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ZHENRO SERVICES GROUP LIMITED
正榮服務集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 6958)

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

INTERIM RESULTS AND OPERATIONAL HIGHLIGHTS

1. During the Reporting Period, the revenue of the Group was approximately RMB523.3 million, representing a decrease of approximately 4.5% as compared with the revenue of approximately RMB548.1 million in the same period of 2024.
2. The revenue of the Group is mainly derived from four major businesses: (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) commercial operational management services. During the Reporting Period, (i) property management services remained the largest source of revenue for the Group, with revenue reaching approximately RMB404.0 million, accounting for approximately 77.2% of the overall revenue, representing a period-on-period decrease of approximately 1.9% as compared with approximately RMB411.8 million in the same period of 2024; (ii) revenue from value-added services to non-property owners was approximately RMB18.3 million, accounting for approximately 3.5% of the overall revenue, representing a period-on-period decrease of approximately 43.4% compared to approximately RMB32.3 million in the same period of 2024; (iii) revenue from community value-added services was approximately RMB62.1 million, accounting for 11.9% of the overall revenue, which remained relatively stable as compared with the revenue of approximately RMB62.2 million in the same period of 2024; and (iv) revenue from commercial operational management services was approximately RMB38.9 million, accounting for 7.4% of the overall revenue, representing a period-on-period decrease of approximately 7.2% compared to approximately RMB41.9 million in the same period of 2024.
3. During the Reporting Period, the gross profit of the Group was approximately RMB105.5 million for the six months ended 30 June 2025, representing a decrease of approximately 5.1% from approximately RMB111.2 million in the same period of 2024.

4. The loss for the Reporting Period was approximately RMB6.6 million, compared with the loss of approximately RMB14.9 million in the same period of 2024. The loss attributable to owners of the parent for the Reporting Period was approximately RMB7.5 million, compared with the loss attributable to owners of the parent of approximately RMB15.1 million in the same period of 2024.
5. As at 30 June 2025, the GFA under management of the Group's property management services was approximately 78.8 million sq.m., representing a decrease of approximately 1.9% as compared with approximately 80.3 million sq.m. as at 31 December 2024.
6. The Board resolved not to declare any interim dividend for the six months ended 30 June 2025 (2024: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of Zhenro Services Group Limited (the “**Company**” or “**Zhenro Services**”) is pleased to announce the unaudited interim condensed consolidated results (the “**Interim Results**”) of the Company and its subsidiaries (together, the “**Group**” or “**We**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Notes			
REVENUE	5	523,284	548,136
Cost of sales		<u>(417,755)</u>	<u>(436,984)</u>
GROSS PROFIT		105,529	111,152
Other income and gains	5	5,686	27,382
Administrative expenses		(67,694)	(81,162)
Impairment losses on financial assets, net		(6,679)	(17,103)
Fair value losses on investment properties		(32,081)	(33,780)
Share of profits and losses of joint ventures		(123)	(265)
Finance costs		<u>(6,054)</u>	<u>(7,339)</u>
LOSS BEFORE TAX	6	(1,416)	(1,115)
Income tax expenses	7	<u>(5,159)</u>	<u>(13,761)</u>
LOSS FOR THE PERIOD		<u>(6,575)</u>	<u>(14,876)</u>
Attributable to:			
Owners of the parent		(7,520)	(15,133)
Non-controlling interests		<u>945</u>	<u>257</u>
		<u>(6,575)</u>	<u>(14,876)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
— Basic and diluted	9	<u>RMB(0.01)</u>	<u>RMB(0.01)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	<u>(6,575)</u>	<u>(14,876)</u>
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(5)</u>	<u>(10)</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>(5)</u>	<u>(10)</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	<u>(5)</u>	<u>(10)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(6,580)</u></u>	<u><u>(14,886)</u></u>
Attributable to:		
Owners of the parent	(7,525)	(15,143)
Non-controlling interests	<u>945</u>	<u>257</u>
	<u><u>(6,580)</u></u>	<u><u>(14,886)</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property and equipment		12,403	12,645
Right-of-use assets		1,482	2,040
Investment properties		216,583	247,740
Goodwill		323,000	323,000
Other intangible assets		27,159	30,584
Investment in associates		143	771
Finance lease receivables		8,833	8,915
Deferred tax assets		70,073	61,935
Total non-current assets		659,676	687,630
CURRENT ASSETS			
Finance lease receivables		20,175	42,186
Trade receivables	10	398,727	342,377
Due from related companies		20,101	32,367
Prepayments, other receivables and other assets		89,739	97,716
Cash and bank balances		548,429	572,211
Total current assets		1,077,171	1,086,857
CURRENT LIABILITIES			
Trade payables	11	157,053	134,945
Other payables and accruals		380,861	415,252
Due to related companies		1,332	1,456
Interest-bearing bank and other borrowings	12	53,922	56,650
Tax payable		109,467	99,851
Lease liabilities		99,235	81,446
Total current liabilities		801,870	789,600
NET CURRENT ASSETS		275,301	297,257
TOTAL ASSETS LESS CURRENT LIABILITIES		934,977	984,887

