactive withdrawal from construction projects with unsatisfactory payment collections.

Cost of sales and services

For the first half of 2025, cost of sales and services was RMB1,223.1 million (first half of 2024: RMB1,108.6 million).

The cost of sales and services comprised mainly (i) outsourced security, greening and cleaning expenses; (ii) employee benefit expenses, maintenance and utilities expenses; (iii) cost of consumables and construction materials; (iv) cost of merchandises sold; and (v) impairment losses on inventories.

Outsourced security, greening and cleaning expenses for the first half of 2025 increased by approximately 4% to RMB414.4 million, from RMB398.5 million as compared to the corresponding period of 2024, which was mainly attributable to the increase in cost of these services due to the increase in labor cost.

Employee benefit expenses, maintenance and utilities expenses for the first half of 2025 in aggregate slightly decreased by approximately 2% to RMB575.3 million as compared with that of RMB585.9 million in the corresponding period of 2024, which was in line with the decrease in total revenue of the Group.

Cost of consumables and construction materials decreased by approximately 18% to RMB9.2 million for the first half of 2025, as compared to RMB11.2 million for the first half of 2024, which was in line with the decrease in revenue from value-added services to non-property owners.

Cost of merchandises sold increased by approximately 4% to RMB38.2 million for the first half of 2025 from RMB36.7 million for the first half of 2024, which was in line with the increase in the scale of the retail sales in our community living services.

Impairment losses on inventories increased to RMB91.3 million for the first half of 2025 (the first half of 2024: RMB3.7 million), which was mainly contributed from the properties held for sale due to the downturn of the overall real estate market in the PRC.

Gross profit/(loss) and gross profit/(loss) margin

Gross profit for the first half of 2025 decreased by approximately 50% to RMB162.6 million from RMB327.4 million for the first half of 2024. The overall gross profit margin for the first half of 2025 decreased to approximately 12% from approximately 23% for the first half of 2024, mainly attributable to the decrease in gross profit margin of property management services, and the gross loss generated from community value-added services due to the increase in impairment losses made to the inventories as mentioned above.

The table below sets forth the breakdown of our gross profit/(loss) and gross profit/(loss) margin by business lines for the six months ended 30 June 2025 and 2024 respectively:

	For the six months ended 30 June			
	2025		2024	
	Gross profit/(loss) *(RMB'000)*	**Gross profit/ (loss) margin** *%*	Gross profit *(RMB'000)*	Gross profit margin *%*
Property management services	**168,968**	**16**	210,104	20
Community value-added services	**(24,034)**	**(10)**	94,056	39
Value-added services to non-property owners	**17,700**	**17**	23,260	17
Total	**162,634**	**12**	327,420	23

Gross profit margin for property management services decreased from approximately 20% for the first half of 2024 to approximately 16% for the first half of 2025. The decrease in gross profit margin was mainly due to the increase in cost of providing the property management services as mentioned above.

Gross loss margin for community value-added services was approximately 10% for the first half of 2025 (first half of 2024: gross profit margin of 39%), which was mainly attributable to the increase in impairment losses made to the inventories as mentioned above.

Gross profit margin for value-added services to non-property owners remained the same at approximately 17% for the first half of 2025 and the first half of 2024.

Other income and other losses, net

The other income for the first half of 2025 was RMB7.1 million, a decrease of RMB2.1 million from RMB9.2 million for the first half of 2024. The other income mainly comprised government grants and interest income. The decrease was mainly attributable to the decrease in both the government grants received and the interest income, during the period.

We recorded other losses (net) of RMB0.4 million for the first half of 2025 (first half of 2024: losses (net) of RMB1.4 million). The net other losses mainly arose from net exchange losses during the period.

Operating expenses

Selling and marketing expenses for the first half of 2025 was at RMB9.1 million (first half of 2024: RMB8.1 million). Administrative expenses for the first half of 2025 remained fairly stable at RMB106.9 million as compared to RMB105.1 million for the first half of 2024.

Net impairment losses on financial assets

Net impairment losses on financial assets increased by approximately 75% to RMB217.3 million for the first half of 2025, from RMB124.5 million for the first half of 2024. The increase in such losses was mainly attributable to the increase in provision made by the Group for trade and other receivables, considering the sluggish macroeconomic environment and the downturn in the real estate market in the PRC.

Impairment losses on goodwill

For the first half of 2025, due to the reduction of business scale of certain subsidiaries caused by the overall real estate market downturn in the PRC, the Group recorded net impairment losses on goodwill of RMB156.2 million (first half of 2024: RMB9.2 million).

