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## **Powerlong Commercial Management Holdings Limited**

**寶龍商業管理控股有限公司**

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

**(Stock Code: 9909)**

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

#### **SUMMARY OF RESULTS**

- Revenue of the Group for the six months ended 30 June 2025 amounted to approximately RMB1,300.9 million, representing a decrease of approximately 2.4% as compared with approximately RMB1,332.9 million for the corresponding period in 2024.
- Gross profit of the Group for the six months ended 30 June 2025 amounted to approximately RMB405.3 million, representing a decrease of approximately 9.8% as compared with approximately RMB449.4 million for the corresponding period in 2024.
- The Group's profit attributable to the shareholders of the Company (the "Shareholders") for the six months ended 30 June 2025 amounted to approximately RMB182.8 million, representing a decrease of approximately 6.0% as compared with approximately RMB194.5 million for the corresponding period in 2024.
- As at 30 June 2025, the contracted gross floor area ("GFA")<sup>Note 1</sup> of the Group's commercial operational services amounted to approximately 14.2 million square meters ("sq.m."); and the GFA in operation of the Group's commercial operational services amounted to approximately 11.1 million sq.m..

*Note 1:* Unless otherwise stated, all "GFA" of commercial properties referred to in this announcement include car parks.

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Powerlong Commercial Management Holdings Limited (the “**Company**” or “**Powerlong CM**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with comparative figures for the corresponding period in 2024, as follows.

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

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	RMB'000	RMB'000
<b>Revenue</b>	4	<b>1,300,938</b>	1,332,942
Cost of services		<u>(895,657)</u>	<u>(883,583)</u>
<b>Gross profit</b>		<b>405,281</b>	449,359
Selling and marketing expenses		(43,881)	(53,757)
Administrative expenses		(92,273)	(96,149)
Other income and other losses – net	5	<b>96,514</b>	16,557
Impairment losses on financial assets		(116,393)	(36,102)
Fair value gains on financial asset - net		<u>4</u>	<u>583</u>
<b>Operating profit</b>		<b>249,252</b>	280,491
Finance costs – net		(7,711)	(8,472)
Share of results of joint ventures		(172)	(39)
Share of results of associates		<u>1,160</u>	<u>1,375</u>
<b>Profit before income tax</b>		<b>242,529</b>	273,355
Income tax expenses	6	<u>(66,465)</u>	<u>(73,353)</u>
<b>Profit and total comprehensive income for the period</b>		<b>176,064</b>	200,002
<b>Profit and total comprehensive income attributable to:</b>			
– Shareholders of the Company		<b>182,806</b>	194,505
– Non-controlling interests		<u>(6,742)</u>	<u>5,497</u>
		<b>176,064</b>	200,002
<b>Earnings per share for profit attributable to shareholders of the Company for the period (expressed in RMB cents per share)</b>			
– Basic and diluted earnings per share	7	<u><b>28.43</b></u>	<u>30.63</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>30 June 2025 (Unaudited) RMB'000</b>	<b>31 December 2024 (Audited) RMB'000</b>
	<i>Notes</i>		
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment		<b>42,603</b>	45,307
Financial assets at fair value through profit or loss		<b>6,965</b>	9,261
Investment properties		<b>813,917</b>	972,085
Intangible assets		<b>3,032</b>	4,281
Goodwill		<b>20,640</b>	20,640
Deferred income tax assets		<b>170,224</b>	158,198
Investments in joint ventures		<b>635</b>	807
Investments in associates		<b>52,019</b>	50,859
		<b>1,110,035</b>	1,261,438
<b>Current assets</b>			
Inventories		<b>9,069</b>	10,620
Operating lease and trade receivables	8	<b>431,266</b>	413,173
Prepayments and other receivables		<b>185,308</b>	223,583
Current income tax recoverables		<b>150</b>	134
Cash and bank balances		<b>4,285,213</b>	4,131,562
		<b>4,911,006</b>	4,779,072
<b>Total assets</b>		<b>6,021,041</b>	6,040,510

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(continued)**

		<b>30 June 2025 (Unaudited) RMB'000</b>	<b>31 December 2024 (Audited) RMB'000</b>
	<i>Notes</i>		
<b>Equity</b>			
Share capital and share premium	9	<b>1,014,085</b>	1,004,400
Other reserves		<b>23,617</b>	29,869
Retained earnings		<b>2,364,705</b>	2,181,899
<b>Capital and reserves attributable to shareholders of the Company</b>		<b>3,402,407</b>	3,216,168
Non-controlling interests		<b>(7,791)</b>	8,640
<b>Total equity</b>		<b>3,394,616</b>	3,224,808
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		<b>623</b>	722
Lease liabilities		<b>947,150</b>	1,187,789
		<b>947,773</b>	1,188,511
<b>Current liabilities</b>			
Trade and other payables	10	<b>1,066,706</b>	1,028,913
Advances from lessees		<b>41,312</b>	37,828
Current income tax liabilities		<b>239,680</b>	203,259
Lease liabilities		<b>82,640</b>	82,909
Contract liabilities		<b>248,314</b>	274,282
		<b>1,678,652</b>	1,627,191
<b>Total liabilities</b>		<b>2,626,425</b>	2,815,702
<b>Total equity and liabilities</b>		<b>6,021,041</b>	6,040,510

# NOTES TO THE INTERIM FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

Powerlong Commercial Management Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 25 March 2019 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company and its subsidiaries (the “**Group**”) are primarily engaged in the operating rights to the holding of investment properties to generate rental income and the provision of commercial operational services and residential property management services in the People’s Republic of China (the “**PRC**”).

The Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 December 2019.

The Company’s parent company is Powerlong Real Estate (BVI) Holdings Limited. The Company’s intermediate holding company is Powerlong Real Estate Holdings Limited (“**Powerlong Holdings**”) whose shares have been listed on the Main Board of the Stock Exchange since 14 October 2009. As at 30 June 2025, Mr. Hoi Kin Hong (“**Mr. Hoi**”) was interested in approximately 44.15% of the issued share capital of Powerlong Holdings.

Powerlong Holdings and its subsidiaries exclusive of the Group are collectively referred to as the “**Remaining Powerlong Group**” in this interim financial information.

The unaudited condensed consolidated interim financial information is presented in thousand Renminbi (“**RMB’000**”), unless otherwise stated. The interim financial information has been approved for issue by the Board on 28 August 2025.

The interim financial information has not been audited.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting”.

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those set out in the Group’s annual financial statements for the year ended 31 December 2024.

In the current interim period, the Group has adopted the following amended Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements.

### (a) Amended standards adopted by the Group

- Amendments to HKAS 21 Lack of Exchangeability

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

**(b) New and amendments, standards, interpretations issued that are not yet effective, but may be adopted early**

The following new standards and amendments and interpretation to standards have been published that are not mandatory for the year beginning on 1 January 2025 and have not been early adopted by the Group:

		<b>Effective for annual periods beginning on or after</b>
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK-Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No mandatory effective date yet determined but available for adoption

The Group is in the process of assessing the potential impact of the new and amendments to HKFRSs but are not yet in a position to determine whether the new and amendments to HKFRSs will have a material impact on the Group's performance and financial position and on the disclosures. The new and amendments to HKFRSs may result in changes to how the Group's performance and financial position are prepared and presented in the future.

