Desun Real Estate Investment Services Group Co., Ltd.

德商產投服務集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2270)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2026, the Group recorded a revenue of RMB250.5 million, representing an increase of 9.9% as compared to the corresponding period in 2025.

For the six months ended 30 June 2026, the Group recorded a gross profit of RMB41.4 million, representing a decrease of 13.4% as compared to the corresponding period in 2025. The gross profit margin was 16.5%, representing a decrease of 4.5 percentage points as compared with the corresponding period in 2025.

Net loss after tax of the Group for the six months ended 30 June 2026 was RMB9.7 million, compared to a net profit after tax of RMB19.8 million for the corresponding period in 2025.

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the Reporting Period, together with the comparative figures for the corresponding period of 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**250,499**	228,032
Cost of sales		**(209,138)**	(180,248)
Gross profit		**41,361**	47,784
Other income and gains or losses, net	*5*	**3,362**	5,050
Administrative expenses		**(33,916)**	(20,409)
Provision for impairment losses on trade receivables, net	*7*	**(8,481)**	(7,468)
Reversal/(provision) for impairment losses on deposits and other receivables, net	*7*	**248**	(1,000)
Impairment loss on other intangible assets	*11*	**(546)**	—
Share of (loss)/profit of associates		**(3,120)**	5,474
Share of loss of a joint venture		**(175)**	—
Other expenses		**(711)**	(446)
Finance costs	*6*	**(7,101)**	(7,373)
(Loss)/profit before income tax	*7*	**(9,079)**	21,612
Income tax expense	*8*	**(590)**	(1,859)
(Loss)/profit for the period		**(9,669)**	19,753
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**147**	—
(Loss)/profit and total comprehensive income for the period		**(9,522)**	19,753

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(Loss)/profit for the period attributable to:			
— Owners of the Company		**(10,442)**	16,699
— Non-controlling interests		**773**	3,054
		(9,669)	19,753
(Loss)/profit and total comprehensive income for the period attributable to:			
— Owners of the Company		**(10,295)**	16,699
— Non-controlling interests		**773**	3,054
		(9,522)	19,753
(Loss)/earnings per share attributable to owners of the company during the period			
— Basic	*10*	**RMB(1.87) cents**	RMB3.02 cents
— Diluted	*10*	**RMB(1.87) cents**	RMB3.01 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property and equipment	*11*	**89,553**	93,954
Investment properties	*11*	**203,477**	211,504
Right-of-use assets		**2,950**	3,556
Other intangible assets	*11*	**8,179**	6,918
Goodwill		**9,179**	9,179
Investment in associates		**27,119**	30,489
Investment in a joint venture		**255**	430
Financial assets at fair value through profit or loss	*14*	**17,694**	4,433
Deferred tax assets		**8,537**	7,291
Prepayments, deposits and other receivables	*13*	**12,949**	8,768
Restricted deposits	*15*	**28,395**	2,421
Total non-current assets		**408,287**	378,943
Current assets			
Inventories	*18*	**12,964**	13,002
Trade receivables	*12*	**197,625**	169,322
Prepayments, deposits and other receivables	*13*	**176,148**	192,597
Cash and cash equivalents	*15*	**111,462**	178,581
Total current assets		**498,199**	553,502
Current liabilities			
Contract liabilities		**67,813**	76,765
Trade payables	*16*	**45,947**	40,636
Other payables and accruals	*17*	**132,736**	135,903
Bank borrowings	*19*	**68,800**	53,400
Lease liabilities		**17,999**	17,514
Tax payable		**4,153**	9,787
Total current liabilities		**337,448**	334,005
Net current assets		**160,751**	219,497
Total assets less current liabilities		**569,038**	598,440

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Other payables and accruals	*17*	**16,393**	22,771
Contract liabilities		**436**	735
Lease liabilities		**209,975**	219,940
Bank borrowings	*19*	**21,600**	28,800
Deferred tax liabilities		**505**	562
Total non-current liabilities		**248,909**	272,808
Net assets		**320,129**	325,632
Equity			
Share capital	*20*	**393**	393
Shares held for the Share Award Scheme		**(74,600)**	(74,600)
Reserves		**385,394**	387,414
Equity attributable to owners of the Company		**311,187**	313,207
Non-controlling interests		**8,942**	12,425
Total equity		**320,129**	325,632

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board (the "**IASB**") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a complete set of financial statements prepared in accordance with the IFRS Accounting Standards and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The interim condensed consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousands, unless otherwise stated.

