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Evergrande Property Services Group Limited
恒大物業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6666)

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

Financial Summary

For the six months ended 30 June 2025:

- The Group had operating revenue of approximately RMB6,646.6 million, representing a period-on-period increase of approximately 6.9%.
- The Group had gross profit of approximately RMB1,198.7 million and gross profit margin of approximately 18.0%, representing a period-on-period decrease of approximately 2.2 percentage points.
- The Group had net profit of approximately RMB491.2 million and net profit margin of approximately 7.4%, representing a period-on-period decrease of approximately 0.6 percentage points.
- Profit attributable to owners of the Company amounted to approximately RMB472.3 million and basic earnings per share was approximately RMB0.04.

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 June 2025.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | | Six months ended 30 June | |
|--|-------|--------------------------|------------------|
| | | 2025 | 2024 |
| | Notes | RMB'000 | RMB'000 |
| | | (Unaudited) | (Unaudited) |
| Revenue | 5 | 6,646,590 | 6,220,192 |
| Cost of sales | | (5,447,901) | (4,964,101) |
| Gross profit | | 1,198,689 | 1,256,091 |
| Other income | 6 | 34,775 | 72,348 |
| Other gains/(losses) | | 192 | (24,968) |
| Impairment losses on financial assets | | (68,467) | (71,118) |
| Fair value losses on investment properties | | (501) | (43) |
| Administrative and marketing expenses | | (460,417) | (519,656) |
| Operating profit | | 704,271 | 712,654 |
| Fair value gains on financial liabilities at fair value through profit or loss | | — | 2,753 |
| Share of net profit of investments accounted for using equity method | | 5,600 | 1,970 |
| Finance costs | | (41,066) | (34,945) |
| Profit before income tax | | 668,805 | 682,432 |
| Income tax expenses | 7 | (177,650) | (182,604) |
| Profit for the period | | 491,155 | 499,828 |
| Profit attributable to: | | | |
| – Owners of the Company | | 472,272 | 500,526 |
| – Non-controlling interests | | 18,883 | (698) |
| | | 491,155 | 499,828 |

| | | Six months ended 30 June | |
|--|---|--------------------------------|-----------------------|
| | | 2025 | 2024 |
| <i>Note</i> | | <i>RMB'000</i> | <i>RMB'000</i> |
| | | (Unaudited) | (Unaudited) |
| Other comprehensive expense | | | |
| Item that may be reclassified subsequently to profit or loss | | | |
| Exchange difference arising on translation | | | |
| | of financial statements of foreign operations | <u>(2,256)</u> | <u>(138)</u> |
| Total comprehensive income for the period | | <u>488,899</u> | <u>499,690</u> |
| Total comprehensive income/(loss) attributable to: | | | |
| | – Owners of the Company | 470,016 | 500,388 |
| | – Non-controlling interests | <u>18,883</u> | <u>(698)</u> |
| | | <u>488,899</u> | <u>499,690</u> |
| Earnings per share for profit attributable | | | |
| to owners of the company | | | |
| | – Basic and diluted | <i>9</i> <u>RMB0.04</u> | <u>RMB0.05</u> |

Condensed Consolidated Statement of Financial Position

| | | As at 30 June 2025 | As at 31 December 2024 |
|---|-------------|---|---|
| | <i>Note</i> | <i>RMB'000</i> (Unaudited) | <i>RMB'000</i> (Audited) |
| Assets | | | |
| Non-current assets | | | |
| Property and equipment | | 77,383 | 67,908 |
| Right-of-use assets | | 23,999 | 22,860 |
| Intangible assets | | 1,454,940 | 1,498,280 |
| Investment properties | | 4,676 | 5,177 |
| Investments accounted for using equity method | | 63,675 | 52,526 |
| Deferred tax assets | | 527,266 | 509,045 |
| | | <u>2,151,939</u> | <u>2,155,796</u> |
| Current assets | | | |
| Trade and other receivables | 10 | 3,389,640 | 3,152,306 |
| Prepayments | | 60,122 | 59,519 |
| Inventories | | 6,592 | 4,624 |
| Financial assets at fair value through profit or loss | | 33,180 | 503,180 |
| Restricted cash | | 126,799 | 137,549 |
| Cash and cash equivalents | | 2,778,089 | 2,697,369 |
| | | <u>6,394,422</u> | <u>6,554,547</u> |
| Total assets | | <u>8,546,361</u> | <u>8,710,343</u> |

| | | As at 30 June 2025 | As at 31 December 2024 |
|---|-------|--------------------------|------------------------------|
| | Notes | RMB'000 (Unaudited) | RMB'000 (Audited) |
| Equity | | | |
| Share capital | 11 | 7,060 | 7,060 |
| Reserves | | (5,971,776) | (5,969,520) |
| Retained earnings | | 6,989,338 | 6,517,066 |
| Equity attributable to owners of the Company | | 1,024,622 | 554,606 |
| Non-controlling interests | | 419,538 | 422,568 |
| Total equity | | 1,444,160 | 977,174 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Other payables | | 61,200 | 75,053 |
| Lease liabilities | | 14,920 | 11,008 |
| Deferred tax liabilities | | 113,193 | 123,942 |
| | | 189,313 | 210,003 |
| Current liabilities | | | |
| Contract liabilities | | 2,472,022 | 2,755,007 |
| Trade and other payables | 12 | 3,748,172 | 4,222,898 |
| Current tax liabilities | | 614,161 | 461,143 |
| Lease liabilities | | 78,533 | 84,118 |
| | | 6,912,888 | 7,523,166 |
| Total liabilities | | 7,102,201 | 7,733,169 |
| Total equity and liabilities | | 8,546,361 | 8,710,343 |

Notes to the Condensed Consolidated Financial Statements

1. General information

Evergrande Property Services Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 March 2020 as an exempted company with limited liability under the Companies Act (Cap. 22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company’s ultimate holding company is China Evergrande Group, an exempted company incorporated in the Cayman Islands with limited liability and its shares were previously listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), but were delisted from the Stock Exchange on 25 August 2025.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are primarily engaged in the provision of property management services, community living services, asset management services and community operation services.

The interim condensed consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to nearest RMB’000, unless otherwise stated. These interim condensed consolidated financial statements are unaudited.

2. Basis of preparation

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

The interim condensed consolidated financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, the interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Going concern assumption

As at 30 June 2025, net current liabilities of the Group amounted to approximately RMB518,466,000 (as at 31 December 2024: approximately RMB968,619,000). The above matters indicated that the Group will need to secure a substantial amount of funds in the foreseeable future to finance these financial obligations under various contractual and other arrangements.

In view of the above circumstances, the directors of the Company have reviewed the Group’s cash flow projections, which cover a period of not less than 12 months from 30 June 2025. In the opinion of the directors, taking into account the following actions taken during the six months ended 30 June 2025 and measures to be taken, the Group will have sufficient working capital to meet its financial obligations up to 30 June 2026.