		30 June 2025	31 December 2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	12	–	3,020
Lease liabilities		81,450	118,691
Deferred tax liabilities		10,057	10,945
Other payables		5,955	7,969
Total non-current liabilities		97,462	140,625
NET ASSETS		837,515	844,262
Equity attributable to owners of the parent			
Share capital		7,867	7,867
Reserves		826,328	833,853
		834,195	841,720
Non-controlling interests		3,320	2,542
TOTAL EQUITY		837,515	844,262

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2025

1. CORPORATE INFORMATION

The Company is an exempted company incorporated in the Cayman Islands on 17 December 2018. The registered office address of the Company is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Company's subsidiaries are principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services for residential and non-residential properties and commercial operational management services in People's Republic of China ("PRC")/Chinese Mainland.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do 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.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IAS 12

Lack of Exchangeability

The nature and impact of amended IFRSs are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the property management business. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

During the period, the Group operated within one geographical location because all of its revenue was generated in Chinese Mainland and all of its long-term assets/capital expenditure were located/incurred in Chinese Mainland. Accordingly, no further geographical information is presented.

Information about major customers

For the six months ended 30 June 2025 and 30 June 2024, no revenue from the provision of services to a single customer amounted to 10% or more of the total revenue of the Group.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	500,599	528,116
Revenue from other sources		
– Sublease services	22,685	20,020
Total	523,284	548,136

Revenue from contracts with customers

(i) Disaggregated revenue information

Segments	Property management services <i>RMB'000</i>	Value-added services to non-property owners <i>RMB'000</i>	Community value-added services <i>RMB'000</i>	Brand and management output services <i>RMB'000</i>	Total <i>RMB'000</i>
For the six months ended 30 June 2025					
Type of goods or services					
Rendering of services	403,963	18,264	54,127	16,226	492,580
Sales of goods	–	–	8,019	–	8,019
Total	403,963	18,264	62,146	16,226	500,599
Geographical markets					
Chinese Mainland	403,963	18,264	62,146	16,226	500,599
Timing of revenue recognition					
Revenue recognised over time	403,963	16,168	19,333	14,206	453,670
Revenue recognised at a point in time	–	2,096	42,813	2,020	46,929
Total	403,963	18,264	62,146	16,226	500,599
For the six months ended 30 June 2024					
Type of goods or services					
Rendering of services	411,758	30,993	54,983	21,930	519,664
Sales of goods	–	1,259	7,193	–	8,452
Total	411,758	32,252	62,176	21,930	528,116
Geographical markets					
Chinese Mainland	411,758	32,252	62,176	21,930	528,116
Timing of revenue recognition					
Revenue recognised over time	411,758	30,993	16,657	19,684	479,092
Revenue recognised at a point in time	–	1,259	45,519	2,246	49,024
Total	411,758	32,252	62,176	21,930	528,116

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of services provided*	266,445	260,571
Depreciation of property and equipment	6,730	1,272
Depreciation of right-of-use assets	558	490
Amortisation of other intangible assets	3,425	3,934
Lease payments not included in the measurement of lease liabilities	1,819	2,752
Auditor's remuneration	1,000	1,000
Impairment of financial assets, net		
Impairment of trade receivables, net	2,853	8,235
Impairment of due from related parties, net	4,589	7,721
Impairment of other receivables, net	(182)	(15)
Impairment of financial lease receivables, net	(581)	1,162
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages, salaries and other allowances	168,054	210,103
Pension scheme contributions and social welfare	25,886	26,214
Total	193,940	236,317

* Cost of services provided represents "Cost of sales" in the consolidated statement of profit or loss excluding employee benefit expense, depreciation of property and equipment, depreciation of right-of-use assets and amortisation of other intangible assets.

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiary incorporated in Hong Kong was not liable for income tax as it did not have any assessable profits arising in Hong Kong during the Reporting Period.

The general corporate income tax rate in PRC is 25%. Certain of the Group's subsidiaries enjoy the preferential income tax treatment for Small Low-profit Enterprise ("SLE") with the income tax rate of 20% and are eligible to have their tax calculated based on 25% or 50% of their taxable income. One of the Group's subsidiaries is located in the Economic Area of GuangXi North Bay in western regions of China and enjoy the preferential income tax rate of 9%.

Income tax in the interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – Chinese Mainland:		
Charge for the period	14,184	12,665
Deferred tax	(9,025)	1,096
Total tax charge for the period	5,159	13,761

8. DIVIDENDS

The board has resolved not to declare any interim dividend in respect of the period.

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the Reporting Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,037,500,000 (six months ended 30 June 2024: 1,037,500,000) in issue during the Reporting Period.

The Group had no potential dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2024.