### **3 SEGMENT INFORMATION**

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

The Group has two business segments:

**– Commercial operational services**

The Group is engaged in the provision of (a) market research and positioning, business tenant sourcing and opening preparation services; (b) commercial operational services during the operation stage, including business tenant management, rent collection services and other value-added services (mainly including car parks, common areas and advertising space management services); and (c) commercial property management services including security, gardening, cleaning, repair and maintenance services.

Besides, to maximise its commercial operational efficiency, the Group leased certain retail commercial properties located in proximity to the shopping malls that are under management by the Group, and sub-leased them for long-term rental yield.

– **Residential property management services**

The Group provides residential property management services for residential properties, serviced apartments and office buildings, including pre-sale management services and other value-added services to property developers, property owners and residents.

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and the Group's consolidated non-current assets are substantially located in the PRC, no geographical information is presented.

- (a) Segment results represent the profit earned by each segment without other income and other losses – net, unallocated operating costs, finance costs – net, share of results of joint ventures and associates and income tax expenses. Revenue recognised at a point in time from contracts with customers represents revenue from market research and positioning services. Other revenue from contracts with customers is recognised over time. The following is the analysis of the Group's revenue and results by operating and reportable segments:

*For the six months ended 30 June 2025 (Unaudited)*

	<b>Commercial operational services RMB'000</b>	<b>Residential property management services RMB'000</b>	<b>Group RMB'000</b>
Gross segment revenue	<b>1,048,592</b>	<b>252,346</b>	<b>1,300,938</b>
Revenue from contracts with customers	<b>936,774</b>	<b>252,346</b>	<b>1,189,120</b>
– at a point in time	<b>15,404</b>	<b>–</b>	<b>15,404</b>
– over time	<b>921,370</b>	<b>252,346</b>	<b>1,173,716</b>
Revenue from other sources			
– rental income	<b>111,818</b>	<b>–</b>	<b>111,818</b>
Segment results	<b>153,767</b>	<b>34,027</b>	<b>187,794</b>
Other income and other losses – net			<b>96,514</b>
Unallocated operating costs			<b>(35,056)</b>
Interest expense			<b>(28,577)</b>
Interest income			<b>20,866</b>
Share of results of joint ventures			<b>(172)</b>
Share of results of associates			<b>1,160</b>
Profit before income tax			<b>242,529</b>
Income tax expenses			<b>(66,465)</b>
Profit for the period			<b>176,064</b>
Amounts included in the measure of segment results:			
Depreciation and amortisation	<b>44,705</b>	<b>1,080</b>	<b>45,785</b>
Impairment losses on financial assets	<b>79,566</b>	<b>36,827</b>	<b>116,393</b>

*For the six months ended 30 June 2024 (Unaudited)*

	Commercial operational services <i>RMB'000</i>	Residential property management services <i>RMB'000</i>	Group <i>RMB'000</i>
Gross segment revenue	1,076,863	256,079	1,332,942
Revenue from contracts with customers	973,322	256,079	1,229,401
– at a point in time	20,931	–	20,931
– over time	952,391	256,079	1,208,470
Revenue from other sources			
– rental income	103,541	–	103,541
Segment results	221,624	45,406	267,030
Other income and other losses – net			16,557
Unallocated operating costs			(3,096)
Interest expense			(35,413)
Interest income			26,941
Share of results of joint ventures			(39)
Share of results of associates			1,375
Profit before income tax			273,355
Income tax expenses			(73,353)
Profit for the period			200,002
Amounts included in the measure of segment results:			
Depreciation and amortisation	58,076	1,774	59,850
Impairment losses on financial assets	23,227	12,875	36,102



- (b) The following is the analysis of the Group's segment assets and liabilities and capital expenditure for the period then ended:

*As at 30 June 2025 (Unaudited)*

	Commercial operational services <i>RMB'000</i>	Residential property management services <i>RMB'000</i>	Elimination <i>RMB'000</i>	Group <i>RMB'000</i>
Segment assets	1,428,868	322,496	(7,206)	1,744,158
Other assets				4,276,883
Total assets				<u>6,021,041</u>
Segment liabilities	2,005,656	374,613	(7,206)	2,373,063
Other liabilities				253,362
Total liabilities				<u>2,626,425</u>
Capital expenditure (six months ended 30 June 2025) (Unaudited)	<u>2,564</u>	<u>15,257</u>	<u>–</u>	<u>17,821</u>

*As at 31 December 2024 (Audited)*

	Commercial operational services <i>RMB'000</i>	Residential property management services <i>RMB'000</i>	Elimination <i>RMB'000</i>	Group <i>RMB'000</i>
Segment assets	1,601,230	280,619	(7,026)	1,874,823
Other assets				4,165,687
Total assets				<u>6,040,510</u>
Segment liabilities	2,274,910	335,487	(7,026)	2,603,371
Other liabilities				212,331
Total liabilities				<u>2,815,702</u>
Capital expenditure (six months ended 30 June 2024) (Unaudited)	<u>333,102</u>	<u>772</u>	<u>–</u>	<u>333,874</u>

**Segment assets are reconciled to total assets as follows:**

	<b>30 June 2025 (Unaudited) RMB'000</b>	31 December 2024 (Audited) RMB'000
Segment assets	<b>1,744,158</b>	1,874,823
Other assets		
Current income tax recoverables	<b>150</b>	134
Deferred income tax assets	<b>170,224</b>	158,198
Unallocated cash and bank balances	<b>4,046,885</b>	3,946,383
Unallocated property and equipment	<b>5</b>	45
Other corporate assets	<b>52,654</b>	51,666
Financial assets at fair value through profit and loss	<b>6,965</b>	9,261
Total assets	<b>6,021,041</b>	6,040,510

**Segment liabilities are reconciled to total liabilities as follows:**

	<b>30 June 2025 (Unaudited) RMB'000</b>	31 December 2024 (Audited) RMB'000
Segment liabilities	<b>2,373,063</b>	2,603,371
Other liabilities		
Current income tax liabilities	<b>239,680</b>	203,259
Deferred income tax liabilities	<b>623</b>	722
Other corporate liabilities	<b>13,059</b>	8,350
Total liabilities	<b>2,626,425</b>	2,815,702

The amounts provided to the CODM with respect to total assets and liabilities are measured in a manner consistent with that of the interim condensed consolidated financial position. These assets and liabilities are allocated based on the operations of the segments.

Segment assets consist primarily of property and equipment, investment properties, intangible assets, receivables from commercial and residential property management services and cash and bank balances other than current income tax recoverable, deferred income tax assets, unallocated cash and bank balances, unallocated property and equipment, other corporate assets and financial assets at fair value through profit or loss.

Segment liabilities consist primarily of trade and other payables, lease liabilities, contract liabilities and advances from lessees other than current income tax liabilities, deferred income tax liabilities and other corporate liabilities.

Capital expenditure comprises additions to property and equipment, investment properties and intangible assets.