- The Group has reached agreements with certain creditors, agreeing not to demand immediate repayment of the liabilities when they fall due;
- The Group has been actively negotiating with the creditors of consideration payable for business combinations to revise the repayment plan; and
- The directors of the Company have implemented and will continue to further implement cost control measures in operating and other expenses, as well as to intensify market expansion and promote innovative business development, in order to improve the operating and financial position of the Group.

On the basis that all these measures can be implemented successfully, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as they fall due and accordingly, the condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025.

3. Accounting policies

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investment properties, financial assets at fair value through profit or loss that are measured at fair values at the end of each reporting period.

The accounting policies and the methods of computation used in the interim condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the Group's audited consolidated financial statements for the year ended 31 December 2024. The adoption of the amendments to HKFRS Accounting Standards that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

The Group has not early adopted the new/amendments to HKFRS Accounting Standards that have been issued but are not yet effective. The directors of the Company do not anticipate that the adoption of the new and amendments to HKFRS Accounting Standards in future periods will have any material impact on the Group's interim condensed consolidated financial statements.

4. Segment information

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

During the six months ended 30 June 2025 and 2024, the Group was principally engaged in the provision of property management services, community living services, asset management services and community operation services in the Mainland of the People’s Republic of China (the “**Mainland China**”). Management reviews the operating results of the business as a single operating segment as the nature of services, the type of customers for services, the method used to provide their services and the nature of regulatory environment is the same in different regions.

The principal operating entities of the Group were domiciled in Mainland China and majority of revenue was derived in Mainland China during the six months ended 30 June 2025 and 2024.

As at 30 June 2025 and 31 December 2024, majority of the non-current assets of the Group were located in Mainland China.

5. Revenue

Revenue mainly comprises of proceeds from property management services, community living services, asset management services and community operation services. An analysis of the Group’s revenue by category for the six months ended 30 June 2025 and 2024 was as follows:

| | Six months ended 30 June | |
|---|--------------------------|------------------|
| | 2025 | 2024 |
| | <i>RMB’000</i> | <i>RMB’000</i> |
| | (Unaudited) | (Unaudited) |
| Property management services | | |
| – Basic property management services | 5,611,812 | 5,158,058 |
| – Value-added services to non-property owners | 16,010 | 35,739 |
| | <u>5,627,822</u> | <u>5,193,797</u> |
| Community living services | 456,205 | 427,623 |
| Asset management services | 398,907 | 406,247 |
| Community operation services | 163,656 | 192,525 |
| | <u>6,646,590</u> | <u>6,220,192</u> |

| | Six months ended 30 June | |
|-------------------------------|--------------------------|------------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Timing of revenue recognition | | |
| – Over time | 6,273,033 | 5,855,293 |
| – At a point in time | 373,557 | 364,899 |
| | <u>6,646,590</u> | <u>6,220,192</u> |
| Type of customers | | |
| – Related parties | 20,473 | 31,317 |
| – Third parties | 6,626,117 | 6,188,875 |
| | <u>6,646,590</u> | <u>6,220,192</u> |

6. Other income

| | Six months ended 30 June | |
|---|--------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Government grants (Note) | 13,037 | 21,023 |
| Write-off of payables | 9,798 | 21,700 |
| Income from compensation of non-fulfilment of performance guarantee | — | 15,683 |
| Interest income | 8,324 | 11,517 |
| Income from overdue fine | 971 | 1,360 |
| Others | 2,645 | 1,065 |
| | <u>34,775</u> | <u>72,348</u> |

Note:

Government grants mainly consisted of financial grants from government organizations, tax deductions for employment of veterans and priority groups, subsidies for value-added tax and other tax incentives policies, and refunds of paid unemployment insurance. There were no outstanding conditions or contingencies attached to the grants.

7. Income tax expenses

| | Six months ended 30 June | |
|--------------|--------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Current tax | 206,620 | 210,785 |
| Deferred tax | (28,970) | (28,181) |
| | <u>177,650</u> | <u>182,604</u> |

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries in the British Virgin Islands ("BVI") were incorporated under the International Business Companies Act of the BVI and accordingly, are exempted from BVI income tax.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the current period in respect of operations in Hong Kong, except for one subsidiary of the group which was a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits were taxed at 8.25% and the remaining assessable profits were taxed at 16.5%.

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the periods, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 25% for the six months ended 30 June 2025 and 2024. Certain subsidiaries and branches of the Group in Mainland China were located in cities in the western regions of the Mainland China, and they were subject to a preferential income tax rate of 15% during the six months ended 30 June 2025 and 2024. The subsidiaries and branches of the Group located in Hainan Province are qualified to enjoy the preferential income tax rate of 15% from 1 January 2020 to 31 December 2027. A 20% income tax rate applies to subsidiaries that are qualified as small and micro-profit enterprises.

8. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

9. Earnings per share

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

The Company did not have any potential ordinary shares outstanding during the six months ended 30 June 2025 and 2024. Diluted earnings per share was equal to basic earnings per share.

| | Six months ended 30 June | |
|--|--------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Profit attributable to owners of the Company (RMB'000) | 472,272 | 500,526 |
| Weighted average number of ordinary shares in issue (in thousands) | 10,810,811 | 10,810,811 |
| Basic and diluted earnings per share | <u>RMB0.04</u> | <u>RMB0.05</u> |

10. Trade and other receivables

| | As at | As at |
|-------------------------------|------------------|------------------|
| | 30 June | 31 December |
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Audited) |
| Trade receivables (Note (i)) | 2,841,559 | 2,586,373 |
| Value-added tax recoverable | 32,339 | 28,319 |
| Other receivables (Note (ii)) | 515,742 | 537,614 |
| | <u>3,389,640</u> | <u>3,152,306</u> |

Notes:

(i) Trade receivables

| | As at 30 June 2025 <i>RMB'000</i> (Unaudited) | As at 31 December 2024 <i>RMB'000</i> (Audited) |
|---|---|---|
| Trade receivables | | |
| – Related parties (Note 13) | 2,199,294 | 2,205,037 |
| – Third parties | 3,683,939 | 3,357,659 |
| | <hr/> | <hr/> |
| Total trade receivables | 5,883,233 | 5,562,696 |
| | <hr/> | <hr/> |
| Less: allowance for impairment of trade receivables | | |
| – Related parties (Note 13) | (2,198,628) | (2,203,003) |
| – Third parties | (843,046) | (773,320) |
| | <hr/> | <hr/> |
| | <u>2,841,559</u> | <u>2,586,373</u> |

Trade receivables mainly arise from basic property management services income under lump sum basis. Basic property management services income is received in accordance with the terms of the relevant services agreements.