Finance costs

Finance costs for the first half of 2025 remained stable at RMB0.3 million (first half of 2024: RMB0.3 million), mainly comprised interest expenses of the lease liabilities.

Share of results in joint ventures

For the first half of 2025, share of losses from joint ventures amounted to RMB0.9 million (first half of 2024: losses of RMB3.0 million). The recorded loss was mainly due to the decline in the financial performance of the joint ventures affected by the downturn of the overall economic situation.

Taxation

Income tax credit of approximately RMB11.5 million was recorded for the first half of 2025 (first half of 2024: income tax expenses of RMB24.8 million). It was mainly due to the decrease in operating profits and change in tax rate of a subsidiary.

(Loss)/profit attributable to owners of the Company

Due to the continuous adverse impact of the real estate market, and the overall real estate market downturn, in the PRC, which led to (i) the lengthening of the settlement cycle of relevant businesses, which in turn led to an increase in the provision for impairment loss on trade and other receivables; and (ii) increases in the provision for impairment losses on inventories and goodwill, loss attributable to owners of the Company of RMB310.1 million was recorded for the first half of 2025 (first half of 2024: profit of RMB59.3 million). Our management will continue to focus on the improvement of our Shareholders' return as an on-going task.

Investment properties

Investment properties represented commercial properties, office buildings and parking spaces located in the PRC, which were held to earn rentals. As at 30 June 2025, the Group's investment properties remained stable at RMB87.0 million (31 December 2024: RMB89.5 million).

Property, plant and equipment

Property, plant and equipment mainly consisted of office and operating equipment, leasehold improvement, vehicles and buildings. As at 30 June 2025, the Group's property, plant and equipment decreased to RMB30.1 million from RMB34.5 million as at 31 December 2024.

Intangible assets

Intangible assets comprised of computer software, property management contracts, customer relationships, trademark and goodwill. As at 30 June 2025, the Group's intangible assets decreased to RMB492.1 million from RMB668.9 million as at 31 December 2024. The decrease was primarily due to amortisations and impairment losses of goodwill during the period.

Inventories

Inventories primarily consisted of parking spaces, commercial properties and community facilities held for sale and consumables held for consumption during the provision of property management services. Our inventories were RMB490.6 million as at 30 June 2025 (31 December 2024: RMB614.2 million), the decrease was mainly due to the increase in impairment losses on inventories as mentioned above.

Trade and note receivables

Trade and note receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. Our trade and note receivables mainly arise from our property management services and value-added services provided. We usually issue a monthly payment notice to our customers of value-added services, who must pay accordingly. We generally do not grant a credit term to our customers of property management services and 60 days for value-added services to non-property owners are granted, respectively.

As at 30 June 2025, trade and note receivables amounted to RMB1,084.1 million, representing an increase of approximately 4% as compared to RMB1,038.2 million as at 31 December 2024. We will continue to enhance various measures to ensure the timeliness and expedite the recovery of our trade and note receivables.

Prepayments and other receivables

Prepayments and other receivables include prepayment to suppliers, other receivables and prepaid tax which in aggregate, decreased by approximately 9% to RMB475.3 million as at 30 June 2025, compared to RMB522.6 million as at 31 December 2024.

Trade and other payables

Trade payables primarily represent our obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, including purchase of utilities and materials and purchase from sub-contractors. Accruals and other payables primarily represent: (i) deposit; (ii) amounts collected on behalf of property owner; (iii) accrued payroll and welfare payables; (iv) other payables to related parties; and (v) other tax payables.

As at 30 June 2025, trade and other payables amounted to RMB1,285.2 million, which remained relatively stable as compared to RMB1,291.5 million as at 31 December 2024.

Contract liabilities

Contract liabilities represent our obligations to provide the contracted property management services, community value-added services and value-added services to non-property owners. Contract liabilities mainly arose from the advance payments made by customers while the underlying services such as property management services and carpark management services are yet to be provided. As at 30 June 2025, our contract liabilities amounted to RMB567.7 million, representing an increase of approximately 15% as compared to RMB494.1 million as at 31 December 2024.

Capital expenditures

In the first half of 2025, we incurred capital expenditures of RMB2.7 million (first half of 2024: RMB3.6 million), which mainly consisted of (i) purchase of investment properties; (ii) purchase of intangible assets such as computer software; and (iii) purchase of property, plant and equipment.

Financial resources and liquidity

Regarding the funding and treasury policies and objectives, our principal cash requirements are to pay for working capital needs and capital expenditures for the expansion and procurement of property, plant and equipment and business acquisition. We meet these cash requirements by relying on our cash on hand and at financial institutions, net cash flows from operating activities and net proceeds from listing as our principal source of funding.