The calculation of the basic loss per share amount is based on:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic and diluted loss per share calculations	<u><u>(7,520)</u></u>	<u><u>(15,133)</u></u>
Shares		
Weighted average number of ordinary shares used in the basic and diluted loss per share calculation	<u><u>1,037,500,000</u></u>	<u><u>1,037,500,000</u></u>

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the date of the demand note, net of loss allowance, is as follows:

	30 June 2025	31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 1 year	325,561	290,394
1 to 2 years	67,093	47,176
2 to 3 years	<u>6,073</u>	<u>4,807</u>
Total	<u><u>398,727</u></u>	<u><u>342,377</u></u>

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 1 year	133,495	116,999
Over 1 year	<u>23,558</u>	<u>17,946</u>
Total	<u><u>157,053</u></u>	<u><u>134,945</u></u>

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current		
Bank loans – secured	43,850	43,850
Bank loans – unsecured	4,000	6,760
Current portion of long term		
Bank loans – secured	6,072	6,040
Total current	53,922	56,650
Non-current		
Bank loans – secured	–	3,020
Total	53,922	59,670
Carrying amounts repayable:		
Repayable within one year	53,922	56,650
Repayable within two to five years	–	3,020
Total	53,922	59,670

The Group's borrowings are all denominated in RMB and bear interest at fixed rates.

As at 30 June 2025, the Group's bank borrowings of RMB6,072,000 (31 December 2024: RMB9,060,000) were guaranteed by Zhenro Group Co., Ltd. ("Zhenro Group Company") and pledged by 70% equity interests of Jiangsu Sutie Property Management Co., Ltd., a subsidiary of the Group.

As at 30 June 2025, the Group's bank borrowings of RMB43,850,000 (31 December 2024: RMB43,850,000) were pledged by the Group's car park spaces and also guaranteed by Zhenro Group Company and Mr. Ou Zongrong.

13. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the Board of Directors on 27 August 2025.

CHAIRMAN’S STATEMENT

Dear shareholders, partners and all colleagues,

I hereby present to all shareholders of the Company the report on the Group’s results for the first half of 2025.

In the first half of 2025, China’s real estate market continued to operate at a low level. Following a period of deep adjustment, the property management industry is gradually establishing a new development paradigm focused on “stabilizing expectations, preventing risks, and promoting transformation”. The competitive focus has shifted from scale expansion to quality and efficiency enhancement, with digital transformation and value-added service innovation becoming the core levers for companies to break through. In the commercial operations sector, we face the dual challenges of evolving consumer demands and accelerating business format iterations, making an asset-light model and refined operational capabilities the keys to success.

Navigating these depths of industry transformation, Zhenro Services has remained guided by the core value of “attaining prosperity with integrity”. We have maintained our strategic focus amidst a complex environment, and a shared commitment to “pioneering innovation and pursuing excellence” has been forged throughout the Group. We continue to anchor ourselves in “quality service”, cultivating our core business while tackling challenges with an innovative mindset, steadily advancing on the path of improvement in both quality and efficiency.

CORE PRIORITIES FOR THE FIRST HALF OF 2025: CONSOLIDATING THE FUNDAMENTALS AND OVERCOMING OBSTACLES TO ENHANCE EFFICIENCY

I. Consolidating the fundamentals: solidifying the core service base

In the first half of 2025, for the basic services in the property management services segment, we further refined the “24°C Quality Service Standard” by advancing eight special initiatives for quality improvement to drive the transformation of our core business philosophy towards “All-Round + High-Efficiency Service”. As a result, our customer satisfaction has consistently remained at a leading level in the industry.

While consolidating foundational operations, the commercial operational management services segment increased its focus on experience-oriented tenant adjustments and strengthened its professional orientation towards the “dual enhancement of customer experience and tenant profitability”. By consistently creating localized cultural IP, we increased customer traffic by approximately 35% compared to the same period last year.

II. Strategic focus: overcoming bottlenecks in business growth

1. *Market expansion and scale growth*

In terms of property management services segment, we intensified expansion efforts in core cities including Shanghai, Nanjing, Suzhou, Fuzhou and Nanchang, and explored the sub-sectors with great growth potential such as commercial and office buildings, school, finance and rail transit, successfully securing contracts with high-quality projects like the Guangdong Yunfu Mobile office, the Nanjing Jiangxinzhou Industrial Park, and the PICC P&C Huai’an branch office building. In terms of commercial operational management services segment, we adopted an asset-light expansion strategy of “profit-sharing with a guaranteed base”, steadily expanding the footprint with over 50 potential projects in the pipeline. We launched the “Wonderful Customization+” service system, providing full-cycle leasing and management services for 11 commercial projects under Anju Shenghuo brand under Xi’an Anju Group.

2. *Ramp-up of value-added services*

We focused on developing property owner centric operations. By collaborating with cross-industry benchmarks like JD and Meituan, we have established a demand chain for “at-home services” through life spaces like the “JD Convenience Service Center” and our “Rong Stations”. We have also built self-operated brands, accelerated public infrastructure value enhancement, and launched the “24°C Elderly-Friendly Community” wellness model to build a Ronghe ecological chain with “Healthier Zhenro’s Communities”.