In the opinion of the directors of the Company, the holding and the ultimate holding company of the Company is Sky Donna Holding Limited, which is incorporated in the British Virgin Islands ("**BVI**"). Mr. Zou Kang and Ms. Zou Jian are collectively the ultimate controlling shareholders of the Company (the "**Ultimate Controlling Shareholders**").

2. ADOPTION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following revised IFRS Accounting Standards for the first time for the current period.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*

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

3. OPERATING 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 executive directors of the Company.

For management purposes, the Group is organised into business units based on their services and has three reportable operating segments as follows:

(a) Property services segment, which mainly includes property management services and other value-added services and sale of carparks;

(b) Asset operation service segment, which includes office building sublease services, commercial operational services, commercial property management and other related services and e-commerce live streaming services; and

(c) Investment and development segment, which includes home furnishing, home refurbishment, decoration services and others.

The CODM assesses the performance of the operating segments based on segment (loss)/profit. There were no separate segment assets and segment liabilities information provided to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segment.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the six months ended 30 June 2026

	Property Services *RMB'000* **(Unaudited)**	**Asset Operation Services** *RMB'000* **(Unaudited)**	**Investment and Development** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment revenue *(Note 4)*				
Sales to external customers	**153,082**	**85,976**	**11,441**	**250,499**
Intersegment sales	**461**	**491**	**—**	**952**
Total segment revenue	**153,543**	**86,467**	**11,441**	**251,451**
Reconciliation:				
Elimination of intersegment sales				**(952)**
Revenue				**250,499**
Segment results	**31,954**	**(7,130)**	**(2,021)**	**22,803**
Reconciliation:				
Interest income				**2,568**
Foreign exchange and other unallocated loss				**(1,524)**
Share of loss of associates and a joint venture				**(3,295)**
Corporate and other unallocated expenses:				
— Auditors' remuneration				**(300)**
— Salaries and retirement benefit scheme				**(7,451)**
— Equity-settled share option expenses, net				**(8,275)**
— Other professional fee				**(1,789)**
— Advertising expenses				**(3,561)**
— Unallocated expenses				**(8,255)**
Loss before income tax				**(9,079)**

For the six months ended 30 June 2025

	Property Services *RMB'000* (Unaudited)	Asset Operation Services *RMB'000* (Unaudited)	Investment and Development *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(Note 4)*				
Sales to external customers	140,114	80,148	7,770	228,032
Intersegment sales	770	—	—	770
Total segment revenue	140,884	80,148	7,770	228,802
Reconciliation:				
Elimination of intersegment sales				(770)
Revenue				228,032
Segment results	19,968	11,829	(520)	31,277
Reconciliation:				
Interest income				1,520
Foreign exchange and other unallocated gains				919
Share of profit of associates				5,474
Corporate and other unallocated expenses:				
— Auditors' remuneration				(300)
— Salaries and retirement benefit scheme				(5,234)
— Equity-settled share option expenses, net				(2,388)
— Other professional fee				(2,191)
— Advertising expenses				(1,041)
— Unallocated expenses				(6,424)
Profit before income tax				21,612

Geographical information

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

Information about a major customer

For the six months ended 30 June 2026 and 30 June 2025, there were no customers with whom transactions have exceeded 10% of the Group's revenue.