## 4 REVENUE

(a) Revenue of the Group for the six months ended 30 June 2025 is as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Type of services</b>		
<i>Rental income:</i>		
– Commercial property lease income	<b>111,818</b>	103,541
<i>Revenue from customers:</i>		
Market research and positioning, business tenant sourcing, opening preparation services	<b>20,826</b>	42,760
Commercial operation and management services	<b>915,948</b>	930,562
– Commercial operation services during the operation stage	<b>337,035</b>	352,528
– Commercial property management service	<b>578,913</b>	578,034
– Commercial operational services	<b>936,774</b>	973,322
Pre-sale management services	<b>534</b>	875
Property management services	<b>202,755</b>	202,277
Other value-added services	<b>49,057</b>	52,927
– Residential property management services	<b>252,346</b>	256,079
	<b>1,300,938</b>	1,332,942

- (i) For the six months ended 30 June 2025, revenue arising from the Remaining Powerlong Group contributed 8.5% of the Group's revenue (six months ended 30 June 2024: 9.8%). Other than the Remaining Powerlong Group and other entities controlled by Mr. Hoi, the Group has a large number of customers, none of them contributed 10% or more of the Group's revenue during the period (six months ended 30 June 2024: none).

(b) **Liabilities related to contracts with customers**

	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Contract liabilities	<b>248,314</b>	274,282

Contract liabilities of the Group mainly arose from the advanced payments made by the customers while the underlying services are yet to be provided.

(i) *Revenue recognised in relation to contract liabilities*

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
– Commercial operational services	<b>176,511</b>	198,802
– Residential property management services	<b>94,656</b>	64,451
	<b>271,167</b>	263,253

(ii) *Unsatisfied performance obligations*

For commercial operational services and residential property management services, the Group recognises revenue in the amount that equals to the rights to invoices which corresponds directly with the value to the customers of the Group's performance to date, on a monthly or quarterly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for those types of contracts. The majority of the property management services contracts and property developer-related services do not have a fixed term. The term of the contracts for other value-added services is generally set to expire when the counterparties notify the Group several months in advance that the services are no longer required.

**5 OTHER INCOME AND OTHER LOSSES – NET**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Other income</b>		
Penalty income	<b>23,328</b>	9,974
Government grants ( <i>Note (a)</i> )	<b>1,487</b>	3,138
Gains on disposal of assets	<b>85,071</b>	–
Others	<b>2,809</b>	3,632
	<b>112,695</b>	16,744
<b>Other losses</b>		
Foreign exchange losses	<b>(322)</b>	(187)
Penalty losses	<b>(15,859)</b>	–
	<b>96,514</b>	16,557

- (a) The government grants represented mainly rewards, tax refunds and rental refunds from local government without attached conditions.

## 6 INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current income tax		
– PRC corporate income tax	78,590	89,733
Deferred income tax		
– PRC corporate income tax	(12,125)	(16,380)
	<u>66,465</u>	<u>73,353</u>

### PRC corporate income tax

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

The general corporate income tax rate in the PRC is 25%.

### Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act, Cap 22 of Cayman Islands and pursuant to the rules and regulations of Cayman Islands, the Company is not subject to any income tax. The Company's subsidiaries in the British Virgin Islands were incorporated under the International Business Companies Act (as amended) of the British Virgin Islands and, accordingly are exempted from British Virgin Islands income tax.

### Hong Kong profits tax

No provision for Hong Kong profits tax has been made in these interim condensed consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong during the six months ended 30 June 2025 (six months ended 30 June 2024: nil). The profit of the group entities in Hong Kong is mainly derived from dividend income, which is not subject to Hong Kong profits tax.

### PRC withholding income tax

According to the new Corporate Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

## 7 EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2024 and 2025.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings (RMB'000)</b>		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	<u>182,806</u>	<u>194,505</u>
<b>Number of shares ('000)</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>642,900</u>	<u>634,978</u>
<b>Basic earnings per share (RMB cents per share)</b>	<u>28.43</u>	<u>30.63</u>

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings (RMB'000)</b>		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	<u>182,806</u>	<u>194,505</u>
<b>Number of shares ('000)</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>642,900</u>	<u>634,978</u>
Effect of dilutive potential ordinary shares:		
Awarded shares	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>642,900</u>	<u>634,978</u>
<b>Diluted earnings per share (RMB cents per share)</b>	<u>28.43</u>	<u>30.63</u>

## 8 OPERATING LEASE AND TRADE RECEIVABLES

	<b>30 June 2025 (Unaudited) RMB'000</b>	31 December 2024 (Audited) RMB'000
Operating lease receivables ( <i>Note (a)</i> )		
– Third parties	<u>12,084</u>	<u>15,937</u>
Trade receivables ( <i>Note (a)</i> )		
– Related parties	442,883	371,819
– Third parties	<u>318,238</u>	<u>262,604</u>
	<u>761,121</u>	634,423
Operating lease and trade receivables	<u>773,205</u>	650,360
Less: allowance for impairment	<u>(341,939)</u>	(237,187)
	<u><b>431,266</b></u>	<u>413,173</u>

- (a) The Group's revenue is derived from provision of commercial operational services, residential property management services and lease of properties. Proceeds in respect of service rendering and rental income are to be received in accordance with the terms of relevant property service agreements and tenant contracts.

As at the respective balance sheet date, the ageing analysis of the operating lease and trade receivables due from related parties based on the demand note dates is as follows:

	<b>30 June 2025 (Unaudited) RMB'000</b>	31 December 2024 (Audited) RMB'000
Within 1 year	164,411	264,149
1-2 years	278,421	107,670
2-3 years	<u>51</u>	<u>–</u>
	<u><b>442,883</b></u>	<u>371,819</u>

As at the respective balance sheet date, the ageing analysis of the operating lease and trade receivables due from third parties based on the demand note dates is as follows:

	<b>30 June 2025 (Unaudited) RMB'000</b>	31 December 2024 (Audited) RMB'000
Within 1 year	<b>121,429</b>	141,537
1-2 years	<b>83,139</b>	65,227
2-3 years	<b>54,321</b>	33,085
Over 3 years	<b>71,433</b>	38,692
	<b>330,322</b>	278,541

- (b) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2025, a provision of RMB341,939,000 was made against the gross amounts of operating lease and trade receivables (31 December 2024: RMB237,187,000).
- (c) As at 30 June 2025 and 31 December 2024, the operating lease and trade receivables were denominated in RMB, and their fair values approximated their carrying amounts.