As at 30 June 2025 and 31 December 2024, the aging analysis of the trade receivables based on date of revenue recognition and net of loss allowance was as follows:

| | As at 30 June 2025 <i>RMB'000</i> (Unaudited) | As at 31 December 2024 <i>RMB'000</i> (Audited) |
|-----------------|---|---|
| 0 to 180 days | 1,696,132 | 1,301,036 |
| 181 to 365 days | 332,583 | 356,921 |
| 1 to 2 years | 323,766 | 505,979 |
| 2 to 3 years | 308,832 | 276,321 |
| Over 3 years | 180,246 | 146,116 |
| | <hr/> | <hr/> |
| | <u>2,841,559</u> | <u>2,586,373</u> |

As at 30 June 2025, the total trade receivables and impairment allowance amounted to approximately RMB5,883,233,000 (as at 31 December 2024: approximately RMB5,562,696,000) and approximately RMB3,041,674,000 (as at 31 December 2024: approximately RMB2,976,323,000), respectively. Of which, the total trade receivables from related parties and impairment allowance amounted to approximately RMB2,199,294,000 (as at 31 December 2024: approximately RMB2,205,037,000) and approximately RMB2,198,628,000 (as at 31 December 2024: approximately RMB2,203,003,000), respectively.

As at 30 June 2025 and 31 December 2024, trade receivables were denominated in RMB and the carrying amounts of trade receivables approximate their fair values.

(ii) Other receivables

| | As at 30 June 2025 RMB'000 (Unaudited) | As at 31 December 2024 RMB'000 (Audited) |
|---|--|--|
| Ultimate holding company (Note (a)) | | |
| – Financial guarantees | 13,400,000 | 13,400,000 |
| Less: | | |
| – Enforcement of financial guarantees pledged | <u>(13,400,000)</u> | <u>(13,400,000)</u> |
| | <u>—</u> | <u>—</u> |
| Other related parties (Note 13) | 10,346 | 10,727 |
| Third parties | | |
| – Payments on behalf of property owners (Note (b)) | 434,183 | 424,898 |
| – Deposits | 139,540 | 142,072 |
| – Others | <u>75,556</u> | <u>100,684</u> |
| Gross other receivables | 659,625 | 678,381 |
| Less: allowance for impairment of other receivables | | |
| – Related parties (Note 13) | (7,153) | (7,188) |
| – Third parties | <u>(136,730)</u> | <u>(133,579)</u> |
| Total other receivables | <u><u>515,742</u></u> | <u><u>537,614</u></u> |

As at 30 June 2025 and 31 December 2024, other receivables were denominated in RMB and their carrying amounts approximate their fair values.

Notes:

(a) Pursuant to the Court's judgement, the ultimate holding company and Hengda Real Estate Group Company Limited (a related party of the Company), were the actual debtor of the financing guarantee funds, and certain other third parties as the guarantees were jointly liable for the full amount of the aforementioned debt respectively.

(b) Payments on behalf of property owners mainly represented utilities costs of properties.

11. Share capital

| | As at 30 June 2025 | As at 31 December 2024 | As at 30 June 2025 | As at 31 December 2024 |
|-----------------------|--------------------------|------------------------------|--------------------------|------------------------------|
| | <i>Number of shares</i> | <i>Number of shares</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| Issued and fully paid | <u>10,810,811,000</u> | <u>10,810,811,000</u> | <u>7,060</u> | <u>7,060</u> |

12. Trade payables

| | As at 30 June 2025 | As at 31 December 2024 |
|-----------------------------|--------------------------|------------------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Audited) |
| Trade payables | | |
| – Related parties (Note 13) | 423,348 | 453,820 |
| – Third parties | <u>1,209,626</u> | <u>1,312,851</u> |
| | <u>1,632,974</u> | <u>1,766,671</u> |

Notes:

- (a) As at 30 June 2025 and 31 December 2024, the aging analysis of the trade payables based on goods and services received was as follows:

| | As at 30 June 2025 <i>RMB'000</i> (Unaudited) | As at 31 December 2024 <i>RMB'000</i> (Audited) |
|--------------|---|---|
| Up to 1 year | 1,278,422 | 1,390,034 |
| 1 to 2 years | 197,577 | 256,856 |
| 2 to 3 years | 101,342 | 43,987 |
| Over 3 years | 55,633 | 75,794 |
| | <u>1,632,974</u> | <u>1,766,671</u> |

- (b) As at 30 June 2025 and 31 December 2024, trade payables were denominated in RMB and the carrying amounts of trade payables approximate their fair values.

13. Related party transactions

(a) Related party transactions

In addition to the transactions detailed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with related parties.

| | Six months ended 30 June | |
|--|--------------------------|----------------|
| | 2025 | 2024 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Unaudited) | (Unaudited) |
| Revenue from rendering of services | | |
| – Controlled by the Group's ultimate holding company | 19,098 | 26,691 |
| – Joint ventures of the Group's ultimate holding company | 1,375 | 4,626 |
| | <u>20,473</u> | <u>31,317</u> |
| Purchase of goods and services | | |
| – Controlled by the Group's ultimate holding company | <u>4,346</u> | <u>3,411</u> |
| Leasing car parking spaces | | |
| – Controlled by the Group's ultimate holding company | 76,214 | 63,193 |
| – Joint ventures of the Group's ultimate holding company | 2,757 | — |
| | <u>78,971</u> | <u>63,193</u> |

The transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

As China Evergrande Group is being liquidated, the management of the Group expects that the inflow of economic benefits from China Evergrande Group is not optimistic and highly uncertain. Since the property management services customers involve all the property owners and various aspects of the community, which has integrality and indivisibility as a whole, it is impracticable to exclude China Evergrande Group from providing property management services to those vacant properties. Moreover, such services do not incur additional costs. Therefore, the Group has continued to provide property management services to China Evergrande Group, with the amount for the six months ended 30 June 2025 being approximately RMB228,494,000. The Group has not recognized revenue in respect of the transactions, while the Group will endeavor to take reasonable measures to collect the receivables from the relevant parties in accordance with the relevant laws and applicable agreements to actively safeguard the interests of the Group.

