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 2026

SUMMARY OF RESULTS

- Revenue of the Group for the six months ended 30 June 2026 amounted to approximately RMB1,209.1 million, representing a decrease of approximately 7.1% as compared with approximately RMB1,300.9 million for the corresponding period in 2025.

- Gross profit of the Group for the six months ended 30 June 2026 amounted to approximately RMB318.3 million, representing a decrease of approximately 21.4% as compared with approximately RMB405.3 million for the corresponding period in 2025.

- The Group's profit attributable to the shareholders of the Company (the "**Shareholders**") for the six months ended 30 June 2026 amounted to approximately RMB139.7 million, representing a decrease of approximately 23.6% as compared with approximately RMB182.8 million for the corresponding period in 2025.

- As at 30 June 2026, the contracted gross floor area ("**GFA**")*Note 1* of the Group's commercial operational services amounted to approximately 13.2 million square meters ("**sq.m.**"); and the GFA in operation of the Group's commercial operational services amounted to approximately 10.6 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 2026 (the "**Reporting Period**"), together with comparative figures for the corresponding period in 2025, as follows.

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

	Notes	**Six months ended 30 June** **2026** **(Unaudited)** ***RMB'000***	 2025 (Unaudited) *RMB'000*
Revenue	*4*	**1,209,099**	1,300,938
Cost of services		**(890,750)**	(895,657)
Gross profit		**318,349**	405,281
Selling and marketing expenses		**(45,502)**	(43,881)
Administrative expenses		**(93,023)**	(92,273)
Other income and other losses – net	*5*	**103,633**	96,514
Impairment losses on financial assets – net		**(94,735)**	(116,393)
Fair value gains on financial asset – net		**237**	4
Operating profit		**188,959**	249,252
Finance income/(costs) – net		**8,591**	(7,711)
Share of results of joint ventures		**616**	(172)
Share of results of associates		**(85)**	1,160
Profit before income tax		**198,081**	242,529
Income tax expenses	*6*	**(58,584)**	(66,465)
Profit and total comprehensive income for the period		**139,497**	176,064
Profit and total comprehensive income attributable to:			
– Shareholders of the Company		**139,657**	182,806
– Non-controlling interests		**(160)**	(6,742)
		139,497	176,064
Earnings per share for profit attributable to shareholders of the Company for the period (expressed in RMB cents per share)			
– Basic and diluted earnings per share	*7*	**21.72**	28.43

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2026 (Unaudited) *RMB'000***	31 December 2025 (Audited) *RMB'000*
Assets			
Non-current assets			
Property and equipment		**27,757**	30,768
Financial assets at fair value through profit or loss		**8,472**	9,999
Investment properties		**342,218**	463,244
Intangible assets		**2,729**	3,058
Goodwill		**20,640**	20,640
Deferred income tax assets		**196,418**	187,903
Investments in joint ventures		**1,609**	993
Investments in associates		**41,520**	41,605
		641,363	758,210
Current assets			
Inventories		**9,280**	9,001
Operating lease and trade receivables	*8*	**437,614**	421,132
Prepayments and other receivables		**151,550**	148,885
Current income tax recoverables		**134**	134
Cash and bank balances		**4,507,510**	4,478,046
		5,106,088	5,057,198
Total assets		**5,747,451**	5,815,408

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

	Notes	**30 June 2026 (Unaudited) *RMB'000***	31 December 2025 (Audited) *RMB'000*
Equity			
Share capital and share premium	*9*	**1,014,085**	1,014,085
Other reserves		**23,617**	23,617
Retained earnings		**2,555,072**	2,415,415
Capital and reserves attributable to shareholders of the Company		**3,592,774**	3,453,117
Non-controlling interests		**6,739**	6,899
Total equity		**3,599,513**	3,460,016
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		**1,209**	1,281
Lease liabilities		**365,640**	524,152
		366,849	525,433
Current liabilities			
Trade and other payables	*10*	**1,098,682**	1,168,201
Advances from lessees		**34,068**	33,968
Current income tax liabilities		**294,745**	262,599
Lease liabilities		**59,538**	81,671
Contract liabilities		**294,056**	283,520
		1,781,089	1,829,959
Total liabilities		**2,147,938**	2,355,392
Total equity and liabilities		**5,747,451**	5,815,408