## 9 SHARE CAPITAL AND SHARE PREMIUM AND SHARES HELD FOR SHARES AWARD SCHEME

	Number of ordinary shares	Share capital HK\$'000	RMB'000	Share premium RMB'000	Total RMB'000	Shares held for shares award scheme RMB'000
<b>Authorised</b>						
As at 1 January 2025 and 30 June 2025	2,000,000,000	20,000	17,905	–	17,905	–
<b>Issued</b>						
As at 1 January 2025	642,900,00	6,429	5,747	998,653	1,004,400	–
Vesting of awarded shares	–	–	–	9,685	9,685	–
<b>As at 30 June 2025 (Unaudited)</b>	<b>642,900,00</b>	<b>6,429</b>	<b>5,747</b>	<b>1,008,338</b>	<b>1,014,085</b>	<b>–</b>
<b>Authorised</b>						
As at 1 January 2024 and 30 June 2024	2,000,000,000	20,000	17,905	–	17,905	–
<b>Issued</b>						
As at 1 January 2024	642,900,000	6,429	5,747	961,459	967,206	(44)
Vesting of awarded shares	–	–	–	25,173	25,173	–
<b>As at 30 June 2024 (Unaudited)</b>	<b>642,900,000</b>	<b>6,429</b>	<b>5,747</b>	<b>986,632</b>	<b>992,379</b>	<b>(44)</b>



## 10 TRADE AND OTHER PAYABLES

	<b>30 June 2025 (Unaudited) RMB'000</b>	31 December 2024 (Audited) RMB'000
Trade payables		
– Related parties	197	510
– Third parties	<u>156,631</u>	<u>153,773</u>
	<u>156,828</u>	<u>154,283</u>
Other payables		
– Related parties	163,236	136,050
– Receipts on behalf of tenants or residents ( <i>Note (a)</i> )	77,588	73,735
– Payables for promotion fees on behalf of owners of the commercial properties ( <i>Note (b)</i> )	25,106	35,473
– Deposits received ( <i>Note (c)</i> )	543,722	535,312
– Others	<u>13,059</u>	<u>8,350</u>
	<u>822,711</u>	<u>788,920</u>
Accrued payroll	50,236	68,508
Dividend payables	8,355	–
Other taxes payables	<u>28,576</u>	<u>17,202</u>
	<u>1,066,706</u>	<u>1,028,913</u>

- (a) Amounts represented the receipts on behalf of tenants or residents to settle the bills of utilities charges.
- (b) The balance represented the receipts on behalf of owners of commercial properties to settle the expenses relating to promotion and marketing activities of car parks, common areas and advertising spaces.
- (c) Amounts mainly represented deposits received from tenants as performance securities in relation to tenant agreements or property management service agreements.
- (d) As at 30 June 2025 and 31 December 2024, the carrying amounts of trade and other payables approximated their fair values.

- (e) As at the respective balance sheet date, the ageing analysis of the trade payables (including amounts due to related parties) based on invoice dates is as follows:

	<b>30 June 2025 (Unaudited) RMB'000</b>	<b>31 December 2024 (Audited) RMB'000</b>
Within 1 year	<b>124,461</b>	138,993
1-2 years	<b>15,687</b>	6,175
2-3 years	<b>9,639</b>	6,755
Over 3 year	<b>7,041</b>	2,360
	<b><u>156,828</u></b>	<b><u>154,283</u></b>

- (f) Trade and other payables (excluding accrued payroll, dividend payables and other taxes payables) were denominated in the following currencies:

	<b>30 June 2025 (Unaudited) RMB'000</b>	<b>31 December 2024 (Audited) RMB'000</b>
RMB	<b><u>987,893</u></b>	<b><u>943,203</u></b>

## 11 DIVIDEND

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group is a leading commercial operational service provider in the PRC. As at 30 June 2025, the Group had a total of 97 retail commercial properties in operation, with an aggregate GFA in operation of approximately 11.1 million sq.m.. The Group had a total of 129 retail commercial properties with an aggregate contracted GFA of approximately 14.2 million sq.m. for which the Group had been contracted to provide commercial operational services. The Company enjoys considerable brand recognition in the markets where it operates. The Company was awarded Leading Commercial Enterprise Award of the Year (年度商業領軍企業) by Winshang.com (贏商網) in May 2025.

The Group also provides property management services for residential properties, office buildings and serviced apartments. As at 30 June 2025, the Group delivered residential property management services to 128 projects, with an aggregate GFA delivered of approximately 23.7 million sq.m., and was contracted to manage 138 projects with an aggregate contracted GFA of approximately 30.1 million sq.m..

With the mission of “creating space full of love”, the Company adheres to its corporate philosophy of “simple, truthful, prosper together, forward forever”, with a view to becoming a well-respected, century-lasting and world-leading operator of city space, thereby creating more room for value enhancement for customers and investors on an ongoing basis.

### BUSINESS REVIEW

For the six months ended 30 June 2025, the Company mainly conducted its business activities in the following business segments, namely (i) commercial operational services; and (ii) residential property management services. The Group’s revenue is mainly derived from its commercial operational services.

*Commercial operational services:* The Company provides full-chain services covering positioning, tenant sourcing, opening, operation and management to shopping malls and shopping streets.

It primarily included:

- (i) Market research and positioning, business tenants sourcing and opening preparation services to property developers or property owners during the preparation stage before the opening of a retail commercial property;
- (ii) Commercial operation and management services to property owners or tenants during the operation stage of a retail commercial property; and
- (iii) Property leasing services with respect to units located within the shopping streets and shopping malls.

*Residential property management services:* The Group provides property management services to residential properties, office buildings and serviced apartments.

It primarily included:

- (i) Pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance of pre-sale display units and sales offices;
- (ii) Property management services to property owners or property owners' associations at the post-delivery stage, such as security, cleaning, gardening and repair and maintenance services; and
- (iii) Other value-added services to property owners, tenants or residents of properties under management, such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services.

The table below sets forth the Group's gross profit and gross profit margin by business segments for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%
Commercial operational services	361,575	34.5	384,683	35.7
Residential property management services	43,706	17.3	64,676	25.3
<b>Total</b>	<b>405,281</b>	<b>31.2</b>	<b>449,359</b>	<b>33.7</b>

### Commercial Operational Services

The Group provides professional commercial operational services to property owners, tenants and consumers mainly under four brands, namely, "Powerlong One Mall" (寶龍一城), "Powerlong City" (寶龍城), "Powerlong Plaza" (寶龍廣場) and "Powerlong Land" (寶龍天地).

For the six months ended 30 June 2025, the aggregate revenue of the Group's commercial operational services amounted to approximately RMB1,048.6 million, representing a decrease of approximately 2.6% from approximately RMB1,076.9 million for the six months ended 30 June 2024; and the Group had GFA in operation of approximately 11.1 million sq.m., representing an increase of approximately 0.3 million sq.m. from approximately 10.8 million sq.m. for the corresponding period of 2024; 97 projects in operation, remaining unchanged as compared with 97 projects for the corresponding period of 2024; contracted GFA of approximately 14.2 million sq.m., representing a decrease of approximately 0.7 million sq.m. from approximately 14.9 million sq.m. for the corresponding period of 2024.