As at 30 June 2025, the Group had cash and cash equivalents of RMB731.8 million and restricted bank deposits of RMB26.2 million, amounted to RMB758.0 million in aggregate; of which approximately 99.9% (31 December 2024: approximately 99.9%) of the Group's cash resources were denominated in RMB with the remaining balances denominated in HKD, and a current ratio of 1.5 times (31 December 2024: 1.6 times), which was calculated by dividing total current assets by total current liabilities. We have ample financial resources and an adaptable financial management policy to support our business expansion in the coming years.

The principal activities of the Group are conducted in the PRC. During the first half of 2025, the Group did not use any financial instruments for hedging purpose. In view of the potential Renminbi exchange rate fluctuations, we will continue to monitor the foreign exchange exposure, and take prudent measures to reduce foreign exchange risks.

As at 30 June 2025 and 31 December 2024, the Group had no borrowings.

Gearing ratio

Gearing ratio is calculated by dividing total borrowings by total equity, based on the sum of bank loans and other borrowings as at the corresponding date divided by the total equity on the same date. As at 30 June 2025, gearing ratio was nil (31 December 2024: nil).

Significant investments

As at 30 June 2025, we did not have any significant investments.

Save as disclosed in the paragraphs headed "Use of net proceeds from listing", we have no other plans for material investments or capital assets.

Capital commitments

As at 30 June 2025, the Group had no capital commitment (31 December 2024: nil).

Charge on assets

As at 30 June 2025, we did not have any charges on our assets.

Contingent liabilities

As at 30 June 2025, we did not have any significant contingent liabilities.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures during the first half of 2025.

Employees and human resources

As at 30 June 2025, the Group had 8,382 employees (30 June 2024: 8,684 employees). The total number of employees serving the Group decreased primarily attributable to the optimization of the Company's business strategy. At the same time, we continued to elevate our effort on improving both manpower effectiveness and control capability, as well as optimizing resources allocation of the Group during the period. Our employee benefit expenses for the first half of 2025 were RMB447.2 million (first half of 2024: RMB440.5 million).

We have adopted an effective human resource system that provides differentiated employee training, performance evaluation and incentive measures which are tailored to the needs of different positions, from entry-level staff to senior management, with different skill requirements and career aspirations. We have competitive compensation plan, sound employee welfare policy, regular performance appraisal and internal rating system to attract external talents as well as retaining employees and management for our business expansion. We have also implemented various types of incentive schemes for different levels of employees.

We believe that our results-driven and value-sharing culture together with our well-developed talent selection, cultivation and evaluation initiatives have enabled us to identify, recruit, train and retain employees who share our fundamental values and are able to provide professional and high-quality services to customers, thus making us stand out from our competitors.

Important event after the reporting period

Transaction with Sino-Ocean Group

On 16 July 2025, the Company (on behalf of each relevant member of the Group) and Sino-Ocean Group Company (the holding company and a controlling shareholder of the Company, on behalf of each relevant member of Sino-Ocean Group) entered into a framework agreement in relation to the return of certain assets by the Group to Sino-Ocean Group (the "Return"). The assets to be returned comprise 2,684 parking spaces located in the PRC (the "Target Assets"), which form part of the assets transferred by Sino-Ocean Group to the Group pursuant to the parking spaces transfer framework agreement and the commercial properties transfer framework agreement both dated 21 July 2023 (collectively, the "Original Assets Transfer Framework Agreements") in relation to the acquisition by the relevant members of the Group of certain parking spaces and commercial properties from the relevant members of Sino-Ocean Group. The Return will be effected by way of cancellation of the transfer of the Target Assets pursuant to the Original Assets Transfer Framework Agreements, and the original transfer price of RMB323,200,000 for the Target Assets under the Original Assets Transfer Framework Agreements will be reverted and settled by a guaranteed loan (the "Guaranteed Loan") to be granted by the Company or its designated wholly-owned subsidiary (as lender) to a designated wholly-owned subsidiary of Sino-Ocean Group Company (as borrower), with Sino-Ocean Group Company acting as the guarantor for the loan.

Upon completion of the Return and the settlement of the amount in the sum of RMB323,200,000 payable by Sino-Ocean Group to the Group as a result of the Return by the Guaranteed Loan (the "Transaction"), the Group will cease to have any interests in the Target Assets. The Transaction has not been completed as of the date of this announcement.

Details of the Transaction have been disclosed in the announcement of the Company dated 16 July 2025.