4. REVENUE

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**225,118**	199,060
Revenue from other sources		
Gross rental income from investment property operating leases under sublease arrangement	**25,381**	28,972
Total revenue	**250,499**	228,032

Disaggregated revenue information:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Property Services segment:		
— Property management services and other value-added services	**153,082**	137,184
— Sale of carparks	**—**	2,930
Subtotal	**153,082**	140,114
Asset Operation Services segment:		
— Commercial operation and management	**19,847**	28,628
— Office building and community operation and management	**12,491**	12,583
— E-commerce live streaming services	**28,257**	9,965
— Revenue from other sources	**25,381**	28,972
Subtotal	**85,976**	80,148
Investment and Development segment：		
— Home furnishing, home decoration, refurbishment services and others	**11,441**	7,770
Total	**250,499**	228,032

4. REVENUE *(continued)*

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Goods transferred at a point in time	**1,288**	3,022
Services transferred over time	**196,161**	181,926
Services transferred at a point in time	**27,669**	14,112
Total revenue from contracts with customers	**225,118**	199,060

5. OTHER INCOME AND GAINS OR LOSSES, NET

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grants	**139**	1,145
Additional input value-added tax deduction	**—**	58
Bank and other interest income	**2,568**	1,520
Compensation received	**2,031**	2,501
Others	**334**	106
Total other income	**5,072**	5,330
Other gains or (losses), net		
Fair value change on financial assets at fair value through profit or loss	**(580)**	—
Losses on exchange difference, net	**(1,130)**	(280)
Total other losses, net	**(1,710)**	(280)
Total other income and gains or (losses), net	**3,362**	5,050

6. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**4,833**	5,549
Interest on bank borrowings	**1,455**	914
Interest on non-controlling shareholders' loans	**813**	654
Interest on associate's loans	**—**	256
	7,101	7,373

7. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of services provided	**209,138**	177,315
Cost of goods sold	**—**	2,933
Auditors' remuneration	**300**	300
Lease payments not included in the measurement of lease liabilities	**7,220**	6,890
Provision for impairment losses on trade receivables, net	**8,481**	7,468
(Reversal)/provision for impairment losses on deposits and other receivables, net	**(248)**	1,000
Impairment loss on other intangible assets	**546**	—
Provision for impairment of investment in associates	**—**	1,096
Equity-settled share option expense, net of reversal (included in directors' and chief executive's remuneration)	**8,275**	2,388
Direct operating expenses arising from investment properties	**628**	1,259

8. INCOME TAX EXPENSE

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current Enterprise Income Tax — the PRC		
— charge for the period	**1,893**	3,700
Deferred tax	**(1,303)**	(1,841)
Income tax expense	**590**	1,859

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax from the business carried out in the Cayman Islands.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the reporting period and the six months ended 30 June 2025.

Except for certain subsidiaries as described below, the PRC corporate income tax has been provided at the statutory tax rate of 25% on the taxable profits of the Group's PRC subsidiaries for the reporting period and the six months ended 30 June 2025.

According to the Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies, certain subsidiaries of the Company that are located in Sichuan Province and engaged in the encouraged business of property services management are entitled to a preferential CIT rate of 15%. Pursuant to the Circular of Extending the Period of Western Development Strategies Preferential Tax Rate (Cai Shui Fa [2020] No. 23), the tax preferential treatments were extended to 31 December 2030.

In addition, certain subsidiaries in the PRC are qualified as Small Low-profit Enterprises and thus entitled to a preferential income tax rate of 20% for the reporting period and the six months ended 30 June 2025.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for the current period and the six months ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period.

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period and adjusted for the effect of ordinary shares repurchased and the exercise of share options multiplied by a time-weighted factor. Diluted (loss)/earnings per share is calculated by dividing the (loss)/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares. The calculations of basic and diluted (loss)/earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Loss)/earnings		
(Loss)/profit for the period attributable to owners of the Company for the purposes of calculating basic and diluted (loss)/earnings per share	**(10,442)**	16,699

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic (loss)/earnings per share	**556,957,895**	552,146,603
Effect of dilution — weighted average number of ordinary shares:		
— Share options	**—**	2,159,209
Weighted average number of ordinary shares for the purposes of calculating diluted (loss)/earnings per share	**556,957,895**	554,305,812

Diluted loss per share was the same as basic loss per share, as the share options were anti-dilutive and were therefore excluded from the calculation of diluted loss per share for the six months ended 30 June 2026.