The table below sets forth a breakdown of the contracted GFA and GFA in operation as at the dates indicated and the revenue from commercial operational services segment for the periods indicated by geographic region:

For the six months ended 30 June						
	2025			2024		
	Contracted	GFA in	Revenue	Contracted	GFA in	Revenue
	GFA	operation		GFA	operation	
	<i>sq.m.</i>	<i>sq.m.</i>		<i>sq.m.</i>	<i>sq.m.</i>	
			<i>RMB</i> <i>(in thousands)</i>			<i>RMB</i>
Yangtze River Delta <sup>(1)</sup>	9,529	7,169	756,229	9,870	7,076	766,720
Others <sup>(2)</sup>	4,712	3,886	292,363	5,063	3,745	310,143
<b>Total</b>	<b>14,241</b>	<b>11,055</b>	<b>1,048,592</b>	<b>14,933</b>	<b>10,821</b>	<b>1,076,863</b>

Notes:

(1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.

(2) Comprises cities except those covered in (1) above.

## New Projects in Operation

The Group's new retail commercial property projects in operation during the six months ended 30 June 2025 are shown in the following table:

No.	Name of project	Opening date <i>month-year</i>	City	Geographic region	Source of project	Manager	Management model	Total GFA <i>(sq.m)</i>	Shopping mall <i>(sq.m)</i>	Commercial street <i>(sq.m)</i>	Car park <i>(sq.m)</i>
<b>Powerlong Plaza</b>											
1	Wuyishan Powerlong Plaza (武夷山寶龍廣場)	May 2025	Nanping	Others	Powerlong Real Estate	Powerlong CM	Entrusted management	67,633	40,007	9,117	18,509
<b>Total</b>								<b>67,633</b>	<b>40,007</b>	<b>9,117</b>	<b>18,509</b>

## Projects for which Contracts were Terminated

The Group's retail commercial property projects for which contracts were terminated during the six months ended 30 June 2025 are shown in the following table:

No.	Name of project	Date of termination of contract month-year	City	Geographic region	Source of project	Management model	Total GFA (sq.m.)	Shopping mall (sq.m.)	Commercial street (sq.m.)	Car park (sq.m.)
<b>Powerlong Plaza</b>										
1	Wuhan Qiaokou Powerlong Plaza (武漢橋口寶龍廣場)	June 2025	Wuhan	Others	Powerlong Real Estate	Entrusted management	135,300	80,000	–	55,300
	<b>Sub-total</b>						<b>135,300</b>	<b>80,000</b>	<b>–</b>	<b>55,300</b>
<b>Powerlong Xinghui</b>										
1	Tiantai Cultural Center Powerlong Land (天台文化中心寶龍天地)	June 2025	Taizhou	Yangtze River Delta	Third Party	Entrusted management	18,227	–	18,227	–
2	Huzhou Xinyuan Powerlong Plaza (湖州鑫遠寶龍廣場)	June 2025	Huzhou	Yangtze River Delta	Third Party	Net earning sharing	80,000	60,000	–	20,000
3	Shaoxing Guchengbei (紹興古城北)	June 2025	Shaoxing	Yangtze River Delta	Third Party	Advisory consultation	61,549	–	61,549	–
	<b>Sub-total</b>						<b>159,776</b>	<b>60,000</b>	<b>79,776</b>	<b>20,000</b>
	<b>Total</b>						<b>295,076</b>	<b>140,000</b>	<b>79,776</b>	<b>75,300</b>

## New Contracted Projects

New retail commercial property contracted projects during the six months ended 30 June 2025 and up to the date of this announcement are shown in the following table:

No.	Name of project	City	Geographic region	Manager	Management model	Expected total GFA (sq. m.)
<b>From independent third parties</b>						
1	Binjiang Zhongnan Lingyunli (濱江中南凌雲里)	Hangzhou	Yangtze River Delta	Powerlong Xinghui	Advisory consultation	20,127
	<b>Total</b>					<b>20,127</b>

## Occupancy Rate

The table below sets forth the average occupancy rate and GFA in operation of retail commercial properties that had commenced operation as at 30 June 2025 by product category.

Product category	Average occupancy rate <sup>(1)</sup>		GFA in operation
	30 June 2025	31 December 2024	as of 30 June 2025
	%	%	(in thousand sq. m.)
Powerlong One Mall	99.1	99.1	171
Powerlong City	97.8	97.8	574
Powerlong Plaza	91.2	90.9	8,981
Powerlong Land	91.0	90.7	557
Powerlong Xinghui	93.0	93.0	772
<b>Total</b>	<b>91.8</b>	<b>91.5</b>	<b>11,055</b>

- (1) Occupancy rate is calculated as actual leased area divided by available lease area of a retail commercial property as of the end of each relevant period based on internal record. The occupancy rate only applies to retail commercial properties for which the Group has provided tenant sourcing services and may be higher or lower in different periods within one year.

## Pipeline Projects in the Second Half of 2025

The Group's retail commercial property projects planned for opening in the second half of 2025 are shown in the following table:

No.	Name of project	Opening date <sup>(1)</sup> <i>month-year</i>	City	Geographic region	Source of project	Management model	Expected total GFA <i>(sq.m.)</i>
<b>Powerlong Plaza</b>							
1	Nanjing Jiangning Powerlong Plaza (南京江寧寶龍廣場)	December 2025	Nanjing	Yangtze River Delta	Powerlong Real Estate	Entrusted management	146,788
2	Ningbo Jiangbei Powerlong Plaza (寧波江北寶龍廣場)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	109,716
3	Yuyao Powerlong Plaza (余姚寶龍廣場)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	65,915
<b>Sub-total</b>							<b>322,419</b>
<b>Powerlong Land</b>							
1	Ningbo Wenchuanggang Powerlong Land (寧波文創港寶龍天地)	December 2025	Ningbo	Yangtze River Delta	Powerlong Real Estate	Entrusted management	44,900
2	Taizhou Jiaojiang Commercial Street (台州椒江商業街)	December 2025	Taizhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	20,900
<b>Sub-total</b>							<b>65,800</b>
<b>Powerlong Xinghui</b>							
1	Huai'an Xiangyu Powerlong Land (淮安翔宇寶龍天地)	November 2025	Huai'an	Yangtze River Delta	Third Party	Advisory consultation	35,606
2	Linping Powerlong Plaza (臨平寶龍廣場)	December 2025	Hangzhou	Yangtze River Delta	Third Party	Advisory consultation	80,000
3	Binjiang Zhongnan Lingyunli (濱江中南凌雲里)	December 2025	Hangzhou	Yangtze River Delta	Third Party	Advisory consultation	20,127
<b>Sub-total</b>							<b>135,733</b>
<b>Total</b>							<b>523,952</b>

- (1) Opening dates of all the projects are only estimated dates. Actual opening dates are subject to progress of the relevant projects.



## Residential Property Management Services

For the six months ended 30 June 2025, revenue of the Group's residential property management service business segment amounted to approximately RMB252.3 million, representing a decrease of approximately 1.5% from approximately RMB256.1 million for the six months ended 30 June 2024; and the Group had GFA delivered of approximately 23.7 million sq.m., representing an increase of 0.5 million sq.m. from 23.2 million sq.m. for the corresponding period of 2024; 128 projects delivered, representing a net increase of 1 project from 127 projects for the corresponding period of 2024; contracted GFA of approximately 30.1 million sq.m., representing a decrease of approximately 1.1 million sq.m. from approximately 31.2 million sq.m. for the corresponding period of 2024.