III. Organizational evolution: enhancing organizational effectiveness and optimizing talent structure

The Group has optimized the organizational structure based on the principle of “optimizing our headquarter, refining our platforms and strengthening our projects”. We have streamlined authority, responsibilities, and approval processes to enhance management efficiency. In talent development, we have improved both the depth and effectiveness of our talent pool through campus recruitment, mid-level manager empowerment, and cross-industry training for senior leaders. Simultaneously, by implementing competitive appointments, job rotations, and a performance-oriented promotion mechanism, we have fostered a culture where “the capable are promoted, the average step aside, and the underperformers are replaced”, promoting a long-term symbiotic relationship between core talent and the organization.

OUTLOOK FOR THE SECOND HALF OF 2025: FOCUSING ON INNOVATION TO SECURE ANNUAL VICTORY

In the second half of 2025, the Group will closely follow the main development theme of “stabilizing foundations through basic services, regenerating vitality through innovative services, and empowering growth through asset management”, and advance four key breakthrough initiatives:

I. Deepen the quality and efficiency revolution to solidify our foundation for survival

The property segment will continue to center on “Quality Service”, strengthening assessments through mystery shopper evaluations and owner satisfaction surveys, and incorporating problem-solving skills and emotional value into the key performance indicators for the manager service. The commercial segment will focus on enhancing the quality of tenant acquisition and operational efficiency, establishing a tenant profitability analysis model to achieve simultaneous growth in both purchase conversion rate and rent collection rate.

II. Vigorously pursue market expansion to break through scale bottlenecks

We will consolidate our leading position in core cities of the Yangtze River Delta and implement an expansion mechanism of “Regional Head Responsibility” in areas with strong resource advantages. We will focus on high-potential sectors such as large commercial complexes, industrial parks, urban services, and cultural tourism, ensuring the acquisition of three to five new benchmark projects within the year. At the same time, we will strengthen investment decision-making mechanism and bidding capabilities, and build a resource pool of high-quality projects to avoid missing out on prime opportunities.

III. Activate value-added business to cultivate a second growth curve

We will connect with leading resources from other industries, accelerating the rollout of pilot projects through model innovation and resource integration. We will introduce strategic partners in fields like health management and cultural experiences. We will promote a “one-policy-per-project” approach for door-to-door service, establishing a profit growth model that synergizes demand matching with self-operated business, ensuring that return on investment is no lower than the industry average.

IV. Empower organizational combativeness and activate team motivation

We will focus on “upgrading the organization for efficiency, empowering talent for activation, and uniting teams through culture”. In terms of organizational performance, we will continuously review and optimize structure and authorization systems to enhance management efficiency. In terms of talent, we will set clear mid-term development goals for managers, strengthening their mindset to be “able to fight, daring to fight, and victorious in fighting,” and implement a plan to boost their effectiveness. In terms of culture, we will cultivate a foundation of well-being, mutual trust, and self-discipline, while reinforcing the “genes” of accountability, collaboration, and integrity. We will foster a high-performance and competitive culture to elevate the height of performance.

Last but not least, I would like to extend my sincerest gratitude to all shareholders, investors, partners, and every employee of Zhenro Services for your dedication and hard work during the first half of 2025. In the second half of 2025, as we face the challenges ahead in our industry, the Group will continue to seek new avenues for growth while maintaining operational stability, driving the Company’s enduring development. Guided by the spirit of “uniting in innovation, forging in excellence”, we are committed to delivering outstanding results to repay the trust and support you have placed in us. Together, let us write a new chapter in the high-quality development of Zhenro Services!

Zhenro Services Group Limited
Liu Weiliang
Chairman of the Board
27 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business model of the Group

The Group has four business lines, namely, (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) commercial operational management services, offering integrated services to its customers that covers the entire value chain of property management.

- **Property management services.** The Group provides a wide range of property management services to property developers, property owners, residents and commercial property tenants. The Group's property management services primarily include (i) cleaning services; (ii) security services; (iii) landscaping services; and (iv) repair and maintenance services for both residential and non-residential properties and commercial properties.
- **Value-added services to non-property owners.** The Group offers a comprehensive range of property-related business solutions to non-property owners, which primarily include property developers. The Group's value-added services to non-property owners primarily consist of (i) sales assistance services (involving assistance to property developers in showcasing and marketing their properties, cleaning and maintenance services, security and visitor management services); (ii) additional tailored services customised to meet specific needs of customers on an as-needed basis and sales of goods; (iii) housing repair services; and (iv) pre-delivery inspection services.
- **Community value-added services.** The Group provides community value-added services to property owners and residents. The community value-added services primarily include (i) home-living services; (ii) car park management, leasing assistance and other services; and (iii) common area value-added services to improve the living experience of customers and to maintain and enhance the value of their properties.
- **Commercial operational management services.** The Group provides commercial operational management services to the tenants and the customers, which primarily include (i) brand and management output services; and (ii) sublease services.