11. PROPERTY AND EQUIPMENT, INVESTMENT PROPERTIES AND OTHER INTANGIBLE ASSETS

	Property and equipment	**Investment properties**	**Other intangible assets** *(Note)*
	RMB'000	***RMB'000***	***RMB'000***
Carrying amounts at 1 January 2026 (audited)	**93,954**	**211,504**	**6,918**
Additions	**6,601**	**2,022**	**3,375**
Depreciation/amortisation provided during the period	**(11,002)**	**(10,049)**	**(1,568)**
Impairment	**—**	**—**	**(546)**
Carrying amounts at 30 June 2026 (unaudited)	**89,553**	**203,477**	**8,179**

Note:

During the six months ended 30 June 2026, the Group acquired crypto assets at an aggregate cost of approximately USD458,450 (equivalent to approximately RMB3,122,000). The crypto assets are held for investment and treasury-management purposes and are accounted for as intangible assets under IAS 38. They are measured using the cost model at cost less impairment losses. Their recoverable amount is determined based on fair value less costs of disposal, using quoted prices in active markets classified as Level 1 fair value inputs.

12. TRADE RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Related parties	**59,386**	45,764
Third parties	**167,430**	144,268
Impairment losses, net	**(29,191)**	(20,710)
	197,625	169,322

12. TRADE RECEIVABLES *(continued)*

An ageing analysis of the trade receivables as at the end of the reporting period, based on the demand note issue date and net of provision for impairment of trade receivables, is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**126,151**	118,429
1 to 2 years	**44,063**	38,685
2 to 3 years	**21,776**	8,468
Over 3 years	**5,635**	3,740
	197,625	169,322

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	**30 June 2026**	31 December 2025
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
Current portion:			
Due from related parties		**80,391**	132,666
Deposits	*(a)*	**40,366**	16,491
Staff advances		**2,749**	936
Property management costs recoverable from residents		**21,546**	17,276
Payments on behalf of residents	*(b)*	**1,197**	1,495
Cash in transit		**2,328**	5,655
Other receivables		**9,485**	7,882
Prepaid expenses		**21,819**	17,166
Impairment losses, net		**(3,733)**	(6,970)
		176,148	192,597
Non-current portion:			
Due from related parties		**874**	114
Deposits		**—**	2,957
Prepaid expenses		**12,075**	5,697
		12,949	8,768
		189,097	201,365

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Notes:

(a) The amounts mainly represented the refundable deposits paid for performance and project tendering deposits.

(b) The amounts represented the amounts paid on behalf of residents to the utility service providers for the services provided.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Unlisted equity interests *(note a)*	**4,433**	4,433
Listed equity securities *(note b)*	**12,535**	—
Listed debt securities *(note c)*	**726**	—
	17,694	4,433

Notes:

(a) The above unlisted equity investments represent equity instruments within the scope of IFRS 9. These investments are measured at fair value through profit or loss as the Group did not make the irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income.

As at 30 June 2026, the balance represented a 15% unlisted equity interest in a private company incorporated in Hong Kong, and a 3.172% unlisted equity interest in a private company incorporated in the PRC.

(b) The Group holds listed equity securities classified as financial assets measured at fair value through profit or loss ("**FVTPL**"), the fair value loss of RMB552,000 (2025: Nil) in respect of listed equity securities were recognised in other gains or (losses), net account under interim condensed consolidated statement of profit or loss and other comprehensive income for the current reporting period.

(c) The Group holds listed debt securities classified at FVTPL, the fair value loss of RMB28,000 (2025: Nil) in respect of listed debt securities were recognised in other gains or (losses), net account under interim condensed consolidated statement of profit or loss and other comprehensive income for the current reporting period.

15. CASH AND CASH EQUIVALENTS/RESTRICTED DEPOSITS

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Cash and bank balances	**139,857**	181,002
Less:		
Restricted deposits *(Note a)*	**(28,395)**	(2,421)
Cash and cash equivalents	**111,462**	178,581

As at 30 June 2026, other than the cash and bank balances denominated in HKD amounted to approximately RMB16,192,000 (31 December 2025: approximately RMB4,993,000) and in USD amounted to RMB13,825,000 (31 December 2025: approximately RMB18,918,000), the remaining cash and bank balances are denominated in RMB. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, the Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.01% to 2.25% (2025: 0.01% to 2.92%). The bank balances are deposited with creditworthy banks with no recent history of default.