Use of net proceeds from listing

The Shares were listed on the Main Board of the Stock Exchange on 17 December 2020 with 296,000,000 new Shares issued at a final offer price of HKD5.88 per Share. After deduction of the underwriting fees and commissions and expenses payable by the Company, net proceeds from the listing amounted to approximately HKD1,691.7 million (equivalent to approximately RMB1,426.3 million) and the net proceeds per Share were HKD5.72 (equivalent to approximately RMB4.82). Such proceeds were intended to be applied in the manner consistent with that disclosed in the Prospectus as set out below:

- Approximately 60%, or HKD1,015.0 million (equivalent to approximately RMB855.8 million), will be used to pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of our property management business;

- Approximately 20%, or HKD338.3 million (equivalent to approximately RMB285.3 million), will be used to develop smart community through upgrading of our systems for smart management;

- Approximately 10%, or HKD169.2 million (equivalent to approximately RMB142.6 million), will be used to enhance our level of digitization and our internal information technology infrastructure; and

- Approximately 10%, or HKD169.2 million (equivalent to approximately RMB142.6 million), will be used for working capital and general corporate purpose.

As disclosed in the announcement of the Company on 11 November 2022 (the "Change in Use of Proceeds Announcement"), having carefully considered the increasingly competitive landscape in the property management industry in the PRC and the rise in operation costs brought about by the COVID-19 pandemic, the Group has taken a more conservative approach and has been exploring means with comparatively less capital commitment and manageable risks to better utilize the unutilized net proceeds and increase the proportion of businesses that could bring about a more stable source of income, with a view to bringing about considerable returns to the Shareholders. As such, in order to improve the efficiency and to optimize the use of the unutilized net proceeds, the Board had resolved to change the proposed use of unutilized net proceeds in the amount of approximately RMB532.3 million originally allocated for (a) pursuing selective strategic investment and acquisition opportunities and to further develop strategic alliances and expanding the scale of the Company's property management business; (b) developing smart community by upgrading the Company's systems for smart management; and (c) enhancing the Company's level of digitization and the Company's internal information technology infrastructure, towards the (i) further expansion of and diversification into value-added services; (ii) further expansion of the business of commercial asset operation; and (iii) acquisition of self-use office premises (the "Reallocation"). Please refer to the Change in Use of Proceeds Announcement for details.

As at 30 June 2025, our planned use and actual use of net proceeds from listing was as follows:

	Planned use of net proceeds as disclosed in the Prospectus *(RMB million)*	Utilized immediately before Reallocation *(RMB million)*	Planned use of net proceeds after Reallocation *(RMB million)*	Unutilized as at 31 December 2024 *(RMB million)*	Utilized during the period *(RMB million)*	Unutilized as at 30 June 2025 *(RMB million)*	Expected timetable for the usage of the unutilized net proceeds as at 30 June 2025
Pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of our property management business	855.8	663.3	663.3	95.0	—	95.0 *(Note 1)*	On or before 30 June 2026
Develop smart community through upgrading of our systems for smart management	285.3	28.3	28.3	—	—	—	N/A
Enhance our level of digitisation and our internal information technology infrastructure	142.6	44.8	59.8	—	—	—	N/A
Working capital and general corporate purpose	142.6	142.6	142.6	—	—	—	N/A
Further expansion of and diversification into value-added services including (i) the acquisition of exclusive sales rights for parking spaces, and/or (ii) the investment in and/or acquisition of target(s) that provide complementary value-added services and other upstream and downstream business synergies	—	—	375.5	0.7	0.4	0.3 *(Note 2)*	On or before 30 June 2026
Further expansion of the business of commercial asset operation pursuant to the commercial property leasing and operation arrangement	—	—	79.4	—	—	—	N/A
Acquisition of self-use office premises in Shenzhen and Beijing, PRC *(Note 3)*	—	—	77.4	—	—	—	N/A
Total	1,426.3	879.0	1,426.3	95.7	0.4	95.3	

Notes:

1) As at the date of this announcement, RMB95.0 million had not been utilized. The expected time to utilize such remaining net proceeds had been further extended from on or before 30 June 2025 (as disclosed in the 2024 annual report of the Company) to on or before 30 June 2026, as it would take time for the Company to evaluate and identify suitable investment and acquisition targets under the current market conditions. It is expected that such remaining net proceeds would still be utilized for the purpose of pursuing selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of the Company's property management business as disclosed in the Prospectus and the Change in Use of Proceeds Announcement.

2) As at the date of this announcement, RMB0.3 million had not been utilized. The expected time to utilize such remaining net proceeds had been further extended from on or before 30 June 2025 (as disclosed in the 2024 annual report of the Company) to on or before 30 June 2026, as no suitable opportunities for the use of the remaining net proceeds had been identified and it would take time for the Company to evaluate and identify suitable opportunities under the current market conditions. It is expected that such remaining net proceeds would still be utilized for the purpose of further expansion of and diversification into value-added services pursuant to the reallocation arrangement as disclosed in the Change in Use of Proceeds Announcement.