The Group believes that its property management service business line serves as the basis for the Group to generate revenue, expand its business scale, and increase its customer base for its community value-added services to property owners and residents. The Group's provision of value-added services to non-property owners enables it to gain early access to property development projects and establish and cultivate business relationships with the property developers, enhancing the Group's competitive advantage in securing engagements for property management services. The comprehensive range of the Group's community value-added services business line helps to enhance its relationship with customers and improve their satisfaction and loyalty. The Group believes that its four business lines will continue to enable it to gain greater market shares and expand its business presence in China.

Property Management Services

Continuous and Steady Growth in Both Area and Scale

The Group adhered to the strategic target to steadily expand its management coverage area, and has achieved steady growth in contracted gross floor area (“GFA”) and GFA under management through multiple efforts. As at 30 June 2025, the Group’s contracted GFA amounted to approximately 103.3 million square meters (“sq.m.”), representing a decrease of approximately 5.0% as compared with that as at 31 December 2024, and the number of contracted projects totalled 432. As at 30 June 2025, GFA under management of the Group’s property management services was approximately 78.8 million sq.m., representing a decrease of approximately 1.9% as compared with that as at 31 December 2024, and the number of projects under management totalled 355.

The table below indicates the movement in the Group’s contracted GFA and GFA under management for the six months ended 30 June 2025 and for the year ended 31 December 2024 respectively:

	For the six months ended 30 June 2025		For the year ended 31 December 2024	
	Contracted GFA (’000 sq.m.)	GFA under management (’000 sq.m.)	Contracted GFA (’000 sq.m.)	GFA under management (’000 sq.m.)
As of the beginning of the period	108,716	80,307	109,643	80,763
New engagements ⁽¹⁾	12	–	159	105
Terminations ⁽²⁾	(5,396)	(1,526)	(1,086)	(561)
As of the end of the period	<u>103,332</u>	<u>78,781</u>	<u>108,716</u>	<u>80,307</u>

Notes:

- (1) With respect to residential communities the Group managed, new engagements primarily included preliminary management contracts for new properties developed by property developers and property management service contracts for residential communities replacing their previous property management service providers.
- (2) These terminations included the Group’s voluntary non-renewal of certain property management service contracts as it reallocated its resources to more profitable engagements in an effort to optimise its property management portfolio.

Geographic presence of the Group

As of 30 June 2025, the Group had geographic presence in 45 cities in China.

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

	As of 30 June or for the six months ended 30 June					
	GFA (<i>'000 sq.m.</i>)	Revenue RMB' <i>000</i>	%	GFA (<i>'000 sq.m.</i>)	Revenue RMB' <i>000</i>	%
Yangtze River Delta Region ⁽¹⁾	26,318	187,290	46.4	27,119	226,579	55.0
Bohai Rim Region ⁽²⁾	2,710	20,322	5.0	3,430	20,918	5.1
Midwest Economic Region ⁽³⁾	24,289	88,607	21.9	24,273	65,854	16.0
Western Straits Region ⁽⁴⁾	25,464	107,744	26.7	25,977	98,407	23.9
Total	78,781	403,963	100.0	80,799	411,758	100.0

Notes:

- (1) Cities in which the Group has property management projects in the Yangtze River Delta Region include Shanghai, Nanjing, Suzhou, Hefei, Jiaxing, Taizhou, Chuzhou, Lu'an, Wuhu, Huzhou, Xuancheng, Chaohu, Fuyang, Taizhou, Xuzhou, Suqian and Wuxi.
- (2) Cities in which the Group has property management projects in the Bohai Rim Region include Tianjin, Jinan, Luoyang and Zhengzhou.
- (3) Cities in which the Group has property management projects in the Midwest Economic Region include Nanchang, Yichun, Changsha, Wuhan, Xi'an, Ganzhou, Xiangfan, Yueyang, Ji'an, Chongqing, Chengdu, Guangyuan, Kunming and Xianyang.
- (4) Cities in which the Group has property management projects in the Western Straits Region include Fuzhou, Putian, Nanping, Quanzhou, Sanming, Zhangzhou, Xiamen, Yunfu, Zhongshan and Foshan.

Value-Added Services To Non-Property Owners

The Group provides value-added services to non-property owners, which mainly comprise (i) sales assistance services (involving providing assistance to property developers in showcasing and marketing their properties, cleaning and maintenance services, and security and visitor management services); (ii) additional tailored services customised to meet specific needs of its customers on an as-needed basis, and sales of goods; (iii) housing repair services; and (iv) pre-delivery inspection services. Most of these non-property owners are property developers.

For the six months ended 30 June 2025, revenue from value-added services provided to non-property owners decreased by approximately 43.4% to approximately RMB18.3 million compared to approximately RMB32.3 million in the same period of 2024, mainly due to the decreased demand for services such as sales assistance services and additional tailored services in the projects developed by the Group and the partner property developers. For the six months ended 30 June 2025, the revenue from value-added services to non-property owners accounted for approximately 3.5% of the total revenue of the Group.