Note:

(a) The restricted deposits primarily consist of guarantee deposits for contracts and restricted bank balances for bank borrowings.

16. TRADE PAYABLES

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

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 3 months	**34,203**	22,975
3 to 12 months	**3,417**	2,743
Over 1 year	**8,327**	14,918
	45,947	40,636

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

17. OTHER PAYABLES AND ACCRUALS

	Note	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Current portion:			
Due to related parties		**6,727**	5,747
Other borrowings from related parties		**338**	—
Payables for purchase of property and equipment		**5,243**	5,906
Receipts on behalf from community residents	*(a)*	**18,013**	12,902
Payroll and social insurance payables		**34,343**	45,312
Deposits received		**27,276**	27,855
Other tax payable		**31,040**	25,941
Other payables and accrued expenses		**9,756**	12,240
Sub-total		**132,736**	135,903
Non-current portion:			
Other borrowings from related parties		**16,393**	22,771
Sub-total		**16,393**	22,771
Total		**149,129**	158,674

Note:

(a) The amounts mainly represent the advances received on behalf from property owners and tenants for settlement of utility charges.

18. INVENTORIES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Carparking spaces	**9,754**	9,530
Properties	**3,381**	3,381
Consumptive materials	**—**	262
	13,135	13,173
Less: provision for inventories	**(171)**	(171)
	12,964	13,002

18. INVENTORIES *(continued)*

As at 30 June 2026 and 31 December 2025, inventories were mainly carparking spaces and properties purchased from entities which the ultimate controlling shareholders of the Company have control, jointly control or significant influence ("**Fellow Entities**") and a third party and carparking spaces acquired in relation to debts settlement agreements with Fellow Entities.

19. BANK BORROWINGS

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Bank borrowings — Unsecured	*(b)*	**29,400**	32,700
Bank borrowings — Secured	*(a)&(b)*	**61,000**	49,500
Total	*(c)*	**90,400**	82,200
Bank borrowings			
On demand/within 1 year		**68,800**	53,400
More than 1 year but not more than 3 years		**21,600**	28,800
		90,400	82,200

Notes:

(a) As at 30 June 2026 and 31 December 2025, the bank borrowings of the Group are secured by the properties of a third party debtor of the Group and the properties of the related company of ultimate controlling shareholder of the Group.

(b) The bank borrowings are guaranteed by a subsidiary of the Company.

(c) The effective interest rates on the Group's bank borrowings included the fixed rates within the range of 3.15% to 3.4% per annum (31 December 2025: within the range of 3.35% to 3.4% per annum).

20. SHARE CAPITAL

	Number of ordinary shares
Authorised:	
Ordinary shares of USD0.0001 each	
At 1 January 2025, 31 December 2025, 1 January 2026 (audited) and 30 June 2026 (unaudited)	2,000,000,000

	Number of shares	Nominal value RMB'000
Issued and fully paid:		
At 1 January 2025, 31 December 2025, 1 January 2026 (audited) and 30 June 2026 (unaudited)	620,259,200	393

Shares held for Share Award Scheme

	Notes	Number of shares	*RMB'000*
At 1 January 2025		69,752,000	81,812
Less: shares transferred upon exercise of share options	*(a)*	(6,450,697)	(7,212)
At 31 December 2025, 1 January 2026 (audited) and 30 June 2026 (unaudited)	*(b),(c)*	63,301,303	74,600

Notes:

(a) The decrease in 2025 represents 6,450,697 shares transferred by the trustee upon exercise of share options under the share award scheme.

(b) During the six months ended 30 June 2026, no share options were exercised and no shares were purchased by the trustee under the share award scheme.