The table below sets forth a breakdown of the contracted GFA and GFA delivered as at the dates indicated and our revenue from residential property management service segment for the periods indicated by geographic region:

	For the six months ended 30 June					
	2025			2024		
	Contracted GFA	GFA delivered	Revenue	Contracted GFA	GFA delivered	Revenue
	<i>sq.m.</i>	<i>sq.m.</i>	<i>RMB</i> <i>(in thousands)</i>	<i>sq.m.</i>	<i>sq.m.</i>	<i>RMB</i>
Yangtze River Delta <sup>(1)</sup>	19,690	14,744	156,368	20,664	13,624	174,280
Others <sup>(2)</sup>	10,439	8,964	95,978	10,543	9,581	81,799
<b>Total</b>	<b>30,129</b>	<b>23,708</b>	<b>252,346</b>	<b>31,207</b>	<b>23,205</b>	<b>256,079</b>

Notes:

(1) Comprises Shanghai Municipality, Zhejiang Province, Jiangsu Province and Anhui Province.

(2) Comprises cities except those covered in (1) above.

## WORK PLAN FOR THE SECOND HALF OF 2025

Stepping into 2025, China's consumer market has shown steady growth as driven by both policy support and rebound in demand, and has become the core force driving economic recovery. In the first half of 2025, the gross domestic product (GDP) increased by 5.3% year-on-year and reached RMB66.05 trillion. Final consumption expenditure contributed 52% to the growth of GDP, firmly remaining as the main engine of economic growth. In terms of the consumption end, the total retail sales of consumer goods in the first half of 2025 increased by 5.0% year-on-year, which continued a trend of steady growth. The optimization and upgrade of the consumption structure and the significant policy-driven effect injected strong impetus into offline consumption, with sales increasing significantly in various regions.

As a leading provider of commercial operational services in China, the Group establishes sustainable competitive strengths based on its core mission of “creating space full of love” to let every commercial space become a link between people and life, brands and growth, and cities and temperature. In the first half of 2025, the Group newly opened the Wuyishan Powerlong Plaza. Being the Group's 12th commercial project opened in Fujian Province, it filled the commercial capacity gap in the city and had an occupancy rate of over 80% for first stores. With an operation mode stressing both shopping and experience, it activated the two-way cycle of “local consumption + cultural tourism economy” in Wuyishan. Looking ahead to the second half of the year, the Group will focus on the strategic direction of the “Three Major Projects” for in-depth operations, with the objective of “Quality Enhancement and Delicate Service”, and will carry out core work in the following three aspects:

- (I) With “operational capability-tenant sourcing capability-product capability” as the core, the three capabilities will support each other and work in synergy. As operational capability ensures continuous value increment of space, tenant sourcing capability injects premium business resources and product capability shapes differentiated experience, the three capabilities will jointly build the core competitiveness of the Group in the commercial operation field. Taking enhancement of asset value as our goal and precise positioning as the prerequisite, the Group will implement classification management for various projects and initiate asset enhancement program to comprehensively enhance the brand attractiveness and market influence of the projects and fully exploit the projects and revenue value of each business end.

- (II) The Company will construct a tenant sourcing management system to empower the business with professional tenant sourcing capabilities. Projects will be categorized into four levels for occupancy rate control, with the prerequisite of adhering to the positioning and eliminating tenant sourcing for the sake of filling vacant shops. We will strengthen organizational synergies, promote the professionalization of the division of functions, improve teamwork and synergy mechanisms, and achieve resource integration, procedure visibility and quantitative results. We will strategically build a diversified and complex brand matrix with topics, innovations and experiences to enhance the value of commercial entities and strengthen the effectiveness of tenant sourcing management in an all-round way.
- (III) Taking talents as the core resources, the Company will focus on building a “highly competent, strong reserve, youthful and sustainable” top-ranking team by constructing a “1+5” competency model with “cultural identity” as the core value and covering “insight, product, tenant sourcing, operation and innovation”, which focus on four major management requirements of being responsible for performance, organization, team and culture. At the same time, we will strengthen the construction of the top-ranking team through mechanisms such as high-quality competitors benchmarking, training empowerment promotion, continuous attention to conditions, and personnel adaptation adjustment, so as to develop a strong talent base for the enterprise and create a commercial space that can breathe, with warmth and provide emotional value.

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 June 2025, the Group recorded revenue of approximately RMB1,300.9 million, representing a decrease of approximately RMB32.0 million as compared with approximately RMB1,332.9 million for the six months ended 30 June 2024.

The Group's revenue indicated by business segment and type of service is as follows:

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial Operational Services				
Market research and positioning, business tenant sourcing, opening preparation services	20,826	1.6	42,760	3.2
Commercial operation and management services	915,948	70.4	930,562	69.8
Commercial property lease services	111,818	8.6	103,541	7.8
	<u>1,048,592</u>	<u>80.6</u>	<u>1,076,863</u>	<u>80.8</u>
Residential Property Management Services				
Pre-sale management services	534	0.1	875	0.1
Property management services	202,755	15.5	202,277	15.1
Other value-added services	49,057	3.8	52,927	4.0
	<u>252,346</u>	<u>19.4</u>	<u>256,079</u>	<u>19.2</u>
Total	<u>1,300,938</u>	<u>100.0</u>	<u>1,332,942</u>	<u>100.0</u>

## **Market research and positioning, business tenant sourcing and opening preparation services**

The Group's market research and positioning, business tenant sourcing and opening preparation services primarily include (i) market research and positioning services; and (ii) business tenant sourcing and opening preparation services, provided to property developers or property owners before the opening of a retail commercial property.

For the six months ended 30 June 2025, the Group's revenue from market research and positioning, business tenant sourcing and opening preparation services amounted to approximately RMB20.8 million, representing a period-on-period decrease of approximately 51.3% and accounting for approximately 1.6% of the Group's total revenue.

The decrease in the revenue from market research and positioning, business tenant sourcing and opening preparation services was primarily due to the fact that the Group provided market research and positioning, business tenant sourcing and opening preparation services with respect to less retail commercial properties compared to the corresponding period in 2024.

## **Commercial operation and management services**

The Group's commercial operation and management services primarily include (i) retail commercial property management services; (ii) tenant management and rent collection services; and (iii) other value-added services, provided to property owners or tenants.

For the six months ended 30 June 2025, the Group's revenue from commercial operation and management services amounted to approximately RMB915.9 million, representing a period-on-period decrease of approximately 1.6% and accounting for approximately 70.4% of the Group's total revenue.

The decrease in revenue from commercial operation and management services was primarily driven by the adjustment of business structure and the reduction in revenue of certain business as affected by the cycle of the real estate sector.

## **Commercial property lease services**

The Group provides commercial property lease services with respect to units located within shopping streets and shopping malls.

For the six months ended 30 June 2025, the Group's revenue derived from commercial property lease services amounted to approximately RMB111.8 million, representing a period-on-period increase of approximately 8.0% and accounting for approximately 8.6% of the Group's total revenue.

The increase in revenue from commercial property lease services was primarily attributable to the increase in lease income of sublease projects.