The following table sets forth the revenue breakdown of value-added services provided to non-property owners for the six months ended 30 June 2025 and 2024:

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Sales assistance services	11,881	65.1	17,037	52.8
Housing repair services	282	1.5	8,613	26.7
Additional tailored services and sales of goods	5,929	32.5	6,210	19.3
Pre-delivery inspection services	172	0.9	392	1.2
Total	18,264	100.0	32,252	100.0

Community Value-Added Services

The Group provides community value-added services to property owners and residents of properties under management, which mainly comprise (i) home-living services; (ii) car park management, leasing assistance and other services; and (iii) common area value-added services.

For the six months ended 30 June 2025, the revenue from community value-added services remained unchanged compared to approximately RMB62.2 million in the same period of 2024. For the six months ended 30 June 2025, revenue from community value-added services accounted for approximately 11.9% of the total revenue of the Group.

The following table sets forth the revenue breakdown of community value-added services for the six months ended 30 June 2025 and 2024:

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Home-living services ⁽¹⁾	41,671	67.1	45,519	73.2
Car park management, leasing assistance and other services ⁽²⁾	8,595	13.8	5,943	9.6
Common area value-added services ⁽³⁾	11,880	19.1	10,714	17.2
Total	62,146	100.0	62,176	100.0

Notes:

- (1) It mainly includes services such as cleaning, group purchase, turnkey furnishing, home maintenance, value-added services related to tenants of commercial properties and utility fee collection services.
- (2) It mainly includes management and assistance of parking lot leasing, provision of real estate brokerage services related to properties and parking spaces to owners and other services.
- (3) It mainly includes common area advertising space and service income from common area leasing.

COMMERCIAL OPERATIONAL MANAGEMENT SERVICES

Since the Group's acquisition of Zhenro Commercial Management Co., Ltd. in 2021, it has engaged in the provision of commercial operational management services to tenants and customers, which primarily include (i) brand and management output services; and (ii) sublease services.

As at 30 June 2025, the number of commercial operation projects under management of the Group was 33, and the total GFA under management was approximately 1.7 million sq.m.. During the Reporting Period, the commercial operation projects under management were located in, among other cities, Fuzhou, Changsha, Putian, Changzhou, Taixing and Xi'an. During the Reporting Period, the revenue of commercial operational management services was approximately RMB38.9 million.

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from four major businesses: (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) commercial operational management business. During the Reporting Period, the Group's revenue amounted to approximately RMB523.3 million, representing a decrease of approximately 4.5% as compared with RMB548.1 million in the same period of 2024.

The following table sets out the revenue contribution of each business segment during the periods indicated:

	For the six months ended 30 June				
	2025 <i>RMB'000</i>	Percentage of revenue %	2024 <i>RMB'000</i>	Percentage of revenue %	Growth rate %
Property management services	403,963	77.2	411,758	75.1	-1.9
Community value-added services	62,146	11.9	62,176	11.3	0.0
Value-added services to non-property owners	18,264	3.5	32,252	5.9	-43.4
Commercial operational management services	38,911	7.4	41,950	7.7	-7.2
Total	523,284	100.0	548,136	100.0	-4.5

Property management services has remained the largest source of income for the Group. During the Reporting Period, revenue from property management services reached approximately RMB404.0 million, accounting for approximately 77.2% of the total revenue of the Group. Such revenue decrease was mainly due to the ongoing optimization of the property management services portfolio, with a focus on expanding higher-margin projects while systematically divesting from under-performing projects. The decrease in value-added services to non-property owners was mainly due to the substantial decrease in the demand for services such as sales assistance services and additional tailored services. The decrease in revenue from commercial operational management services was mainly due to the decline in commercial rent.

Cost of Sales

The cost of sales of the Group mainly includes staff costs, subcontracting costs, greening and landscaping costs, utilities expenses, tax and surcharges, depreciation and amortisation, office expenses and community activity costs.

During the Reporting Period, the cost of sales of the Group was approximately RMB417.8 million, representing a decrease of approximately 4.4% as compared with approximately RMB437.0 million in the same period of 2024. The decrease in the cost of sales was primarily due to the decline in the business scale of the Group.

Gross profit and gross profit margin

During the Reporting Period, the Group's gross profit decreased by approximately 5.1% from approximately RMB111.2 million in the same period of 2024 to approximately RMB105.5 million.

During the Reporting Period, the gross profit margin of the Group was 20.2%, which was quite stable as compared with approximately 20.3% in the same period of 2024.

The gross profit margin of the Group by business line is as follows:

	For the six months ended 30 June		
	2025 <i>Gross profit margin</i> %	2024 <i>Gross profit margin</i> %	Changes in gross profit margin <i>Percentage points</i>
Property management services	18.1	20.1	-2.0
Value-added services to non-property owners	16.2	2.2	14.0
Community value-added services	24.9	20.1	4.8
Commercial operational management services	36.3	38.6	-2.3
Total	20.2	20.3	-0.1

Other income and gains

During the Reporting Period, the other income and gains of the Group decreased by approximately 79.2% from approximately RMB27.4 million in the same period of 2024 to approximately RMB5.7 million. The decrease was mainly due to the one-off recognition of gain on right-of-use assets for commercial sublease projects.