(c) As at 30 June 2026, the total number of issued ordinary shares of the Company includes 63,301,303 shares (31 December 2025: 63,301,303 shares) held for the share award scheme by the trustees of the Company, representing approximately 10.21% (31 December 2025: 10.21%) of the issued share capital of the Company.

21. EVENT AFTER THE REPORTING PERIOD

Chengdu Desun Real Estate Investment Enterprise Management Group Co., Ltd. ("**Desun Enterprise Management**"), a wholly-owned subsidiary of the Company, received a bid award notice on 23 June 2026 confirming that it had successfully won the bid for the Hongcang Huatian Mansion Project (the "**Project**").

Desun Enterprise Management entered into a lease agreement with Chengdu Huatian Culture Tourism Development Co., Ltd. (成都華天文化旅遊開發有限責任公司) on 15 July 2026. The lease term for the Project shall be 15 years commencing on the formal handover date of the leased property, which includes a rent-free period of 12 months for the fit-out. The rent-charging period shall be 14 years.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In recent years, amidst the profound restructuring of the property sector in the era of existing stock, the industry has accelerated its transition towards "improved quality and efficiency". The underlying logic is shifting from expansion through new developments to the intensive management of existing stock, and from high-speed growth to high-quality development. This shift has had a particularly profound impact on the property management sector. For a long time, property management companies have relied heavily on basic property services; however, as new development has plateaued and the growth rate of managed floor area has slowed, the growth model based solely on scaling up "four safeguards and one service" has reached its peak. At the same time, policy measures continue to drive urban regeneration and the revitalisation of existing spaces. A vast number of existing buildings, industrial parks and commercial facilities are in urgent need of professional operational expertise, providing the practical foundation for property management companies to evolve from "service providers" to "asset operators and managers". Revitalising existing assets and forging a second growth curve have become a consensus within the industry. As financial instruments such as asset securitisation become increasingly mature, the industry's closed-loop logic of "investment, financing, management and exit" is gradually being realised — the value of assets is no longer solely anchored to the natural appreciation of land, but is determined by long-term, stable cash flows and professional operational management capabilities. This transformation signifies that only by converting operational capabilities into certainty of asset value can companies take the initiative in the new landscape where "operations determine value and capital revitalises existing assets".

BUSINESS REVIEW

Facing structural adjustments in the industry and an increasingly competitive environment, the Group adhered to a long-term perspective, focusing on urban assets and continuously strengthening its comprehensive asset management capabilities. This has resulted in the formation of three core product lines: commercial and residential communities, integrated industrial and commercial complexes, and digital economy industrial parks. Through deep engagement in the existing property market, expansion of service scenarios, and focus on core operations, the Group has progressively developed a comprehensive service ecosystem covering the full lifecycle of assets. This has ultimately resulted in the formation of three synergistic business segments: property services, asset operation, and investment and development.

During the Reporting Period, the Group's business mainly included three segments: (i) property services segment: primarily comprising property management services and other value-added services as well as carpark space sales; (ii) asset operation services segment: primarily including office building sublease services, commercial operation services, commercial property management and other related services as well as e-commerce live-streaming services; and (iii) investment and development segment: primarily covering home decoration and refurbishment services and others.

FINANCIAL REVIEW

During the Reporting Period, the Group recorded revenue of RMB250.5 million, representing an increase of 9.9% as compared to RMB228.0 million for the corresponding period in 2025, mainly attributable to the expansion of business scale and development of diversified business segments; gross profit of approximately RMB41.4 million, representing a decrease of 13.4% as compared to RMB47.8 million for the corresponding period in 2025; and gross profit margin of 16.5%, representing a decrease of 4.5 percentage points as compared to 21.0% for the corresponding period in 2025. The Group's net loss after tax for the six months ended 30 June 2026 was RMB9.7 million, compared to a net profit after tax of RMB19.8 million for the corresponding period in 2025, which was mainly due to the Group's active advancement of its business transformation and upgrading, which involved necessary upfront investment of resources and a temporary increase in operating expenses, resulting in an adverse impact on the profit or loss. Meanwhile, the real estate development projects of the Group's associates, which are still at the initial stage and have not yet entered the phase of concentrated delivery and revenue recognition, resulted in investment losses during the period. Moreover, the Group recognised share-based payment expenses during the period in respect of share grants implemented during the Reporting Period and prior years for the Company's strategic development needs. Such expenses represent a significant investment made by the Group to enhance long-term talent competitiveness and to attract and deeply engage the core team.