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 direct holding company is Powerlong Real Estate (BVI) Holdings Limited. The Company's indirect 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 2026, Mr. Hoi Kin Hong ("**Mr. Hoi**") was interested in approximately 44.15% of the issued share capital of Powerlong Holdings. In the opinion of the directors of the Company, the ultimate holding company of the Group is Skylong Family Limited, a company incorporated in the British Virgin Islands and the ultimate controlling party of the Group is Mr. Hoi.

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 27 August 2026.

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 2026 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 2025 and any public announcements 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 2026 are the same as those set out in the Group's annual financial statements for the year ended 31 December 2025.

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements.

(a) Amended standards adopted by the Group

• Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
• Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
• Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards 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 amended, standards, interpretations issued that are not yet effective, but may be adopted early

The following new standards and amendments and interpretations to standards have been published that are not mandatory for the year beginning on 1 January 2026 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
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 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 HKFRS Accounting Standards but is not yet in a position to determine whether the new and amendments to HKFRS Accounting Standards will have a material impact on the Group's performance and financial position and on the disclosures. The new and amendments to HKFRS Accounting Standards 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 from third parties 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 that 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 income/(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 2026 (Unaudited)

	Commercial operational services *RMB'000*	**Residential property management services** *RMB'000*	**Group** *RMB'000*
Gross segment revenue	**952,506**	**256,593**	**1,209,099**
Revenue from contracts with customers	**877,330**	**256,593**	**1,133,923**
– at a point in time	**16,343**	**–**	**16,343**
– over time	**860,987**	**256,593**	**1,117,580**
Revenue from other sources			
– rental income	**75,176**	**–**	**75,176**
Segment results	**93,213**	**22,656**	**115,869**
Other income and other losses – net			**103,633**
Unallocated operating costs			**(30,543)**
Interest expense			**(11,701)**
Interest income			**20,292**
Share of results of joint ventures			**616**
Share of results of associates			**(85)**
Profit before income tax			**198,081**
Income tax expenses			**(58,584)**
Profit for the period			**139,497**
Amounts included in the measure of segment results:			
Depreciation and amortisation	**31,004**	**834**	**31,838**
Impairment losses on financial assets – net	**61,561**	**33,174**	**94,735**

For the six months ended 30 June 2025 (Unaudited)

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

(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 2026 (Unaudited)

	Commercial operational services *RMB'000*	**Residential property management services** *RMB'000*	**Elimination** *RMB'000*	**Group** *RMB'000*
Segment assets	**747,139**	**380,973**	**(8,181)**	**1,119,931**
Other assets				**4,627,520**
Total assets				**5,747,451**
Segment liabilities	**1,369,302**	**449,383**	**(8,181)**	**1,810,504**
Other liabilities				**337,434**
Total liabilities				**2,147,938**
Capital expenditure (six months ended 30 June 2026) (Unaudited)	**9,362**	**550**	**–**	**9,912**

As at 31 December 2025 (Audited)

	Commercial operational services *RMB'000*	Residential property management services *RMB'000*	Elimination *RMB'000*	Group *RMB'000*
Segment assets	869,206	368,257	(6,778)	1,230,685
Other assets				4,584,723
Total assets				5,815,408
Segment liabilities	1,649,647	411,895	(6,778)	2,054,764
Other liabilities				300,628
Total liabilities				2,355,392
Capital expenditure (six months ended 30 June 2025) (Unaudited)	2,564	15,257	–	17,821

Segment assets are reconciled to total assets as follows:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Segment assets	**1,119,931**	1,230,685
Other assets		
Current income tax recoverables	**134**	134
Deferred income tax assets	**196,418**	187,903
Unallocated cash and bank balances	**4,379,291**	4,343,973
Unallocated property and equipment	**76**	116
Other corporate assets	**43,129**	42,598
Financial assets at fair value through profit and loss	**8,472**	9,999
Total assets	**5,747,451**	5,815,408