Administrative expenses

During the Reporting Period, the administrative expenses of the Group decreased by approximately 16.6% from approximately RMB81.2 million in the same period of 2024 to approximately RMB67.7 million. During the Reporting Period, administrative expenses accounted for approximately 12.9% of the revenue, representing a decrease of 1.9 percentage points as compared with 14.8% in the same period of 2024, mainly due to the Group's efforts to enhance operational efficiency, optimize management structure, improve per capita effectiveness and strictly control cost expenditure.

Income tax

During the Reporting Period, the Group recorded income tax expense of approximately RMB5.2 million, a decrease of approximately 62.5% compared to approximately RMB13.8 million in the same period of 2024, primarily due to the increase of deferred tax assets.

Profit attributable to owners of the parent

During the Reporting Period, the loss attributable to owners of the parent for the period was approximately RMB7.5 million, representing a decrease of approximately 50.3% from approximately RMB15.1 million in the same period of 2024.

Property and equipment

The property and equipment of the Group mainly included buildings, office equipment, electronic equipment and other assets. As of 30 June 2025, the property and equipment of the Group was approximately RMB12.4 million, which was quite stable as compared with approximately RMB12.6 million as at 31 December 2024.

Trade receivables

The Group's trade receivables mainly derived from its revenue from property management services and value-added services provided to non-property owners. As of 30 June 2025, the Group's trade receivables amounted to approximately RMB398.7 million, representing an increase of approximately 16.4% as compared to approximately RMB342.4 million as at 31 December 2024, mainly due to the non-residential portfolio repositioning.

Prepayments, deposits and other receivables

The Group's prepayments, deposits and other receivables primarily consisted of payments made on behalf of our property owners such as payments for the utility bills and public facility maintenance fund, as well as security deposits with local authorities and deposits in relation to the public biddings. As of 30 June 2025, the Group's prepayments, deposits and other receivables amounted to approximately RMB89.7 million, representing a decrease of approximately 8.2% as compared with approximately RMB97.7 million as at 31 December 2024, mainly due to the decline of the GFA under management during the Reporting Period.

Trade payables

As of 30 June 2025, the Group's trade payables amounted to approximately RMB157.1 million, representing an increase of approximately 16.5% from approximately RMB134.9 million as at 31 December 2024. The increase was mainly due to the increase of the procurement scale in respect to the value-added services during the Reporting Period.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet the funding requirements of the Group in the foreseeable future.

During the Reporting Period, the Group's cash was mainly used for working capital and acquisition of subsidiaries, which was mainly funded from cash flow generated from operations and proceeds raised from the Company's initial public offering.

The Group's interest-bearing and other borrowings were all denominated in RMB and bear interest at fixed rates. As at 30 June 2025, the borrowings of the Group amounted to approximately RMB53.9 million, compared to approximately RMB59.7 million as at 31 December 2024. From the respective drawdown dates, the Group's interest-bearing and other borrowings repayable within one year were approximately RMB53.9 million as at 30 June 2025, while the Group's borrowings repayable within one year were approximately RMB56.7 million and repayable over one year were approximately RMB3.0 million as at 31 December 2024. Except as disclosed herein and apart from intra-group liabilities, the Group did not have any outstanding loan capital, bank overdrafts and liabilities, or other similar indebtedness, debentures, mortgages, charges or loans as at 30 June 2025.

PLEDGE OF ASSETS

As at 30 June 2025, the Group's bank borrowings of approximately RMB6,072,000 (31 December 2024: RMB9,060,000) were pledged by 70% equity interests of Zhenro Group Company and Jiangsu Sutie Property Management Co., Ltd., a subsidiary of the Group.

As at 30 June 2025, the Group's bank borrowings of approximately RMB43,850,000 (31 December 2024: RMB43,850,000) were pledged by the Group's car park spaces and also guaranteed by Zhenro Group Company and Mr. Ou Zongrong.

FINANCIAL RISKS

Interest Rate Risk

The Group's exposure to risk for changes in interest rates is primarily related to the Group's interest-bearing bank and other borrowings. The Group was not exposed to material risk directly relating to changes in market interest rates. The Group did not use derivative financial instruments to hedge interest rate risk. The Group's all bank borrowings were obtained with fixed interest rates.

Foreign Exchange Risk

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles its transactions is mainly RMB. Any depreciation of RMB would adversely affect the value of any dividends the Group pays to shareholders outside of the PRC. The Group has no cash at banks denominated in foreign currencies. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk.