## Residential Property Management Services

The Group's residential property management services primarily include (i) pre-sale management services to property developers during their pre-sale activities, such as cleaning, security and maintenance services for pre-sale display units and sales offices; (ii) property management services such as security, cleaning, gardening and repair and maintenance services to property owners or property owners' associations at the post-delivery stages; and (iii) other value-added services such as pre-delivery preparation and trash handling services, common area, advertising space and car park management services to property owners, tenants or residents of the Group's managed properties.

For the six months ended 30 June 2025, the Group's revenue from residential property management services amounted to approximately RMB252.3 million, representing a period-on-period decrease of approximately 1.5% and accounting for approximately 19.4% of the Group's total revenue.

The decrease in revenue from residential property management services was primarily attributable to the decrease in revenue derived from value-added services due to the unfavourable macroeconomic environment.

Revenue indicated by type of customers is as follows:

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial operational services				
Fellow subsidiaries <sup>(i)</sup>	106,720	8.2	117,186	8.8
Other related parties <sup>(ii)</sup>	4,949	0.4	13,827	1.0
External customers <sup>(iii)</sup>	936,923	72.0	945,850	71.0
	<u>1,048,592</u>	<u>80.6</u>	<u>1,076,863</u>	<u>80.8</u>
Residential property management services				
Fellow subsidiaries <sup>(i)</sup>	4,429	0.3	13,360	1.0
Other related parties <sup>(ii)</sup>	254	0.1	2,060	0.2
External customers <sup>(iii)</sup>	247,663	19.0	240,659	18.0
	<u>252,346</u>	<u>19.4</u>	<u>256,079</u>	<u>19.2</u>
Total	<u>1,300,938</u>	<u>100.0</u>	<u>1,332,942</u>	<u>100.0</u>

Notes:

- (i) Fellow subsidiaries represented the Remaining Powerlong Group and other entities controlled by Mr. Hoi.
- (ii) Other related parties represented entities jointly controlled by the Remaining Powerlong Group.
- (iii) External customers represented independent third parties.

Revenue derived from external customers represents the largest source of the Group's revenue. For the six months ended 30 June 2025, revenue derived from external customers was approximately RMB1,184.6 million, representing a decrease of approximately RMB1.9 million from approximately RMB1,186.5 million for the six months ended 30 June 2024, and accounting for approximately 91.1% of the total revenue of the Group.

Revenue indicated by geographic regions is as follows:

	For the six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Commercial Operational Services				
Yangtze River Delta	<b>756,229</b>	<b>58.1</b>	766,720	57.5
Others	<b>292,363</b>	<b>22.5</b>	310,143	23.3
	<b><u>1,048,592</u></b>	<b><u>80.6</u></b>	<u>1,076,863</u>	<u>80.8</u>
Residential Property Management Services				
Yangtze River Delta	<b>156,368</b>	<b>12.0</b>	174,280	13.1
Others	<b>95,978</b>	<b>7.4</b>	81,799	6.1
	<b><u>252,346</u></b>	<b><u>19.4</u></b>	<u>256,079</u>	<u>19.2</u>
<b>Total</b>	<b><u>1,300,938</u></b>	<b><u>100.0</u></b>	<u>1,332,942</u>	<u>100.0</u>

For the six months ended 30 June 2025, the Group's commercial operational properties and residential management properties were primarily located in the Yangtze River Delta.

### Cost of services

The cost of services primarily include: (i) staff and other labour costs; (ii) depreciation expenses; (iii) utility expenses; (iv) variable lease payments; (v) short-term lease expenditure; (vi) taxes and other levies; and (vii) other miscellaneous costs.

For the six months ended 30 June 2025, the Group's cost of services was approximately RMB895.7 million, representing a period-on-period increase of approximately 1.4%. Such increase in cost of services was in line with the Group's business expansion.

## Gross profit and gross profit margin

The gross profit of the Group for the six months ended 30 June 2025 amounted to approximately RMB405.3 million, representing a period-on-period decrease of approximately 9.8%. For the six months ended 30 June 2024, the gross profit margin was 31.2%, representing a decrease of 2.5 percentage points as compared to 33.7% for the six months ended 30 June 2024.

The gross profit of commercial operational services for the six months ended 30 June 2025 amounted to approximately RMB361.6 million, representing a period-on-period decrease of approximately 6.0%. The gross profit margin of the Group's commercial operational services for the six months ended 30 June 2025 was 34.5%, representing a decrease of 1.2 percentage points as compared to 35.7% for the six months ended 30 June 2024, primarily due to the increase in revenue contribution from sublease services with relatively lower gross profit margin.

The gross profit of residential property management services for the six months ended 30 June 2025 amounted to approximately RMB43.7 million, representing a period-on-period decrease of approximately 32.4%. The gross profit margin of the Group's residential property management services for the six months ended 30 June 2025 was 17.3%, representing a decrease of 8.0 percentage points as compared to 25.3% for the six months ended 30 June 2024, primarily because of the adjustment of business structure, resulting in the decrease in the proportion of certain businesses which had higher gross profit margin but were affected by the real estate cycle.

The Group's gross profit and gross profit margin by business segments are as follows:

	For the six months ended 30 June 2025		2024	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
Commercial operational services	361,575	34.5	384,683	35.7
Residential property management services	43,706	17.3	64,676	25.3
Total	405,281	31.2	449,359	33.7



### **Other income and other losses – net**

Other income and other losses – net mainly represented the various subsidies income from local governments and the forfeited deposits from tenants due to their premature termination of contracts. For the six months ended 30 June 2025, the Group's other income and other losses – net amounted to approximately RMB96.5 million, representing a period-on-period increase of approximately 482.9%, which was mainly attributable to the derecognition of some investment properties.

### **Impairment losses on financial assets**

The Group's impairment losses on financial assets mainly include the allowance for impairment made in respect of operating leases and trade receivables and other receivables. For the six months ended 30 June 2025, the Group's impairment losses on financial assets amounted to approximately RMB116.4 million, representing a period-on-period increase of approximately 222.4%. This was mainly because the Group performed impairment tests on the carrying amount of trade receivables and other receivables and made reasonable impairment provisions based on the principle of prudence.

### **Finance costs – net**

The Group's finance costs – net mainly include the net of the interest expense on lease liabilities and interest income from bank deposits.

For the six months ended 30 June 2025, the Group's net finance costs amounted to approximately RMB7.7 million, as compared to the net finance costs of approximately RMB8.5 million for the corresponding period in 2024. This was mainly because of the decrease in interest income from bank deposits.

### **Income tax expense**

The Group's income tax expense mainly comprises PRC corporate income tax. The effective income tax rate of the Group remained relatively stable at approximately 27.4% and 26.8% for the six months ended 30 June 2025 and 2024, respectively.

### **Profit for the period**

For the six months ended 30 June 2025, the Group's profit attributable to the Shareholders was approximately RMB182.8 million, representing a decrease of approximately 6.0% as compared with approximately RMB194.5 million for the six months ended 30 June 2024.