Segment liabilities are reconciled to total liabilities as follows:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Segment liabilities	**1,810,504**	2,054,764
Other liabilities		
Current income tax liabilities	**294,745**	262,599
Deferred income tax liabilities	**1,209**	1,281
Other corporate liabilities	**41,480**	36,748
Total liabilities	**2,147,938**	2,355,392

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 2026 is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Type of services		
Rental income:		
– Commercial property lease income	**75,176**	111,818
Revenue from contracts with customers within the scope of HKFRS 15:		
Market research and positioning, business tenant sourcing, opening preparation services	**14,398**	20,826
Commercial operation and management services	**862,932**	915,948
– Commercial operation services during the operation stage	**322,898**	337,035
– Commercial property management service	**540,034**	578,913
– Commercial operational services	**877,330**	936,774
Pre-sale management services	**386**	534
Property management services	**209,727**	202,755
Other value-added services	**46,480**	49,057
– Residential property management services	**256,593**	252,346
	1,209,099	1,300,938

(i) For the six months ended 30 June 2026, revenue arising from the Remaining Powerlong Group contributed 9.4% of the Group's revenue (six months ended 30 June 2025: 8.5%). Other than the Remaining Powerlong Group and other entities controlled by Mr. Hoi, the Group has a large number of customers, none of which contributed 10% or more of the Group's revenue during the period (six months ended 30 June 2025: none).

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

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Contract liabilities	**294,056**	283,520

Contract liabilities of the Group mainly arose from the advance payments made by 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.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liability balance at the beginning of the period		
– Commercial operational services	**161,899**	176,511
– Residential property management services	**98,550**	94,656
	260,449	271,167

(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 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.

For other value-added services rendered over a short period of time, there is no unsatisfied performance obligation at the end of the respective periods.

5 OTHER INCOME AND OTHER LOSSES – NET

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income		
Penalty income *(Note (a))*	**32,554**	23,328
Government grants *(Note (b))*	**1,873**	1,487
Gains on disposal of assets	**72,630**	85,071
Others	**6,663**	2,809
	113,720	112,695
Other losses		
Foreign exchange losses	**(154)**	(322)
Penalty losses	**(9,933)**	(15,859)
	103,633	96,514

(a) Penalty income mainly represented the forfeited deposits from tenants due to the premature termination of contracts, and penalty expenses mainly represented penalties relating to legal disputes.

(b) The government grants represented mainly rewards and tax refunds from local government without attached conditions.

6 INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	**67,171**	78,590
Deferred income tax		
– PRC corporate income tax	**(8,587)**	(12,125)
	58,584	66,465

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 the Cayman Islands and pursuant to the rules and regulations of the 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 exempt 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 2026 (six months ended 30 June 2025: 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 dividends 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 2025 and 2026.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Earnings ***(RMB'000)***		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to owners of the Company)	**139,657**	182,806
Number of shares ***('000)***		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**642,900**	642,900
Basic earnings per share ***(RMB cents per share)***	**21.72**	28.43

(b) Diluted

Diluted earnings per share for both periods were the same as the basic earnings per share, as there were no potential ordinary shares in issue for both 2026 and 2025.

8 OPERATING LEASE AND TRADE RECEIVABLES

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Operating lease receivables *(Note (a))*		
– Third parties	**12,773**	13,410
Trade receivables *(Note (a))*		
– Related parties	**599,853**	537,525
– Third parties	**353,772**	304,072
	953,625	841,597
Operating lease and trade receivables	**966,398**	855,007
Less: allowance for impairment	**(528,784)**	(433,875)
	437,614	421,132

(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. Generally, no credit period is granted.

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

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 1 year	**159,618**	197,389
1-2 years	**187,516**	340,136
2-3 years	**252,719**	–
	599,853	537,525

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

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 1 year	**90,212**	125,221
1-2 years	**98,599**	75,456
2-3 years	**66,389**	58,694
Over 3 years	**111,345**	58,111
	366,545	317,482

(b) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2026, a provision of RMB528,784,000 was made against the gross amounts of operating lease and trade receivables (31 December 2025: RMB433,875,000).