(b) Balances with related parties

| | As at 30 June 2025 <i>RMB'000</i> (Unaudited) | As at 31 December 2024 <i>RMB'000</i> (Audited) |
|---|---|---|
| Trade receivables (Note 10) | | |
| – Controlled by the Group's ultimate holding company | 1,998,203 | 2,004,388 |
| – Joint ventures of the Group's ultimate holding company | 201,091 | 200,649 |
| | <u>2,199,294</u> | <u>2,205,037</u> |
| Less: allowances for impairment of trade receivables (charged to profit or loss) | <u>(2,198,628)</u> | <u>(2,203,003)</u> |
| | <u><u>666</u></u> | <u><u>2,034</u></u> |
| Other receivables | | |
| – Controlled by the Group's ultimate holding company | 10,346 | 10,727 |
| Less: allowances for impairment of other receivables (charged to profit or loss) | <u>(7,153)</u> | <u>(7,188)</u> |
| | <u><u>3,193</u></u> | <u><u>3,539</u></u> |
| Prepayments | | |
| – Controlled by the Group's ultimate holding company | <u><u>929</u></u> | <u><u>1,392</u></u> |

| | As at 30 June 2025 <i>RMB'000</i> (Unaudited) | As at 31 December 2024 <i>RMB'000</i> (Audited) |
|--|---|---|
| Trade payables (Note 12) | | |
| – Controlled by the Group's ultimate holding company | 406,431 | 445,869 |
| – Joint ventures of the Group's ultimate holding company | 16,917 | 7,951 |
| | 423,348 | 453,820 |
| Other payables | | |
| – Controlled by the Group's ultimate holding company | 132,107 | 131,862 |
| – Joint ventures of the Group's ultimate holding company | 4,100 | 1,788 |
| | 136,207 | 133,650 |
| Contract liabilities | | |
| – Controlled by the Group's ultimate holding company | 6,820 | 6,263 |

The above trade receivables, prepayments, trade payables and contract liabilities were trading nature, interest free and repayable according to terms in contracts.

(c) Key management compensation

Key management, including directors and core management, totaled 17 (corresponding period in 2024: 15). Their compensations were set out below:

| | Six months ended 30 June 2025 <i>RMB'000</i> (Unaudited) | 2024 <i>RMB'000</i> (Unaudited) |
|---|--|---------------------------------------|
| Salaries, bonus and other benefits | 7,169 | 5,381 |
| Contribution to pension scheme expenses | 215 | 165 |
| | 7,384 | 5,546 |

SUMMARY OF INDEPENDENT REVIEW REPORT OF INTERIM FINANCIAL INFORMATION

The following is a summary of the independent auditor's review report on the interim condensed consolidated financial statements of Evergrande Property Services Group Limited ("**Evergrande Property Services**" or the "**Company**", together with its subsidiaries, the "**Group**") for the six months ended 30 June 2025 issued by its external auditor, Prism Hong Kong Limited ("**Prism**"):

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw your attention to note 2 to the interim condensed consolidated financial statements in respect of the going concern basis adopted in the preparation of the interim condensed consolidated financial statements. The Group recorded net current liabilities of approximately RMB518,466,000 as at 30 June 2025 (as at 31 December 2024: approximately RMB968,619,000). These conditions, together with other matters set out in note 2 to the interim condensed consolidated financial statements, indicate that there are significant uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. The Group is implementing various measures to improve its liquidity. The directors of the Company, having considered the measures taken by the Group, are of the opinion that the Group has the ability to continue as a going concern. In respect of this matter, our opinion has not been modified.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of the Company, I hereby present the interim results of the Group for the six months ended 30 June 2025 (the “**Period**”). During the Period, the Group achieved an operating revenue of approximately RMB6,646.6 million, representing a period-on-period increase of approximately 6.9%; gross profit was approximately RMB1,198.7 million, with a gross profit margin of approximately 18.0%, representing a period-on-period decrease of approximately 2.2 percentage points; and net profit was approximately RMB491.2 million, with a net profit margin of approximately 7.4%, representing a period-on-period decrease of approximately 0.6 percentage points; and profit attributable to owners of the Company was approximately RMB472.3 million, with basic earnings per share of approximately RMB0.04. As at 30 June 2025, the net assets of the Company increased by approximately RMB467.0 million compared with the end of 2024, and the monetary funds decreased by approximately RMB400.0 million compared with the end of 2024.

At present, the property management industry is undergoing a critical stage of profound transformation. The adjustments in the upstream real estate sector are driving enterprises to shift towards existing property operation, while stricter regulatory requirements are promoting compliance upgrades. Meanwhile, the upgrading of customer demands is accelerating the iteration of service standards and the enhancement of transparency. At the same time, rising labor costs and increasing service resource inputs have placed enterprises under the dual challenges of “cost reduction” and “quality improvement”. These structural changes are driving the industry to transform and upgrade from traditional basic services to technology-driven new property management services.

Against the backdrop of macroeconomic regulation in the industry, slowing growth and intensified market competition, the Group is also facing multiple pressures such as tight liquidity and impact of related parties.

The receivables of the Group remain at a persistently high level, putting the Group under severe challenges in terms of capital liquidity. Affected by the combined impact of various factors from related parties, some property owners have shown low willingness to pay fees, leading to increased trade receivables and a prolonged collection cycle, which continues to put pressure on the Company’s capital chain. Up to now, the original value of the Group’s trade receivables amounted to approximately RMB5,883.2 million, with accumulated provisions for bad debt losses of approximately RMB3,041.7 million, resulting in an impairment rate as high as 51.7%. Among them, the original value of third-party receivables with a term

of three years or more was approximately RMB660.8 million, accounted for approximately 18.0% of the total original value of third-party receivables. The net value of such receivables after impairment increased by approximately 23.4% period-on-period to RMB180.2 million, with the aging structure continuing to deteriorate, further exacerbating the pressure for bad debt impairment. Although in recent years we have sought to ease liquidity pressures through proactive operational adjustments, the Company remains in a net current liabilities position, and cash flow pressure continues to represent the core challenge for our operations.

The ongoing negative impact from related parties has exerted significant pressure on the Company's operating fundamentals. The conversion process of the Company's approximately 150 million sq.m. of signed contracted projects from related parties has come to a standstill, and there is significant uncertainty as to whether effective conversion can be achieved in the future. The disposal of assets of related parties may lead to changes in the business model of the Company's related businesses (such as car parking operations) and a decline in profits. Meanwhile, the contagion of the risk arising from related parties has severely undermined the Company's brand credibility and bargaining power in external markets (such as in bidding, development of new customers and renewal of contracts with existing customers). It will take a relatively long time for the Company to resolve the risks arising from related parties.

The Company is under dual pressure on its profit margins due to increasingly stringent regulatory compliance and intensified market competition. A series of policy measures introduced successively across various regions, including upper limits on guided property management service fees, fee reductions or exemptions for vacant properties, and strengthened compliance requirements for public area revenues, have generally exposed enterprises to the pressure of maintaining revenue while facing declining profits. Meanwhile, the continuous upgrading of service standards and property owners' expectations has driven enterprises to increase service input, resulting in a sustained rise in rigid expenditures such as community maintenance, intelligent upgrading, and labor costs. Under the structural contradiction of "rising service standards but restricted charging prices (服務標準升、收費價格限)", the Company is forced to internally absorb the pressure from incremental costs. Constrained revenue and rigidly rising costs have jointly squeezed profit margins, posing challenges to the enterprise's profitability.

Faced with multiple challenges, the Group has proactively adapted to changes in the “times” and “trends”, actively responded to internal and external pressures, fostered differentiated competitive advantages and the foundation of long-term value amid changes, and steadily moved towards a new stage of more resilient and higher-quality development.