3) As disclosed in the 2024 annual report of the Company, the acquired premises had been re-designated for rental purposes. The Company will continue to carry out strategic reviews of the Group's assets from time to time with a view to maximizing returns to the Shareholders and, with due consideration given to factors including the then market conditions, valuation as well as the interests of the Company and the Shareholders as a whole, the Company may also consider to dispose of all or part of the acquired premises in future should suitable opportunity arise.

Save for the aforesaid changes, the Directors were not aware of any material change to the planned use of net proceeds as at the date of this announcement. Despite the above change in the use of the unutilized net proceeds, the Board confirmed that there are no material changes in the nature of the business of the Group as set out in the Prospectus. The Board considered the above change in the use of the unutilized net proceeds was fair and reasonable as this would allow the Company to deploy its financial resources more effectively to reduce the operation costs of the Group and enhance the profitability of the Group and was therefore in the interests of the Group and the Shareholders as a whole.

The unutilized net proceeds prior to the full utilization were deposited with licensed banks or financial institutions in Mainland China and Hong Kong. As at the date of this announcement, the unutilized net proceeds amounted to RMB95.3 million. The expected timeline of full utilization set out above is based on the Company's best estimation barring unforeseen circumstances, and is subject to change in light of future development of market conditions.

The unaudited interim results of the Group for the six months ended 30 June 2025 are as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30 June **2025** *RMB'000* **(Unaudited)**	2024 *RMB'000* (Unaudited)
Revenue	5	**1,385,781**	1,436,013
Cost of sales and services	5, 6	**(1,223,147)**	(1,108,593)
Gross profit		**162,634**	327,420
Selling and marketing expenses	6	**(9,055)**	(8,121)
Administrative expenses	6	**(106,930)**	(105,140)
Impairment losses on goodwill		**(156,244)**	(9,212)
Net impairment losses on financial assets		**(217,334)**	(124,487)
Other income		**7,135**	9,239
Other losses	7	**(359)**	(1,446)
Operating (loss)/profit		**(320,153)**	88,253
Finance costs		**(300)**	(307)
Share of results in joint ventures		**(884)**	(2,958)
(Loss)/profit before income tax		**(321,337)**	84,988
Income tax credit/(expense)	8	**11,511**	(24,772)
(Loss)/profit and total comprehensive income for the period		**(309,826)**	60,216
(Loss)/profit and total comprehensive income for the period attributable to:			
Owners of the Company		**(310,106)**	59,340
Non-controlling interests		**280**	876
		(309,826)	60,216
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company			
Basic and diluted (expressed in RMB per share)	9	**(0.26)**	0.05

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2025** *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Assets			
Non-current assets			
Investment properties		**87,010**	89,470
Property, plant and equipment		**30,071**	34,486
Intangible assets		**492,066**	668,853
Right-of-use assets		**8,570**	5,938
Investments in joint ventures		**49,064**	49,948
Deferred income tax assets		**283,328**	214,107
Total non-current assets		**950,109**	1,062,802
Current assets			
Inventories		**490,556**	614,169
Trade and note receivables	11	**1,084,080**	1,038,241
Contract assets		**3,482**	4,727
Prepayments and other receivables		**475,283**	522,631
Restricted bank deposits		**26,247**	19,361
Cash and cash equivalents		**731,754**	761,144
Total current assets		**2,811,402**	2,960,273
Total assets		**3,761,511**	4,023,075
Equity			
Share capital		**99,829**	99,829
Reserves		**1,185,226**	1,185,226
Retained earnings		**501,106**	811,212
Equity attributable to owners of the Company		**1,786,161**	2,096,267
Non-controlling interests		**40,176**	40,348
Total equity		**1,826,337**	2,136,615

	Notes	**30 June 2025** *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Liabilities			
Non-current liabilities			
Trade and other payables	12	**—**	9,706
Lease liabilities		**6,359**	4,090
Deferred income tax liabilities		**42,656**	46,074
Total non-current liabilities		**49,015**	59,870
Current liabilities			
Trade and other payables	12	**1,285,182**	1,291,456
Contract liabilities		**567,722**	494,117
Lease liabilities		**2,473**	1,521
Current tax liabilities		**30,782**	39,496
Total current liabilities		**1,886,159**	1,826,590
Total liabilities		**1,935,174**	1,886,460
Total equity and liabilities		**3,761,511**	4,023,075

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Sino-Ocean Service Holding Limited ("the Company") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Islands Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) on 15 April 2020. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 17 December 2020.