Revenue and its Composition

	For the six months ended 30 June 2026		For the six months ended 30 June 2025		
Business segment	***RMB'000***	***Percentage of total revenue %***	*RMB'000*	*Percentage of total revenue %*	*Period-on-period change %*
Property services	153,082	61.1	140,114	61.4	Increase 9.3%
Asset operation services	85,976	34.3	80,148	35.2	Increase 7.3%
Investment and development	11,441	4.6	7,770	3.4	Increase 47.2%
	250,499	**100.0**	228,032	100.0	Increase 9.9%

Revenue

During the Reporting Period, the Group recorded a revenue of RMB250.5 million, representing a period-on-period increase of 9.9% as compared to RMB228.0 million for the six months ended 30 June 2025, which was mainly attributable to the expansion of business scale and development of diversified business segments.

The Group's revenue was primarily generated from its three business segments: (i) property services; (ii) asset operation services; and (iii) investment and development. During the Reporting Period, (i) revenue generated from property services segment was RMB153.1 million, which accounted for 61.1% of the Group's total revenue, representing a period-on-period increase of 9.3% as compared to RMB140.1 million for the corresponding period in 2025; (ii) revenue generated from asset operation services segment was RMB86.0 million, which accounted for 34.3% of the Group's total revenue, representing a period-on-period increase of 7.3% as compared to RMB80.1 million for the corresponding period in 2025; and (iii) revenue generated from investment and development segment was RMB11.4 million, which accounted for 4.6% of the Group's total revenue, representing a period-on-period increase of 47.2% as compared to RMB7.8 million for the corresponding period in 2025.

Property Services

During the Reporting Period, the Group's property services segment generated RMB153.1 million in revenue, contributing 61.1% to the Group's total revenue, which represents a period-on-period increase of 9.3% from RMB140.1 million for the corresponding period in 2025, primarily attributable to the increase in the scale of properties under management as compared with the corresponding period of the last year.

The Group's property services segment encompasses both basic property management and value-added services. Basic property services provide daily operational services such as security, cleaning, maintenance and landscaping for residential properties and ancillary commercial facilities. Value-added services extend to areas such as household living, retail, asset brokerage and community event operations, built around the life scenarios of property owners.

During the Reporting Period, the Group remained committed to deepening its presence in the existing asset market, steadily expanding its scale through market-oriented external development. The gross floor area under management increased from 11.37 million sq.m. in the 2025 interim period to 12.40 million sq.m. in the 2026 interim period. Adhering to our user philosophy of "being user-centric, creating value for customers, and delivering value perceptible to customers", we have continued to steadily operate our basic property services while extending value-added services in areas such as household living, retail, asset brokerage and community event operations around community scenarios, thereby diversifying our revenue streams.

In addition, the Group has deepened its AI technology empowerment initiatives: on the one hand, through a task management platform and inspection intelligent agents, we have automated scheduling management, facility monitoring and hazard early warning, thereby enhancing frontline operational efficiency; on the other hand, by leveraging customer profiling and a data foundation, we have accurately grasped owners' needs to support the development of value-added services. Technological means are gradually driving cost reduction and efficiency improvement in property services.

Asset Operation Services

During the Reporting Period, the revenue from the Group's asset operation services segment amounted to RMB86.0 million, accounting for 34.3% of the Group's total revenue, representing an increase of 7.3% as compared to RMB80.1 million for the corresponding period in 2025, mainly due to the expansion of business scale.