We are committed to refining our services, with customer satisfaction driving efficiency enhancement. We deeply understand the evolving value of property management services as a “core living requirement” for property owners, and regard customer satisfaction as the core pivot for driving efficiency enhancement, while continuously improving service quality. On one hand, we have systematically promoted the “home renewal (家園煥新)” initiative, completing tens of thousands of projects nationwide in communities, including environmental beautification, improvement of elderly and child-friendly facilities, and smart community transformation, to ensure that property owners’ living and safety needs are firmly met. On the other hand, we have effectively released the productivity of service personnel through technological empowerment, enabling them to focus more on facing customers directly and providing more caring services. From hardware renovation to soft care, from efficiency enhancement to emotional connection, the all-round service upgrade has effectively met property owners’ in-depth needs from “cleanliness and safety” to “emotional belonging”, driving a positive cycle of “service promoting fee collection” and boosting the simultaneous improvement of project collection rates and customer satisfaction.

We are committed to expanding our market reach and cultivating it with precision, driving scale growth through market-oriented expansion. The Group has deeply integrated its affiliated professional brand companies, striving to build a cluster of benchmark services across diverse business formats. Leveraging the reputation radiated by benchmark projects, it has efficiently driven the expansion of high-quality existing properties and non-residential business formats, achieving a coordinated leap in management scale and operational efficiency. During the Period, with “service capability” as the core driving engine, the Group continued to make breakthroughs in diverse business formats such as commercial and office buildings, industrial parks, public transportation, medical and educational institutions, and city public services. It has cumulative newly signed contracted gross floor area (“GFA”) from third parties of exceeding 23 million sq.m., with annual saturated contract revenue amounting to nearly RMB600 million. Among this, the annual saturation revenue from non-residential projects was approximately RMB440 million, accounting for over 70%, which further enhanced the competitiveness and brand influence in diverse business formats and injected sustained momentum into high-quality development.

Strengthening the foundation with talents, we fully activate new momentum for organizational development. The organizational system is the core support for the high-quality development of an enterprise. With the “focus on the frontline” as its service foundation, the Group has deeply rooted the philosophy of “serving property owners and serving the frontline” in all levels of personnel. Focusing on innovating the grass-roots organizational structure at service touchpoints, we have implemented an “all-round butler” mechanism that integrates multiple functions such as customer service, repair and maintenance, and management, enabling one-person connection and full-process response to property owners’ needs. Meanwhile, the Company has established a multi-dimensional real-time incentive system, closely linking differentiated performance appraisal results with promotion channels. In the past year, the Company has promoted approximately 350 frontline employees to middle management positions, injecting fresh blood into the management team and further enhancing the team’s cohesion and combat effectiveness.

The Group will adhere to its original aspiration of serving, drive the upgrading of service quality with the principle of “property owner satisfaction and winning through reputation” to consolidate the basic foundation of property management services; deeply cultivate in areas such as community living services and asset management services with the concept of “demand-oriented and professional foundation-building” to optimize the revenue and profit structure; and fully promote market-oriented expansion with “reputation-led and lean operation” to accelerate the acquisition of high-quality incremental projects, solidify the foundation for sustainable development, and build a more stable development pattern with stronger long-term competitiveness.

“The stars pay no heed to those who hurry along their path, and time does not fail those who work diligently”. On behalf of the Board, I would like to express my gratitude to all our employees and management team for their contributions to the Company’s development. Let us unite with one heart and one direction, overcome operational difficulties with high morale and a pragmatic style, and jointly write a new chapter of high-quality development. I also extend my sincere thanks to all shareholders and stakeholders for their trust and support.

Duan Shengli

Chairman of the Board

Hong Kong, 29 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from four business segments: (i) property management services; (ii) community living services; (iii) asset management services; and (iv) community operation services. During the Period, the Group's total revenue was approximately RMB6,646.6 million, representing a period-on-period increase of approximately 6.9%.

The following table sets out a breakdown of revenue by business segment of the Group for the periods indicated:

| | For the six months ended 30 June 2025 | | For the six months ended 30 June 2024 | | |
|---|--|-----------------------------------|--|-----------------------------------|-------------|
| | Revenue | Percentage of total revenue | Revenue | Percentage of total revenue | Growth rate |
| | (RMB'000) | (%) | (RMB'000) | (%) | (%) |
| Property management services | 5,627,822 | 84.6 | 5,193,797 | 83.5 | 8.4 |
| – Basic property management services | 5,611,812 | 84.4 | 5,158,058 | 82.9 | 8.8 |
| – Value-added services to non-property owners | 16,010 | 0.2 | 35,739 | 0.6 | -55.2 |
| Community living services | 456,205 | 6.9 | 427,623 | 6.9 | 6.7 |
| Asset management services | 398,907 | 6.0 | 406,247 | 6.5 | -1.8 |
| Community operation services | 163,656 | 2.5 | 192,525 | 3.1 | -15.0 |
| Total | 6,646,590 | 100.0 | 6,220,192 | 100.0 | 6.9 |

(i) Property management services

During the Period, revenue from property management services amounted to approximately RMB5,627.8 million, representing a period-on-period increase of approximately 8.4%. Among them:

1. Revenue from basic property management services amounted to approximately RMB5,611.8 million, representing a period-on-period increase of approximately 8.8%, which was mainly attributable to the increase in the Group's GFA under management.

As of 30 June 2025, the Group had a total GFA under management of approximately 596 million sq.m., representing an increase of approximately 41 million sq.m. as compared with the total GFA under management of approximately 555 million sq.m. as at 30 June 2024.

During the Period, (i) due to the principle of prudence, the Group recognized revenue from basic property management services on the basis of the consideration expected to be received for the provision of property management services to customers. For certain third-party customers with significantly increased credit risk, the Group has not recognized revenue for the portion of the consideration from those customers for which the Group has fulfilled its performance obligations but has not yet collected the consideration, taking into account their willingness to pay the consideration when their consideration was overdue; and (ii) considering the status of related parties, the Group's revenue from property management services during the Period excluded revenue from basic property management services such as management of vacant properties relating to related parties of approximately RMB228.5 million based on the principle of robustness.

The following table sets out a breakdown of revenue from basic property management services by business segments of the Group for the periods indicated:

| | For the six months ended 30 June 2025 | | For the six months ended 30 June 2024 | | |
|----------------------------------|--|-----------------------------------|--|-----------------------------------|-------------|
| | Revenue | Percentage of total revenue | Revenue | Percentage of total revenue | Growth rate |
| Project Sources | (RMB'000) | (%) | (RMB'000) | (%) | (%) |
| Residential/ commercial, etc. | 4,786,155 | 85.3 | 4,401,957 | 85.4 | 8.7 |
| Public construction projects | 792,548 | 14.1 | 723,902 | 14.0 | 9.5 |
| City public service | 33,109 | 0.6 | 32,199 | 0.6 | 2.8 |
| Total | 5,611,812 | 100.0 | 5,158,058 | 100.0 | 8.8 |

- Revenue from value-added services to non-property owners amounted to approximately RMB16.0 million.