(c) As at 30 June 2026 and 31 December 2025, the operating lease and trade receivables were denominated in RMB, and their fair values approximated their carrying amounts.

9 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	**Share capital** *HK$'000*	*RMB'000*	**Share premium** *RMB'000*	**Total** *RMB'000*
Authorised					
As at 1 January 2026 and 30 June 2026	**2,000,000,000**	**20,000**	**17,905**	**–**	**17,905**
Issued					
As at 1 January 2026	**642,900,000**	**6,429**	**5,747**	**1,008,338**	**1,014,085**
Vesting of awarded shares	**–**	**–**	**–**	**–**	**–**
As at 30 June 2026 (Unaudited)	**642,900,000**	**6,429**	**5,747**	**1,008,338**	**1,014,085**
Authorised					
As at 1 January 2025 and 30 June 2025	2,000,000,000	20,000	17,905	–	17,905
Issued					
As at 1 January 2025	642,900,000	6,429	5,747	998,653	1,004,400
Vesting of awarded shares	–	–	–	9,685	9,685
As at 30 June 2025 (Unaudited)	642,900,000	6,429	5,747	1,008,338	1,014,085

10 TRADE AND OTHER PAYABLES

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Trade payables		
– Related parties	**3**	8
– Third parties	**183,104**	174,135
	183,107	174,143
Other payables		
– Related parties	**157,188**	190,461
– Receipts on behalf of tenants or residents *(Note (a))*	**87,976**	87,727
– Payables for promotion fees on behalf of owners of the commercial properties *(Note (b))*	**28,574**	37,100
– Deposits received *(Note (c))*	**512,453**	531,649
– Others	**3,293**	3,640
– Provision for claim	**38,187**	38,187
	827,671	888,764
Accrued payroll	**50,357**	74,730
Other taxes payables	**37,547**	30,564
	1,098,682	1,168,201

(a) Amounts represented the receipts on behalf of tenants or residents to settle the utility bills.

(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 2026 and 31 December 2025, 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:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 1 year	**138,815**	160,768
1-2 years	**23,494**	3,809
2-3 years	**12,767**	5,181
Over 3 years	**8,031**	4,385
	183,107	174,143

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

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
RMB	**1,010,778**	1,062,907

11 DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a leading commercial operational service provider in the PRC. As at 30 June 2026, the Group had a total of 92 retail commercial properties in operation, with an aggregate GFA in operation of approximately 10.6 million sq.m.. The Group had a total of 117 retail commercial properties with an aggregate contracted GFA of approximately 13.2 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 the Leading Enterprise Award in Commercial Property of the Year (年度商業地產領航企業) by Winshang.com (贏商網) in May 2026.

The Group also provides property management services for residential properties, office buildings and serviced apartments. As at 30 June 2026, the Group delivered residential property management services to 126 projects, with an aggregate GFA delivered of approximately 23.0 million sq.m., and was contracted to manage 134 projects with an aggregate contracted GFA of approximately 28.9 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 2026, 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 includes:

(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 includes:

(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			
	2026		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*
Commercial operational services	**283,873**	**29.8**	361,575	34.5
Residential property management services	**34,476**	**13.4**	43,706	17.3
Total	**318,349**	**26.3**	405,281	31.2

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 2026, the aggregate revenue of the Group's commercial operational services amounted to approximately RMB952.5 million, representing a decrease of approximately 9.2% from approximately RMB1,048.6 million for the six months ended 30 June 2025; and the Group had GFA in operation of approximately 10.6 million sq.m., representing a decrease of approximately 0.5 million sq.m. from approximately 11.1 million sq.m. for the corresponding period of 2025; 92 projects in operation, representing a decrease of 5 projects from 97 projects for the corresponding period of 2025; contracted GFA of approximately 13.2 million sq.m., representing a decrease of approximately 1.0 million sq.m. from approximately 14.2 million sq.m. for the corresponding period of 2025.