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

The Company's immediate holding company is Shine Wind Development Limited, which was incorporated with limited liability in the British Virgin Islands ("BVI"). Its ultimate holding company is Sino-Ocean Group Holding Limited ("Sino-Ocean Group Company", together with its subsidiaries, "Sino-Ocean Group"), a limited liability company incorporated in Hong Kong on 12 March 2007, and its shares are listed on the Stock Exchange.

This interim condensed consolidated financial statements has not been audited and is presented in Renminbi ("RMB"), unless otherwise stated. This interim condensed consolidated financial statements has been approved for issue by the Board on 27 August 2025.

2. BASIS OF PREPARATION

This 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 Accountants ("HKICPA").

This interim financial information does not include all the notes of the type normally included in the annual financial report. Accordingly, this interim condensed consolidated financial statements should be read in conjunction with the annual financial report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period.

3. ACCOUNTING POLICIES

Application of amendments to HKFRS Accounting Standards

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current period

In the current period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA that are first effective for the current accounting period of the Group:

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

The application of the amendments to the standards listed above in the current period has had no material effect on the Group's financial performance and financial positions for the current and prior year and on the disclosures set out in these interim condensed consolidated financial statements.

4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by 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 Board of the Company. During the six months ended 30 June 2025, the Group is principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners in the PRC. Management reviews the operating results of the business by geography but these operating segments are aggregated into a single operating segment as the nature of services, the type of customers for services, the methods used to provide their services and the nature of regulatory environment is same in different regions.

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

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

5. REVENUE AND COST OF SALES AND SERVICES

Revenue mainly comprises of proceeds from property management services, community value-added services and value-added services to non-property owners. An analysis of the Group's revenue and cost of sales and services by category for the six months ended 30 June 2025 and 2024 is as follows:

	Six months ended 30 June			
	2025		2024	
	Revenue	**Cost of sales and services**	Revenue	Cost of sales and services
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
	(Unaudited)	**(Unaudited)**	(Unaudited)	(Unaudited)
Type of goods or services				
Property management services	**1,031,172**	**862,204**	1,052,689	842,585
Community value-added services	**248,525**	**272,559**	243,798	149,742
Value-added services to non-property owners	**106,084**	**88,384**	139,526	116,266
	1,385,781	**1,223,147**	1,436,013	1,108,593
Timing of revenue recognition				
Over time	**1,245,300**	**999,408**	1,297,686	1,013,854
Point in time	**91,631**	**183,988**	87,533	67,317
	1,336,931	**1,183,396**	1,385,219	1,081,171
Revenue from other sources				
Rental income	**48,850**	**39,751**	50,794	27,422

For the six months ended 30 June 2025, revenue from entities controlled by Sino-Ocean Group Company, joint ventures and associates of Sino-Ocean Group Company and the shareholder of ultimate holding company of the Group contributed 7% (for the six months ended 30 June 2024: 10%) of the Group's revenue. Other than Sino-Ocean Group Company, it's joint ventures and associates and the shareholder of ultimate holding company of the Group, the Group has a large number of customers, none of whom contributed approximately 10% or more of the Group's revenue during the six months ended 30 June 2025 and 2024.

6. EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Employee benefit expenses	**447,213**	440,509
Outsourced security, greening and cleaning expenses	**415,212**	398,813
Maintenance expenses and utilities	**178,585**	202,137
Cost of consumables and construction materials	**9,337**	11,421
Cost of merchandises sold	**38,203**	36,673
Cost of selling parking spaces and properties	**29,387**	3,701
Sub-contract expenses for home improvement and property agency services	**7,425**	9,633
Office-related expenses	**41,813**	43,564
Depreciation and amortisation charges	**30,488**	29,496
Community activities expenses	**9,055**	8,121
Taxes and surcharges	**7,220**	7,956
Write-down of inventories to net realisable value	**91,263**	3,702
Auditors' remuneration		
— Audit services	**—**	—
— Non-audit services	**950**	950
Others	**32,981**	25,178
	1,339,132	1,221,854

7. OTHER LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Loss)/gain on disposal of property, plant and equipment	**(17)**	2
Loss on disposal of a subsidiary	**—**	(719)
Net foreign exchange losses	**(342)**	(729)
	(359)	(1,446)

8. INCOME TAX (CREDIT)/EXPENSE

The group entities are subjected to PRC corporate income tax, which has been provided for based on the applicable tax rate of the estimated assessable income of each of these group entities for the six months ended 30 June 2025 and 2024. Certain subsidiaries of the Group in the PRC are qualified as small, micro Enterprise and enjoy preferential income tax rate of 5%. Companies registered in Hong Kong are mainly subjected to Hong Kong profits tax.