(ii) Community living services

During the Period, revenue from community living services amounted to approximately RMB456.2 million, representing a period-on-period increase of approximately 6.7%, which was mainly attributable to: (i) focusing on high-frequency and rigid-demand services within property owners' homes, and expanding the scale of to-home services such as housekeeping and convenient maintenance; and (ii) expanding the business scale and increasing operating revenue based on the high-frequency demand for direct-drinking water and new energy charging of the property owners.

(iii) Asset management services

During the Period, revenue from asset management services amounted to approximately RMB398.9 million, representing a period-on-period decrease of approximately 1.8%, which was mainly attributable to the decrease in the number of car parking spaces available for leasing by the Group due to the impact of the disposal of assets of related parties.

(iv) Community operation services

During the Period, revenue from community operation services amounted to approximately RMB163.7 million, representing a period-on-period decrease of approximately 15.0%, which was mainly attributable to the decrease in revenue from the related business as a result of the decrease in the willingness of merchants to place advertisements and the demand for venue rental due to the impact of the market environment.

The table below sets out a breakdown of revenue by source of the Group's revenue for the periods indicated:

| | For the six months ended 30 June 2025 | | For the six months ended 30 June 2024 | | Growth rate |
|-----------------|--|--|--|--|-------------|
| | Revenue (RMB'000) | Percentage of total Revenue (%) | Revenue (RMB'000) | Percentage of total revenue (%) | |
| Revenue sources | | | | | |
| Related parties | 20,473 | 0.3 | 31,317 | 0.5 | -34.6 |
| Third parties | 6,626,117 | 99.7 | 6,188,875 | 99.5 | 7.1 |
| Total | 6,646,590 | 100.0 | 6,220,192 | 100.0 | 6.9 |

Cost of sales

The Group's cost of sales include staff costs, greening and cleaning costs, facilities and equipment repair and maintenance costs, energy costs, taxes and other levies.

During the Period, the cost of sales of the Group increased by approximately 9.7% from approximately RMB4,964.1 million for the corresponding period in 2024 to approximately RMB5,447.9 million for the Period, which was mainly attributable to: (i) the expansion of the Group's GFA under management; (ii) the continuous increase in investment in projects under management in respect of equipment renewal, environmental improvement, greenery upgrade and lighting projects, etc., with a view to enhancing service quality; and (iii) the corresponding increase in procurement costs as a result of the vigorous development of community living businesses.

Gross profit and gross profit margin

The following table sets out a breakdown of the Group's gross profit and gross profit margin by business segments for the periods indicated:

| | For the six months ended 30 June 2025 | | For the six months ended 30 June 2024 | |
|---|--|----------------------------|--|----------------------------|
| | Gross profit (RMB'000) | Gross profit margin (%) | Gross profit (RMB'000) | Gross profit margin (%) |
| Property management services | 836,897 | 14.9 | 843,422 | 16.2 |
| – Basic property management services | 835,450 | 14.9 | 840,147 | 16.3 |
| – Value-added services to non-property owners | 1,447 | 9.0 | 3,275 | 9.2 |
| Community living services | 99,251 | 21.8 | 109,785 | 25.7 |
| Asset management services | 195,521 | 49.0 | 224,835 | 55.3 |
| Community operation services | 67,020 | 41.0 | 78,049 | 40.5 |
| Total | 1,198,689 | 18.0 | 1,256,091 | 20.2 |

During the Period, the Group's overall gross profit amounted to approximately RMB1,198.7 million, with a gross profit margin of approximately 18.0%, representing a period-on-period decrease of approximately 2.2 percentage points.

1. In respect of property management services, gross profit margin decreased by approximately 1.3 percentage points from approximately 16.2% for the corresponding period in 2024 to approximately 14.9% for the Period. Among them, the gross profit margin of basic property management services decreased by approximately 1.4 percentage points from approximately 16.3% for the corresponding period in 2024 to approximately 14.9% for the Period, which was mainly attributable to the Group's focus on the enhancement of the quality of services, increasing investment in equipment renewal, environmental improvement, greenery upgrade and lighting projects of projects under management during the Period.

2. In respect of community living services, gross profit margin decreased by approximately 3.9 percentage points from approximately 25.7% for the corresponding period in 2024 to approximately 21.8% for the Period, which was mainly attributable to: (i) the increased purchases of equipment such as charging points and water dispensers; and (ii) the increased investment in the supply chain and information technology development in order to consolidate the advantages of the community group buying business.
3. In respect of asset management services, gross profit margin decreased by approximately 6.3 percentage points from approximately 55.3% for the corresponding period in 2024 to approximately 49.0% for the Period, which was mainly attributable to: (i) an increase in the cost of business due to the adjustment of the commercial terms of the car parking space leasing business in accordance with the principle of marketization; and (ii) further enhancement of customer experience, optimization of the service platform and increase in investment in information technology.
4. In respect of community operation services, gross profit margin increased by approximately 0.5 percentage points from approximately 40.5% for the corresponding period in 2024 to approximately 41.0% for the Period.

Administrative and marketing expenses

During the Period, the administrative and marketing expenses of the Group decreased by approximately 11.4% from approximately RMB519.7 million for the corresponding period in 2024 to approximately RMB460.4 million for the Period, which was mainly attributable to: (i) the Group's continuous efforts to reduce costs and increase efficiency and to strictly control the administrative expenses; and (ii) the legal proceedings expenses and the tax late payment penalty incurred by the Group in relation to the enforcement of the deposits pledge of RMB13.4 billion by the relevant banks (the “**Deposit Pledge Incident**”) for the corresponding period in 2024, whereas no such expenses were incurred during the Period.

Other income

During the Period, other income was approximately RMB34.8 million, representing a decrease of approximately 51.9% as compared with approximately RMB72.3 million for the corresponding period in 2024, which was mainly attributable to: (i) the decrease in tax incentive policy subsidies and government subsidies as compared with the corresponding period in 2024; and (ii) the deduction of relevant consideration for the corresponding period in 2024 due to some acquired companies failing to meet their performance guarantees, while there was no such income during the Period.

Other gains/(losses)

During the Period, the Group's other gains amounted to approximately RMB0.2 million, representing an increase of approximately RMB25.2 million as compared with a loss of approximately RMB25.0 million for the corresponding period in 2024, which was mainly attributable to the absence of impairment from the assessment of goodwill and intangible assets during the Period, and the gain in foreign exchange during the Period.

Income tax expenses

During the Period, the Group's income tax expense was approximately RMB177.7 million, representing a decrease of approximately 2.7% from approximately RMB182.6 million for the corresponding period in 2024, which was mainly attributable to a decrease in operating profit achieved during the Period as compared with the corresponding period in 2024.