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					
	2026			**2025**		
	Contracted GFA	**GFA in operation**	**Revenue**	**Contracted GFA**	**GFA in operation**	**Revenue**
	sq.m.	*sq.m.*	*RMB (in thousands)*	*sq.m.*	*sq.m.*	*RMB*
Yangtze River Delta [(1)]	8,850	7,048	664,292	9,529	7,169	756,229
Others [(2)]	4,350	3,587	288,214	4,712	3,886	292,363
Total	**13,200**	**10,635**	**952,506**	**14,241**	**11,055**	**1,048,592**

Notes:

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

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

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 2026 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.)*
Powerlong Plaza										
1	Jiyuan Powerlong Plaza (濟源寶龍廣場)	January 2026	Jiyuan	Others	Third Party	Net earning sharing	94,255	94,255	–	–
2	Xuzhou Hexin Powerlong Plaza (徐州和信寶龍廣場)	January 2026	Xuzhou	Yangtze River Delta	Third Party	Net earning sharing	197,251	80,931	–	116,320
3	Ningbo Fenghua Powerlong Plaza (寧波奉化寶龍廣場)	March 2026	Fenghua	Yangtze River Delta	Powerlong Real Estate	Entrusted management	80,187	34,700	8,887	36,600
4	Yancheng Jianhu Powerlong Plaza (鹽城建湖寶龍廣場)	June 2026	Yancheng	Yangtze River Delta	Third Party	Entrusted management	96,182	62,045	–	34,137
	Total						**467,875**	**271,931**	**8,887**	**187,057**

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 2026 by product category.

Product category	Average occupancy rate[1] 30 June 2026	31 December 2025	GFA in operation as of 30 June 2026
	%	%	*(in thousand sq.m.)*
Powerlong One Mall	99.1	99.1	171
Powerlong City	97.6	97.6	596
Powerlong Plaza	91.2	91.0	8,530
Powerlong Land	90.7	90.2	559
Powerlong Xinghui	86.6	92.0	779
Total	**91.3**	**91.5**	**10,635**

(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 records. 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 2026

The Group's retail commercial property projects planned for opening in the second half of 2026 are shown in the following table:

No.	Name of project	Opening date[1] *month-year*	City	Geographic region	Source of project	Management model	Expected total GFA *(sq.m.)*
Powerlong Plaza							
1	Xiangtang Powerlong Plaza (香塘寶龍廣場)	September 2026	Taicang	Yangtze River Delta	Third Party	Net earning sharing	70,000
2	Cangnan Powerlong Plaza (蒼南寶龍廣場)	September 2026	Wenzhou	Yangtze River Delta	Powerlong Real Estate	Entrusted management	100,000
	Sub-total						**170,000**
Powerlong Xinghui							
1	Tongxiang Zhenshi (桐鄉振石)	September 2026	Jiaxing	Yangtze River Delta	Third Party	Net earning sharing	31,171
	Sub-total						**31,171**
	Total						**201,171**

(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 2026, revenue of the Group's residential property management service business segment amounted to approximately RMB256.6 million, representing an increase of approximately 1.7% from approximately RMB252.3 million for the six months ended 30 June 2025; and the Group had GFA delivered of approximately 23.0 million sq.m., representing a decrease of approximately 0.7 million sq.m. from 23.7 million sq.m. for the corresponding period of 2025; 126 projects delivered, representing a decrease of two projects from 128 projects for the corresponding period of 2025; contracted GFA of approximately 28.9 million sq.m., representing a decrease of approximately 1.2 million sq.m. from approximately 30.1 million sq.m. for the corresponding period of 2025.

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					
	2026			2025		
	Contracted GFA	GFA delivered	Revenue	Contracted GFA	GFA delivered	Revenue
	sq.m.	*sq.m.*	*RMB*	*sq.m.*	*sq.m.*	*RMB*
			(in thousands)			
Yangtze River Delta [(1)]	18,446	13,836	154,333	19,690	14,744	156,368
Others [(2)]	10,439	9,148	102,260	10,439	8,964	95,978
Total	**28,885**	**22,984**	**256,593**	**30,129**	**23,708**	**252,346**