The amount of income tax (credit)/expense recognised in the interim condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
— PRC corporate income tax	**61,054**	47,168
— PRC land appreciation tax	**74**	176
	61,128	47,344
Deferred income tax		
— Origination and reversal of temporary differences	**(72,639)**	(22,572)
Income tax (credit)/expense	**(11,511)**	24,772

9. (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares of 1,184,000,000 (for the six months ended 30 June 2024: 1,184,000,000) in issue during the six-month periods.

For the six months ended 30 June 2025 and 2024, diluted (loss)/earnings per share was equal to the basic (loss)/earnings per share as there were no dilutive potential ordinary shares.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company *(RMB'000)*	**(310,106)**	59,340
Weighted average number of ordinary shares in issue *(in thousands)*	**1,184,000**	1,184,000
Basic and diluted (loss)/earnings per share for (loss)/profit attributable to the owners of the Company during the period *(expressed in RMB per share)*	**(0.26)**	0.05

10. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
2024 Final dividend paid of RMBNil (2024: 2023 final dividend of RMB0.0144) per ordinary share (a)	**—**	17,050
2025 Interim dividend paid of RMBNil (2024: 2024 interim dividend of RMB0.0125) per ordinary share (b)	**—**	14,800
Dividends paid for the period	**—**	31,850

(a) The Board did not recommend the payment of final dividend for the year ended 31 December 2024 (2024: 2023 Final dividend: RMB0.0144).

(b) The Board does not propose any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB0.0125).

11. TRADE AND NOTE RECEIVABLES

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables		
— Related parties	**670,017**	687,410
— Third parties	**1,275,617**	1,058,713
	1,945,634	1,746,123
Note receivables		
— Third parties	**—**	214
	1,945,634	1,746,337
Less: allowance for impairment of trade and note receivables	**(861,554)**	(708,096)
Total	**1,084,080**	1,038,241

Due to the short-term nature of trade and note receivables, their carrying amounts is considered to be same as their fair value.

Ageing analysis of trade and note receivable, based on the invoice date, were follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 1 year	**708,560**	626,254
1–2 years	**462,876**	510,445
2–3 years	**418,697**	413,252
Over 3 years	**355,501**	196,386
Total	**1,945,634**	1,746,337

12. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables		
— Related parties	**45,672**	42,225
— Third parties	**739,650**	772,873
	785,322	815,098
Other payables		
— Related parties	**17,879**	15,544
— Deposits	**165,375**	166,909
— Amounts collected on behalf of property owners	**202,743**	189,888
— Consideration payable for acquisition of a subsidiary	**—**	8,580
— Others	**36,947**	23,293
	422,944	404,214
Dividends payables		
— Non-controlling shareholders	**1,320**	1,320
Accrued payroll and welfare payables	**67,165**	71,993
Other tax payables	**8,431**	8,537
	75,596	80,530
Less: non-current portion	**—**	(9,706)
Total	**1,285,182**	1,291,456

As at 30 June 2025 and 31 December 2024, the carrying amounts of trade and other payables approximated their fair values.

As at 30 June 2025 and 31 December 2024, ageing analysis of trade payables at the reporting date, based on the invoice dates, is as follows:

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**616,680**	630,142
1–2 years	**45,698**	63,977
2–3 years	**47,237**	58,042
Over 3 years	**75,707**	62,937
Total	**785,322**	815,098

13. SUBSEQUENT EVENT

On 16 July 2025, the Company and Sino-Ocean Group Company entered into the framework agreement, pursuant to which the Group and Sino-Ocean Group have conditionally agreed to the return by the Group to Sino-Ocean Group of the parking spaces. The parking spaces to be returned comprises 2,684 parking spaces located in the PRC, which form part of the assets transferred by Sino-Ocean Group to the Group pursuant to the Original Assets Transfer Framework Agreements. The return will be effected by way of cancellation of the respective parking spaces transfer under the Original Assets Transfer Framework Agreements, and the original purchase price of RMB323,200,000 of the parking spaces under the Original Assets Transfer Framework Agreements will be reverted and settled by the guaranteed loan owing by a designated wholly-owned subsidiary of Sino-Ocean Group Company to the Company or its designated wholly-owned subsidiary, with Sino-Ocean Group Company acting as the guarantor to the guaranteed loan.

Details of the transaction have been disclosed in the announcement of the Company dated 16 July 2025.