Profit for the Period

During the Period, the Group's net profit was approximately RMB491.2 million, representing a decrease of approximately 1.7% as compared to approximately RMB499.8 million for the corresponding period in 2024. The net profit margin was approximately 7.4%, representing a decrease of approximately 0.6 percentage points as compared to approximately 8.0% for the corresponding period in 2024.

During the Period, the profit attributable to owners of the Company was approximately RMB472.3 million, representing a decrease of approximately 5.6% from approximately RMB500.5 million for the corresponding period in 2024.

Property and equipment

The Group's property and equipment mainly comprises buildings, machinery, vehicles, furniture, fixtures and equipment.

As at 30 June 2025, the net book value of the Group's property and equipment amounted to approximately RMB77.4 million, representing an increase of approximately RMB9.5 million as compared with approximately RMB67.9 million as at 31 December 2024.

Intangible assets

The Group's intangible assets include computer software, property management contracts and customer relationships and goodwill.

As at 30 June 2025, the Group's intangible assets amounted to approximately RMB1,454.9 million, representing a decrease of approximately RMB43.4 million as compared with approximately RMB1,498.3 million as at 31 December 2024, which was mainly attributable to amortization of property management contracts and customer relationships recognized by the subsidiaries acquired in prior years amounting to approximately RMB42.9 million during the Period.

Trade and other receivables

As at 30 June 2025, the Group's trade receivables amounted to approximately RMB2,841.6 million, representing an increase of approximately RMB255.2 million as compared with approximately RMB2,586.4 million as at 31 December 2024, which was mainly attributable to the the increase in the balance of trade receivables resulting from the expansion of the Group's GFA under management and the impact of the payment collection cycle of some projects.

The Group's other receivables decreased by approximately RMB17.8 million from approximately RMB565.9 million as at 31 December 2024 to approximately RMB548.1 million as at 30 June 2025, which was mainly attributable to the Group having initiated proceedings with the court in relation to the Deposit Pledge Incident and obtained a favourable judgment, with approximately RMB24.0 million of pre-paid acceptance fees in respect of some effective cases recovered during the Period.

Trade and other payables

Trade and other payables include trade payables, provisional receipts, deposits payable, consideration payable for mergers and acquisitions, wages and benefits payable, dividends payable, tax payable and estimated liabilities.

As at 30 June 2025, the Group's trade payables amounted to approximately RMB1,633.0 million, representing a decrease of approximately RMB133.7 million as compared with approximately RMB1,766.7 million as at 31 December 2024, which was mainly attributable to the Group's increased efforts in clearing existing liabilities and shortening the payment terms for suppliers with excellent contract performance.

Other payables decreased by approximately RMB354.9 million from approximately RMB2,531.3 million as at 31 December 2024 to approximately RMB2,176.4 million as at 30 June 2025 (of which long-term payables amounted to approximately RMB61.2 million, and current payables amounted to approximately RMB2,115.2 million), which was mainly attributable to: (i) the Group's payment of consideration for business combinations in prior years and the decrease in transactions with third-parties; and (ii) the payment of employee compensation payable in June 2025.

Contract liabilities

Contract liabilities mainly arise from prepayments made by customers for related services yet to be provided such as property management services, community living services, asset management services and community operation services. As at 30 June 2025, the Group's contract liabilities were approximately RMB2,472.0 million, representing a decrease of approximately RMB283.0 million as compared with approximately RMB2,755.0 million as at 31 December 2024, which was mainly attributable to the decrease in the prepayment for property service fees.

Liquidity and financial resources

As at 30 June 2025, the Group's total bank deposits and cash (including the Group's cash and cash equivalents and restricted cash) amounted to approximately RMB2,904.9 million, representing an increase of approximately RMB70.0 million as compared with approximately RMB2,834.9 million as at 31 December 2024.

Of the Group's total bank deposits and cash, restricted bank deposits of approximately RMB126.8 million mainly represented the industry regulatory funds of Evergrande Insurance Agency Co., Ltd., deposits for the provision of property management services as required by local government authorities, cash restricted to projects managed on a remuneration basis only and funds for litigation preservation of some subsidiaries.

As at 30 June 2025, the Group had net current liabilities of approximately RMB518.5 million (as at 31 December 2024: net current liabilities of approximately RMB968.6 million). The Group's current ratio (current assets/current liabilities) was approximately 0.93 times (as at 31 December 2024: 0.87 times).

As at 30 June 2025, the Group did not have any borrowings. Accordingly, the gearing ratio (calculated as total borrowings divided by total equity at the dates indicated) as at 30 June 2025 was nil (as at 31 December 2024: nil)

MAJOR RISKS AND UNCERTAINTIES

The major risks and uncertainties faced by the Group are set forth below. Such factors are not exhaustive and therefore other risks and uncertainties may also exist.

Industry risks

The operation of the Group may be affected by the regulatory landscape of the industry and related measures. The main reason is that the fees charged by property management companies for management services are strictly monitored and supervised by relevant regulatory authorities. The business performance of the Group depends on the contracted GFA, the chargeable GFA under management and the number of property projects under management, but the business growth are affected and will likely continue to be affected by the regulations of the Government of the People's Republic of China (the "PRC") in relation to the industry to which the Group belongs.

Business risks

The Group's ability to maintain or improve its current profit level depends on its ability to maintain or expand its current scale and effectively control operating costs. Affected by the market environment and related party issues, the Group may be unable to collect relevant revenues such as property management fees from customers, which may result in impairment losses on trade receivables; the Group cannot guarantee that it will obtain new property management service contracts as planned, or at an appropriate pace and price; the liquidation of the controlling shareholder may also lead to a change in the Company's controlling rights, which may affect the stability of the Company's management team; in addition, the Group's profit margin and operating results may be materially and adversely affected by increases in labor costs or other operating costs. All the above factors may have a material adverse impact on the Group's business, financial condition and operating results.

Risks Arising from Related Party Issues

Affected by the liquidation of the controlling shareholder and the progress of its asset disposal, the Group may face the termination of some of its prior property management service contracts and be unable to convert the contracted GFA promptly and effectively. Furthermore, changes in the profit model of certain related party businesses may lead to a decline in the profitability of the relevant businesses.

In addition, in the past, the promotion and sale of wealth management products to property owners by related parties may have involved certain subsidiaries and employees of the Company. Due to the overdue non-redemption of some wealth management products, some employees have assisted the relevant authorities in investigations. Meanwhile, during the property promotion process by the related parties, there were issues such as unfulfilled commitments regarding property management fees. All these situations have directly affected property owners' willingness to pay fees and exerted a negative impact on the Company's collection of property management fees from property owners and the recovery of receivables. Up to the present, the Board is not yet able to accurately assess the specific impact that the above-mentioned issues may have on the Group. The Company will continue to follow them up and fulfill its disclosure obligations in accordance with the Listing Rules in a timely manner when appropriate.