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 2026

Stepping in 2026, China's consumer market has shown a stable and improving trend under the dual effects of policy support and structural upgrading, with the foundational role of consumption in driving economic growth continuing to be consolidated. In the first half of 2026, the gross domestic product (GDP) increased by 4.7% year-on-year and reached approximately RMB69.6 trillion. Final consumption expenditure contributed 2.1 percentage points to the growth of GDP, remaining as the primary driver of economic growth. In terms of the consumption end, the total retail sales of consumer goods in the first half of 2026 increased by 1.3% year-on-year. Service consumption maintained relatively rapid growth, and the consumer market exhibited development characteristics of "stable aggregate volume, optimized structure, and upgraded quality". Against the backdrop of intensifying competition among inventory assets, physical retail continued to unlock consumer potential through spatial renewal, content innovation, and service upgrades. Projects in multiple cities achieved steady increases in both foot traffic and sales through differentiated operations.

As a leading provider of commercial operational services in China, the Group deeply focuses on the core regions of the Yangtze River Delta and establishes sustainable competitive strengths based on its core mission of "creating space full of love" to let every commercial space become a value link between people and life, brands and growth, and cities and warmth. In the first half of 2026, the commercial real estate industry entered a phase of rivalry among inventory assets, with intensifying market competition and a broad shift from scale-driven growth to capability-driven operations. The Group responded with professional resilience and broke through with integrated operational efficiency, achieving steady improvement in overall operating indicators during the first half of the year. Looking ahead to the second half of the year, the Group will focus on the strategic direction of the "Five Major Battles" for in-depth operations and will carry out core work in the following three aspects:

(I) Focus on Enhancing Spatial Value and Deepen Intelligent Operational Empowerment

With spatial value enhancement as the core, benchmark flagship projects will be created to continue to advance space renovation and iconic site development. Through business format optimization and traffic flow upgrades, underperforming spaces will be revitalized to achieve renewal of inventory asset value. Concurrently, intelligent operations will be deepened to promote comprehensive data integration and AI technology empowerment. An AI-powered tenant sourcing review system will be launched, which covers commercial terms approval across projects, so as to continuously optimize the approval process. By leveraging digital tools to enhance operational efficiency and decision-making precision, a new dual-driven asset operation model centered on "space + technology" will be established.

(II) Upgrade Renewed Service Experience and Focus on Growth in Core Indicators

A standardized rebranding framework will be implemented to focus on quality improvement across five key customer-facing areas, enhance membership engagement and store conversion and drive a deep transition from foot traffic operation to customer retention realization, so as to achieve a dual breakthrough in both brand experience and user value. At the same time, guided by the three major strategies of "renewal, quality enhancement, and revitalization", core indicators such as occupancy rates and collection rates will be closely monitored, efforts on underperforming projects will be prioritized, and diverse leasing strategies will be implemented, including the introduction of established brands, joint promotional launches with influencers, and first-store and experience-oriented formats. These efforts will drive breakthroughs in co-branded initiatives and occupancy of large-floor spaces, ensuring steady achievement of annual operational targets.

(III) Strengthen Organizational Capability Construction and Cultivate a Strong Base for Talent Development

With the core of building a "highly competent, strong reserve, youthful and sustainable" top-ranking team, organizational structure will be continuously optimized, agile organizational construction will be promoted, and operational efficiency will be enhanced. A systematic AI training program for all employees will be launched. Through mechanisms such as "Battle-Training Navigation" and "Escort by the Four 'Dragons' Training Programs", a multi-tiered talent cultivation and delivery system will be established, continuously strengthening backup talent pool and talent echelon development. These efforts will develop a strong talent base for the enterprise in the long run and create a warm, dynamic, and sustainable organizational ecosystem.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group recorded revenue of approximately RMB1,209.1 million, representing a decrease of approximately RMB91.8 million as compared with approximately RMB1,300.9 million for the six months ended 30 June 2025.