Debt To Asset Ratio

As at 30 June 2025, the Group's debt to asset ratio was 0.06 times, which was quite stable as compared with the debt to asset ratio of 0.07 times as at 31 December 2024. Debt to asset ratio equals interest-bearing bank and other borrowings divided by total equity.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

CONTINGENT LIABILITIES

As of 30 June 2025, the Group had no material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Reporting Period, there were no significant investments held by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of 30 June 2025, the Group had no future plans for material investments or capital assets.

EMPLOYEES

As at 30 June 2025, the Group had approximately 3,265 employees (31 December 2024: approximately 3,270 employees). During the Reporting Period, the total staff costs were approximately RMB193.9 million.

In terms of talent training, the Group will further enhance its employee training program with internal and external resources. The employee training program primarily covers key areas in the Group's business operations, which provides continuous training to its existing employees at different levels to specialise and strengthen their skill sets.

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to its staff is fixed by reference to the duties and the prevailing market rates in the region. Discretionary performance bonus is paid to employees after assessments to reward their contributions. The Group also participates in social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees a monthly social insurance funds covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, and the housing provident fund, or to contribute regularly to mandatory provident fund schemes on behalf of its employees.

In determining the remuneration and compensation packages of the Directors and senior management, the Group will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The net proceeds raised in connection with the initial public offering of the Company in July 2020 (including the exercise of the over-allotment option) amounted to approximately HK\$1,267.7 million (equivalent to approximately RMB1,141.7 million) (the “**Net Proceeds**”).

The proposed use of the Net Proceeds (as reallocated and announced on 19 May 2021) and the actual usage of the Net Proceeds up to 30 June 2025 are set out below:

Proposed use of Net Proceeds	Net Proceeds Re-allocated <i>RMB million</i>	Unutilised Net Proceeds as at 1 January 2025 <i>RMB million</i>	Utilised Net Proceeds from	Unutilised Net Proceeds as at 30 June 2025 <i>RMB million</i>	Expected time of full utilization
			1 January 2025 to 30 June 2025 <i>RMB million</i>		
Development of the Group’s information management system	228.3	67.6	13.9	53.7	Before 31 December 2025
Further development of the Group’s “Rong Wisdom (榮智慧)” service software	171.2	50.9	11.4	39.5	Before 31 December 2025
General business operations and working capital	114.2	–	–	–	Not applicable
Acquisition of Zhenro Commercial Management	628.0	–	–	–	Not applicable
Total	1,141.7	118.5	25.3	93.2	

The unutilised net proceeds as at 30 June 2025 amounted to HKD93.2 million. The Group will gradually utilise the net proceeds in accordance with the intended purposes and timeline as stated in the prospectus of the Company dated 29 June 2020 and by end of 2025.

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining and strengthening high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness, in order to safeguard and protect the interests of its shareholders and to enhance corporate value and accountability system. The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) as set out in the Part 2 of the Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as in force from time to time as the basis of the Company’s corporate governance practices.

Throughout the Reporting Period, the Company has complied with all applicable code provisions set out in the Corporate Governance Code (before its amendments came into effect on 1 July 2025). The Board will continue to review and monitor the practices of the Company for the purpose of complying with the Corporate Governance Code and maintaining high standard corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding Directors’ securities transactions. All Directors have confirmed, following specific enquiry made by the Company, that they have complied with the guidelines contained in the Model Code throughout the Reporting Period.

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

Neither the Company nor any of its subsidiaries purchased, sold and redeemed any of the listed securities of the Company during the Reporting Period.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Mr. Wang Zhiming was appointed as the non-executive Director on 1 July 2025.

Save as disclosed above, there were no major events after 30 June 2025 since the end of the Reporting Period and up to the date of this announcement.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company maintained the minimum public float of 25% as required under the Listing Rules during the Reporting Period and up to the date of this announcement.

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules. The primary duties of the Audit Committee include, but are not limited to, (i) reviewing and supervising financial reporting process, internal control system, risk management and internal audit of the Group; (ii) providing recommendations and advices to the Board; and (iii) performing other duties and responsibilities as may be assigned by the Board.

The Audit Committee comprises of three members, namely Mr. Zhang Wei and Ms. Wei Qin, who are independent non-executive Directors, and Mr. Liu Weiliang, who is a non-executive Director. Mr. Zhang Wei is the chairman of the Audit Committee, and Ms. Wei Qin has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The Interim Results for the six months ended 30 June 2025 have been reviewed by the Audit Committee before being recommended to the Board for approval. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANY

This Interim Results announcement will be published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.zhenrowy.com). The interim report of the Company for the six months ended 30 June 2025 will be despatched to the shareholders of the Company if so requested and will be made available on the websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

By Order of the Board
Zhenro Services Group Limited
Liu Weiliang
Chairman of the Board

Hong Kong, 27 August 2025

As of the date of this announcement, Mr. Deng Li and Mr. Wang Wei are the executive Directors; Mr. Liu Weiliang and Mr. Wan Zhiming are the non-executive Directors; and Mr. Zhang Wei, Mr. Au Yeung Po Fung and Ms. Wei Qin are the independent non-executive Directors.