Foreign exchange risks

The business of the Group is mainly located in PRC. Save for bank deposits denominated in foreign currencies, there is no major direct exchange rate fluctuation risk faced by the Group. During the Period, the Directors expected that the RMB exchange rate would not have a material adverse effect on the operations of the Group. Currently, the Group has not entered into contracts to hedge its exposure to foreign exchange risk, but the management will continue to monitor foreign exchange risks and adopt prudent measures to reduce potential exchange risks.

Risk of continuing as a going concern

The Group's ability to continue as a going concern is dependent on having sufficient working capital to meet its financial obligations as they fall due in the future. As stated in Note 2 to the Group's consolidated financial statements, the Group has taken certain measures to address the uncertainty in continuing as a going concern, including advancing the development of the Company's business, exercising strict control over the management's establishment and remuneration, streamlining the Group's operating costs, negotiating with creditors and acquired companies on agreements to extend the payment terms of payables, and enhancing internal controls to ensure the continued and stable operation of the Company. The above measures have effectively alleviated the pressure on the Group's operating cash liquidity.

Risk of unrecoverable material losses

The Group has incurred significant losses (the "Losses") as a result of the Deposit Pledge Incident, which had been fully provided for as impairment losses in 2021. The Group has filed proceedings against the China Evergrande Group and the relevant responsible parties for the recovery of Losses with the Guangzhou Intermediate People's Court of Guangdong Province in the PRC and obtained court judgements that the China Evergrande Group and the relevant responsible parties (except for Guangzhou Xinyuan) shall repay the deposit pledge amount and interest losses and bear the case handling fee. Among them, the judgements of Evergrande Hengkang 1.7 billion Proceeding, Evergrande Hengkang 1 billion Proceeding, Jinbi Hengying 1 billion Proceeding, Jinbi Hengying 0.7 billion Proceeding and Jinbi Property 2 billion Proceeding have become effective and the remaining cases are still subject to appeal. The Group will make every effort to promote the enforcement work in accordance with the effective judgments of the court. However, subject to the current status of the China Evergrande Group and the relevant responsible parties, there are still material uncertainties as to the amount of Losses that could be recovered by the Group, and the Company will keep the market informed of any progress in a timely manner by way of publication of further announcement(s).

PLEDGE OF ASSETS

As at 30 June 2025, the Group had no pledged assets.

CONTINGENT LIABILITIES

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

HUMAN RESOURCES

As at 30 June 2025, the Group had 98,516 employees. The employees were remunerated in accordance with the Group's remuneration and welfare policies with reference to the positions of employees, performance, profitability of the Company, industry level and market environment.

The Group has to participate in social insurance contribution plans or other retirement plans organized by local governments, and make contributions to social insurance funds monthly on behalf of employees for the payment of pension funds, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident funds, or make contributions to mandatory provident fund for employees regularly.

Based on the three-level training mechanism of "headquarters-region-project", the Group is committed to implementing a three-year campus recruitment programme for management trainees, trainings for new employees and key talent trainings. The Group organizes and conducts trainings on various professional skills, general aptitude, management ability and corporate culture in accordance with our business development needs and employee career planning, in order to improve the comprehensive quality and work capabilities of employees.

During the Period, all staff participated in training, with a total of 365,000 hours of training and an average of 3.7 hours of training per person.

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

During the six months ended 30 June 2025, the Group did not have any significant investment, material acquisition or disposal of subsidiaries, associates or joint ventures.

Furthermore, a subsidiary of the Company acquired 100% equity interest in Ningbo Yatai Hotel Property Services Co., Ltd. (寧波市雅太酒店物業服務有限公司) (the “Yatai”) on 29 January 2021, with an agreement to settle the full transaction consideration by 30 April 2023. Due to the Group’s liquidity constraints, the Company was unable to pay the remaining portion of the equity transfer consideration as scheduled. Pursuant to the acquisition agreement, overdue payment may result in corresponding liability for liquidated damages. The Company attaches great importance to this matter and has, since the payment became overdue, been proactively engaging in continuous communication with the substantial shareholders of Yatai to negotiate and formulate a mutually acceptable deferred payment plan, aiming to properly resolve the payment issue and minimize the loss arising from liquidated damages to the greatest extent possible. As at the date of this announcement, the two parties have reached a consensus on the deferred payment plan for part of the equity consideration, while the plan for the remaining amount is still under negotiation and formulation.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including the sale or transfer of treasury shares).

As of 30 June 2025, the Company did not hold any treasury shares.

SHARE SCHEMES

The share option scheme was approved and adopted by the shareholders of the Company at the extraordinary general meeting of the Company held on 10 May 2021. No share options had been granted since the adoption of the share option scheme up to 30 June 2025.

Save as the above, the Company has not adopted any other share scheme.

EVENTS AFTER THE PERIOD

Save for the matter disclosed below, since 30 June 2025 and up to the date of this announcement, there has been no material subsequent events that have occurred to the Group.

Appointment of nomination committee member and change to the terms of reference

The Company has appointed Ms. Wen Yanhong, an independent non-executive director, as a member of the Company's Nomination Committee (the "**Nomination Committee**") and revised the terms of reference of the Nomination Committee, with effect from 21 July 2025. For details, please refer to the Company's announcement dated 21 July 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 to Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the Company's corporate governance code. For the six months ended 30 June 2025, the Company had complied with all the applicable code provisions of the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

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

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

AUDIT COMMITTEE

In accordance with the requirements of the CG Code and the Listing Rules, the Company has established an audit committee (the “**Audit Committee**”) comprising three independent non-executive Directors, namely, Ms. Wen Yanhong (Chairperson), Mr. Peng Liaoyuan and Mr. Dong Xinyi. The Audit Committee and the management of the Company have considered and reviewed the accounting principles and practices adopted by the Group, have reviewed the unaudited interim results and consolidated financial statements of the Group for the six months ended 30 June 2025. The interim financial information contained in this announcement, including the comparative figures, has been reviewed by the Audit Committee.

REVIEW OF UNAUDITED INTERIM RESULTS

The unaudited interim results of the Group for the six months ended 30 June 2025 have been reviewed by the Company’s independent auditor, Prism, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.evergrandeservice.com). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be despatched to shareholders (if requested) and made available on the aforesaid websites in due course.

By order of the Board
Evergrande Property Services Group Limited
Duan Shengli
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises Mr. Duan Shengli, Mr. Han Chao, Mr. Hu Xu as executive Directors; Mr. Sang Quan and Mr. Lin Wuchang as non-executive Directors; and Mr. Peng Liaoyuan, Ms. Wen Yanhong, Mr. Dong Xinyi, Mr. Lam Wai Hon and Mr. Hoong Cheong Thard as independent non-executive Directors.