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

	For the six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Commercial Operational Services				
Market research and positioning, business tenant sourcing, opening preparation services	**14,398**	**1.2**	20,826	1.6
Commercial operation and management services	**862,932**	**71.4**	915,948	70.4
Commercial property lease services	**75,176**	**6.2**	111,818	8.6
	952,506	**78.8**	1,048,592	80.6
Residential Property Management Services				
Pre-sale management services	**386**	**0.1**	534	0.1
Property management services	**209,727**	**17.3**	202,755	15.5
Other value-added services	**46,480**	**3.8**	49,057	3.8
	256,593	**21.2**	252,346	19.4
Total	**1,209,099**	**100.0**	1,300,938	100.0

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 2026, the Group's revenue from market research and positioning, business tenant sourcing and opening preparation services amounted to approximately RMB14.4 million, representing a period-on-period decrease of approximately 30.9% and accounting for approximately 1.2% 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 fewer retail commercial properties compared to the corresponding period in 2025.

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 2026, the Group's revenue from commercial operation and management services amounted to approximately RMB862.9 million, representing a period-on-period decrease of approximately 5.8% and accounting for approximately 71.4% 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 decrease in revenue from certain businesses 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 2026, the Group's revenue derived from commercial property lease services amounted to approximately RMB75.2 million, representing a period-on-period decrease of approximately 32.8% and accounting for approximately 6.2% of the Group's total revenue.

The decrease in revenue from commercial property lease services was primarily attributable to the decrease in the number 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 2026, the Group's revenue from residential property management services amounted to approximately RMB256.6 million, representing a period-on-period increase of approximately 1.7% and accounting for approximately 21.2% of the Group's total revenue.

The increase in revenue from residential property management services was primarily attributable to the enhancement of service quality.

Revenue indicated by type of customers is as follows:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	***%***	*RMB'000*	*%*
Commercial operational services				
Fellow subsidiaries[(i)]	**109,703**	**9.1**	106,720	8.2
Other related parties[(ii)]	**4,326**	**0.4**	4,949	0.4
External customers[(iii)]	**838,477**	**69.3**	936,923	72.0
	952,506	**78.8**	1,048,592	80.6
Residential property management services				
Fellow subsidiaries[(i)]	**4,497**	**0.4**	4,429	0.3
Other related parties[(ii)]	**43**	**0.1**	254	0.1
External customers[(iii)]	**252,053**	**20.7**	247,663	19.0
	256,593	**21.2**	252,346	19.4
Total	**1,209,099**	**100.0**	1,300,938	100.0

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 2026, revenue derived from external customers was approximately RMB1,090.5 million, representing a decrease of approximately RMB94.1 million from approximately RMB1,184.6 million for the six months ended 30 June 2025, and accounting for approximately 90.0% of the total revenue of the Group.

Revenue indicated by geographic regions is as follows:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	***%***	*RMB'000*	*%*
Commercial Operational Services				
Yangtze River Delta	**664,292**	**54.9**	756,229	58.1
Others	**288,214**	**23.9**	292,363	22.5
	952,506	**78.8**	1,048,592	80.6
Residential Property Management Services				
Yangtze River Delta	**154,333**	**12.8**	156,368	12.0
Others	**102,260**	**8.4**	95,978	7.4
	256,593	**21.2**	252,346	19.4
Total	**1,209,099**	**100.0**	1,300,938	100.0

For the six months ended 30 June 2026, 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 includes: (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 2026, the Group's cost of services was approximately RMB890.8 million, representing a period-on-period decrease of approximately 0.5%.

Gross profit and gross profit margin

The gross profit of the Group for the six months ended 30 June 2026 amounted to approximately RMB318.3 million, representing a period-on-period decrease of approximately 21.4%. For the six months ended 30 June 2026, the gross profit margin was 26.3%, representing a decrease of 4.9 percentage points as compared to 31.2% for the six months ended 30 June 2025.

The gross profit of commercial operational services for the six months ended 30 June 2026 amounted to approximately RMB283.9 million, representing a period-on-period decrease of approximately 21.5%. The gross profit margin of the Group's commercial operational services for the six months ended 30 June 2026 was 29.8%, representing a decrease of 4.7 percentage points as compared to 34.5% for the six months ended 30 June 2025, primarily due to changes in business mix, resulting in a reduced contribution from certain higher-margin businesses that were adversely affected by the downturn in the real estate sector.