REVIEW OF INTERIM FINANCIAL INFORMATION

The unaudited interim financial information of the Group for the six months ended 30 June 2025 has been reviewed by the auditors of the Company, BDO Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee has reviewed with the management of the Company the accounting policies and practices adopted by the Group and discussed, among other things, internal control, risk management and financial reporting matters including a review of the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2025. The Audit Committee consists of three Independent Non-executive Directors, namely Mr. LEUNG Wai Hung, Dr. GUO Jie and Mr. HO Chi Kin Sammy, and two Non-executive Directors, namely Mr. CUI Hongjie and Mr. ZHAI Senlin. Mr. LEUNG Wai Hung is the chairman of the Audit Committee.

INTERIM DIVIDEND

The Board has resolved not to declare any payment of interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB0.0125 per Share (equivalent to HKD0.0137 per Share)).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including the sale of treasury shares, if any) of the Company during the six months ended 30 June 2025. During the six months ended 30 June 2025 and up to the date of this announcement, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

In the opinion of the Board, the Company had applied the principles of the CG Code to its corporate governance structure and practices which have been described in the Corporate Governance Report contained in the annual report of the Company for the year ended 31 December 2024 and complied with all the applicable code provisions of the CG Code throughout the six months ended 30 June 2025, except for the deviation as disclosed below:

The positions of the Joint Chairmen were held by Mr. YANG Deyong and Mr. CUI Hongjie during the six months ended 30 June 2025, while Mr. YANG Deyong also performed the duties of the Chief Executive Officer during the period from 1 January 2025 up to 24 March 2025. The Joint Chairmen provided leadership and guidance for the Board and ensured the effectiveness of the Board in fulfilling its roles and responsibilities and the establishment of sound corporate governance practices and procedures for the Company. The Joint Chairmen were also responsible for formulating the overall strategies and policies of the Company and monitoring their implementation.

The code provision C.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, during the period from 1 January 2025 up to 24 March 2025, in view of the composition of the Board, Mr. YANG Deyong's in-depth knowledge of the operations of the Group and of the industry, his extensive business network and connections in the sector and the scope of operations of the Group, the Board believed that Mr. YANG Deyong, in his dual capacity as the Joint Chairman and the Chief Executive Officer, provided a realignment of power and authority under the corporate structure and facilitated the ordinary business activities of the Company. The Board also considered that as all major decisions were made in consultation with the Board and the senior management of the Company, there was sufficient balance of power with the joint-chairman structure.

Upon the re-designation of Mr. HOU Min as the Chief Executive Officer with effect from 24 March 2025, Mr. YANG Deyong has ceased to hold the dual roles of the Joint Chairman and the Chief Executive Officer. The roles of the Joint Chairmen and the Chief Executive Officer have then been separated.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND THE INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.sinooceanservice.com). The Company's interim report for the six months ended 30 June 2025 will be despatched by the Company to the Shareholders in the manner as they elect to receive corporate communication and available on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to extend its deepest gratitude to all Shareholders, investors, customers, business partners, the government for the tremendous support and all the directors, management and the entire staff who have worked together with the Group. The Group could not have enjoyed its continued stable growth without their unreserved support.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chief Executive Officer"	the chief executive officer of the Company
"China" or "PRC"	the People's Republic of China
"Company" or "Sino-Ocean Service"	Sino-Ocean Service Holding Limited (遠洋服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677)
"Director(s)"	the director(s) of the Company
"Executive Director(s)"	the executive Director(s)
"GFA"	gross floor area
"Group" or "we"	the Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Non-executive Director(s)"	the independent non-executive Director(s)
"Joint Chairmen"	the joint chairmen of the Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Non-executive Director(s)"	the non-executive Director(s)
"Prospectus"	the prospectus of the Company dated 7 December 2020
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the ordinary share(s) of the Company with a nominal value of HKD0.10 each

"Shareholder(s)"	the shareholder(s) of the Company
"Sino-Ocean Group"	Sino-Ocean Group Company and its subsidiaries
"Sino-Ocean Group Company"	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377), which is the holding company of the Company and a controlling Shareholder
"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"YoY"	year-on-year
"%"	per cent

By order of the Board
Sino-Ocean Service Holding Limited
YANG Deyong
Joint Chairman

Hong Kong, 27 August 2025

As at the date of this announcement, the Board comprises Mr. YANG Deyong, Mr. HOU Min and Ms. ZHU Geying as Executive Directors; Mr. CUI Hongjie and Mr. ZHAI Senlin as Non-executive Directors; and Dr. GUO Jie, Mr. HO Chi Kin Sammy and Mr. LEUNG Wai Hung as Independent Non-executive Directors.