## **Operating lease and trade receivables**

The Group's operating lease and trade receivables primarily arose from property leasing services for units located within the shopping malls and shopping streets as well as the provision of various services under the Group's commercial operational services segment and residential property management services segment. As at 30 June 2025, the Group's operating lease and trade receivables were approximately RMB431.3 million, representing an increase of approximately 4.4% as compared with approximately RMB413.2 million as of 31 December 2024, primarily attributable to the business growth of the Group.

## **Trade and other payables**

The Group's trade and other payables primarily represent amounts due to suppliers/subcontractors for the purchase of services and goods and amounts due to related parties, cash received on behalf of tenants or residents, deposits received from tenants or residents and others. As at 30 June 2025, the Group's trade and other payables amounted to approximately RMB1,066.7 million, representing an increase of approximately 3.7% as compared with approximately RMB1,028.9 million as of 31 December 2024. This was primarily attributable to the increase in trade payables to suppliers.

## **Contract liabilities**

Contract liabilities mainly represent advance payments made by the customers of the Group's commercial operational services and residential property management services. As at 30 June 2025, contract liabilities amounted to approximately RMB248.3 million, representing a decrease of approximately 9.5% as compared with approximately RMB274.3 million as of 31 December 2024. This was primarily attributable to the increase in revenue recognized by the Group in relation to contract liabilities upon completion of services.

## **Contingent liabilities**

As at 30 June 2025 and 31 December 2024, the Group did not have any material contingent liabilities.

## **Liquidity and capital resources**

The Group has maintained stable financial condition and sufficient liquidity. As at 30 June 2025, the Group's cash and bank balances amounted to approximately RMB4,285.2 million, representing an increase of approximately 3.7% as compared with approximately RMB4,131.6 million as of 31 December 2024. This was primarily attributable to the Group's stepped up efforts in collection.

## **HUMAN RESOURCES**

The Group believes that the expertise, experience and professional development of the employees contribute to the growth of the Group. The human resources department of the Company manages, trains and hires employees. As at 30 June 2025, the Group had 5,566 (31 December 2024: 5,566) employees. The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. The Group's success depends on the Group's ability to attract, retain and motivate qualified personnel. As part of the Group's retention strategy, the Group offers employees performance-based cash bonuses and other incentives in addition to basic salaries. The Group also participates in various employee social security plans for its employees, including housing provident fund, pension, medical insurance, social insurance and unemployment insurance. In relation to staff training, the Group also provides different types of programs for its staff to improve their skills and develop their respective expertise. During the six months ended 30 June 2025, the Group did not experience any significant labour disputes or difficulty in recruiting employees.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in the section headed "Use of Net Proceeds" of the Company's annual results announcement dated 26 March 2025, the Company had not authorized any plan for other material investments or acquisition of capital assets as at 30 June 2025.

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

Save as disclosed in this announcement, the Company had no significant investments, and had not conducted any material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

## **IMPORTANT EVENTS AFTER THE REPORTING PERIOD**

As set out in the Company's announcements dated 7 March 2025, 26 March 2025, 13 May 2025 and 14 July 2025, respectively, a liquidation application has been filed in a British Virgin Islands court against Powerlong Real Estate (BVI) Holdings Limited, the direct holding company of the Company. The hearing date of the liquidation application has been further adjourned to 17 November 2025 (or the next available date before 4 December 2025). The Company will closely monitor the development in relation to the liquidation application.

Save as disclosed above, as at the date of this announcement, the Group did not have any other material subsequent events after the Reporting Period.

## **INTERIM DIVIDEND**

At the Board meeting held on 28 August 2025, the Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as the code for dealing in securities of the Company by the Directors. Having made specific enquiry by the Company to all the Directors, the Directors confirmed that they were in compliance with the required standard as set out in the Model Code during the Reporting Period. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code throughout the Reporting Period.

## CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors’ confidence in the Company and the Company’s accountability. The Company therefore strives to attain and maintain effective corporate governance practices and procedures.

The Directors are of the view that the Company had complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”) during the six months ended 30 June 2025, except for the deviation from the code provisions C.1.7 and C.2.1 of the Corporate Governance Code.

As stipulated in code provision C.1.7 of the Corporate Governance Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The director liability insurance taken out by the Company for the Directors has lapsed on 1 April 2025. Despite reasonable efforts, the Company has yet to identify a suitable director liability insurance policy with reasonable premium while providing adequate cover to the Directors. The Company will continue to seek appropriate insurance cover in this regard.

As stipulated in code provision C.2.1 of the Corporate Governance Code, the roles of chairman and the chief executive should be separate and should not be performed by the same individual. Following the resignation of Mr. Chen Deli, who was the chief executive officer of the Company (the “**CEO**”), on 1 November 2024 and the appointment of Mr. Hoi Wa Fong as the CEO on the same day, Mr. Hoi Wa Fong acted as both the Chairman and CEO until his stepping down as the CEO on 21 January 2025.

On 21 January 2025, Mr. Xu Meng was appointed as the CEO, and Mr. Hoi Wa Fong stepped down from such role. Mr. Hoi Wa Fong has continued to act as the Chairman and an executive Director after ceasing to act as the CEO.

Following the above change, the Company has re-complied with code provision C.2.1 pursuant to which the roles of the Chairman and the CEO are held by Mr. Hoi Wa Fong and Mr. Xu Meng, respectively.

Further information about the corporate governance practices of the Company will be set out in the interim report of the Company for the six months ended 30 June 2025.

## **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 Company’s listed securities (including sale of treasury shares) during the Reporting Period. As at 30 June 2025, the Company did not have any treasury shares.

## **REVIEW OF INTERIM RESULTS**

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

The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 with the Company’s management and considered that such information have been prepared in accordance with applicable accounting standards and requirements with sufficient disclosure. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

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

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) as well as the website of the Company ([www.powerlongcm.com](http://www.powerlongcm.com)).

The interim report of the Company for the six months ended 30 June 2025 will be made available on the abovementioned websites and (if necessary) despatched to the Shareholders in due course.

## APPRECIATION

The steady growth of the Group is attributable to the enormous support from the relevant parties over the years. The Board would like to take this opportunity to express its sincere gratitude to the Group's investors, business partners and customers for their continuous trust and support. At the same time, the Board would also like to take this opportunity to thank the Board members for their high quality work and the Group's staff for their contributions and dedication. The Group will continue to uphold its tradition of "honest, modest, innovative and devoted" while relying on an elite team with unified values, loyalty and commitment. It will adhere to its belief and rise to challenges in order to create better returns for its customers, shareholders and investors and to create greater values for the society.

By order of the Board  
**Powerlong Commercial Management Holdings Limited**  
**Hoi Wa Fong**  
*Chairman*

Hong Kong, 28 August 2025

*As at the date of this announcement, the Board comprises of one executive Director, namely, Mr. Hoi Wa Fong, two non-executive Directors, namely, Ms. Hoi Wa Fan and Ms. Hoi Wa Lam, and three independent non-executive Directors, namely, Dr. Lu Xiongwen, Ms. Ng Yi Kum, Estella and Mr. Chan Wai Yan, Ronald.*

*This announcement is available for viewing on the Company's website at [www.powerlongcm.com](http://www.powerlongcm.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).*