The gross profit of residential property management services for the six months ended 30 June 2026 amounted to approximately RMB34.4 million, representing a period-on-period decrease of approximately 21.1%. The gross profit margin of the Group's residential property management services for the six months ended 30 June 2026 was 13.4%, representing a decrease of 3.9 percentage points as compared to 17.3% for the six months ended 30 June 2025, primarily because of the changes in business mix, resulting in a lower contribution from certain higher-margin businesses impacted by the slowdown in the real estate sector.

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

	For the six months ended 30 June			
	2026		2025	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*
Commercial operational services	**283,873**	**29.8**	361,575	34.5
Residential property management services	**34,476**	**13.4**	43,706	17.3
Total	**318,349**	**26.3**	405,281	31.2

Other income and other losses – net

Other income and other losses – net mainly represented the various subsidies income from local governments and penalty income arising from forfeited deposits from tenants due to their premature termination of contracts. For the six months ended 30 June 2026, the Group's other income and other losses – net amounted to approximately RMB103.6 million, representing a period-on-period increase of approximately 7.4%, which was mainly attributable to the increase in penalty income during the Reporting Period.

Impairment losses on financial assets – net

The Group's impairment losses on financial assets – net 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 2026, the Group's impairment losses on financial assets – net amounted to approximately RMB94.7 million, representing a period-on-period decrease of approximately 18.6%. 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 income/(costs) – net

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

For the six months ended 30 June 2026, the Group's net finance income amounted to approximately RMB8.6 million, as compared to the net finance costs of approximately RMB7.7 million for the corresponding period in 2025. This was mainly because of the decrease in interest expense on lease liabilities resulting from the decrease in the number of sublease projects.

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 29.6% and 27.4% for the six months ended 30 June 2026 and 2025, respectively.

Profit for the period

For the six months ended 30 June 2026, the Group's profit attributable to the Shareholders was approximately RMB139.7 million, representing a decrease of approximately 23.6% as compared with approximately RMB182.8 million for the six months ended 30 June 2025.

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 2026, the Group's operating lease and trade receivables were approximately RMB437.6 million, representing an increase of approximately 3.9% as compared with approximately RMB421.1 million as of 31 December 2025, primarily attributable to the increase in service fee receivables.

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 2026, the Group's trade and other payables amounted to approximately RMB1,098.7 million, representing a decrease of approximately 6.0% as compared with approximately RMB1,168.2 million as of 31 December 2025. This was primarily attributable to the decrease in deposits received from tenants.

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 2026, contract liabilities amounted to approximately RMB294.1 million, representing an increase of approximately 3.7% as compared with approximately RMB283.5 million as of 31 December 2025. This was primarily attributable to the decrease in revenue recognized by the Group in relation to contract liabilities upon completion of services.

Contingent liabilities

As at 30 June 2026 and 31 December 2025, 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 2026, the Group's cash and bank balances amounted to approximately RMB4,507.5 million, representing an increase of approximately 0.7% as compared with approximately RMB4,478.0 million as of 31 December 2025. 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 is responsible for the recruitment, training and management of the Group's employees. As at 30 June 2026, the Group had 4,295 (31 December 2025: 5,517) 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 2026, 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 30 March 2026, the Company had not authorized any plan for other material investments or acquisition of capital assets as at 30 June 2026.

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 2026.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, no significant event has taken place subsequent to 30 June 2026.

INTERIM DIVIDEND

At the Board meeting held on 27 August 2026, the Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: 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 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 2026, except for the deviation from the code provision C.1.7 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.

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 2026.

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 or transfer of any treasury shares) during the Reporting Period. As at 30 June 2026, 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 2026 with the Company's management and considered that such information has 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) as well as the website of the Company (www.powerlongcm.com).

The interim report of the Company for the six months ended 30 June 2026 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 like to express its sincere gratitude to the Directors for their valuable contributions and dedication, and to all employees of the Group for their continued commitment and efforts. 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 society.

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

Hong Kong, 27 August 2026

As at the date of this announcement, the Board comprises 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 and the website of the Stock Exchange at www.hkexnews.hk.