The Group's asset operations segment possesses full-chain professional service capabilities. Leveraging diverse business models including entrusted operations, cooperation and profit-sharing, investment promotion and operations, and leasehold management, we have been deeply involved in the revitalisation and upgrading of existing assets in key areas of Chengdu, and have continued to advance commercial office operations and industrial ecosystem development. As at the date of this announcement, this segment successfully expanded its portfolio to include projects such as Chengdu Meijing Center (成都每經中心) and Hongcang Huatian Mansion (紅倉華天大廈), which are integrated industrial and commercial complexes. We will fully leverage our strengths in asset operations, and through professional investment promotion and meticulous operations, transform the above projects into benchmark integrated industrial and commercial complexes, thereby attracting more high-quality partners and customer resources, and providing sustained momentum for the Group's long-term development.

During the Reporting Period, our office building brand maintained a comprehensive occupancy rate of over 90% through its mature operating system, demonstrating the continued resilience of our core commercial office assets. At the same time, the Group has actively promoted deeper business collaboration with leading internet companies such as Huya and strategic partners, exploring the integrated development of online business formats such as gaming content and entertainment live streaming with offline industrial and commercial spaces.

Investment and Development

During the Reporting Period, the revenue from the Group's investment and development segment amounted to RMB11.4 million, accounting for 4.6% of the Group's total revenue, representing an increase of 47.2% as compared to RMB7.8 million for the corresponding period in 2025.

As an important component of the Group's diversified business portfolio, the investment and development segment operates across areas including home furnishing, entrusted construction management, asset investment and digital finance, with each sub-sector advancing capability building and business implementation within its respective track. During the Reporting Period, revenue from this segment grew by 47.2% compared with the same period of the previous year, with entrusted construction management and the home furnishing business being the primary sources of growth. At present, this segment as a whole remains in the early investment and cultivation stage, with a relatively small scale and limited impact on the Group's overall performance. Going forward, the Group will continue to enhance the synergy and growth quality of this segment's various businesses through resource coordination and industrial chain integration.

Cost of Sales

During the Reporting Period, the Group's cost of sales amounted to RMB209.1 million, representing an increase of 16.0% as compared to RMB180.2 million for the corresponding period in 2025, which was mainly due to the increase in the various costs resulting from the expansion of business scale and the development of diversified business segments.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2026, the Group recorded the gross profit of RMB41.4 million, representing a decrease of 13.4% as compared to RMB47.8 million for the corresponding period in 2025. The gross profit margin was approximately 16.5%, representing a decrease of 4.5 percentage points as compared to the gross profit margin of 21.0% for the corresponding period in 2025. The decrease in gross profit margin was mainly due to the Group's increased investment in improving the quality of property services as a result of the expansion of business scale as well as increases in various costs following the development of its diversified business segments.

Other Income and Gains or Losses, Net

Our other income and gains mainly consist of government grants, compensation received, interest income and foreign exchange (loss)/gains, net. The decrease of other income and gains by approximately RMB1.7 million, or approximately 33.4% from approximately RMB5.1 million for the six months ended 30 June 2025 to approximately RMB3.4 million for the six months ended 30 June 2026 was primarily due to the decrease in government grants and the increase in net foreign exchange loss, as well as fair value change losses.

Administrative Expenses

Our administrative expenses mainly consist of labour costs, business entertainment expenses, office expenses, staff dormitory and office occupancy expenses, promotion expenses, transportation expenses, tax expenses, special service expenses, depreciation and amortisation, lease expenses, share-based payment expenses and others. Administrative expenses of our Group increased by RMB13.5 million, or 66.2% from RMB20.4 million for the six months ended 30 June 2025 to RMB33.9 million for the six months ended 30 June 2026, which was mainly attributable to the initial strategic investments made to develop new diversified business, as well as the increase in share-based payment expenses recognised in the current period in respect of share grants implemented during the Reporting Period and in prior years.

Provision for Impairment Losses on Trade Receivables, Net

The net provision for impairment losses on trade receivables for the six months ended 30 June 2026 was RMB8.5 million as compared to the six months ended 30 June 2025 of RMB7.5 million, which was mainly due to the Company making additional provisions for impairment based on prudence.

Provision for Impairment Losses on Deposits and Other Receivables, Net

The Group recorded a net reversal of impairment losses on deposits and other receivables of approximately RMB0.2 million for the six months ended 30 June 2026, compared with a net provision of RMB1.0 million for the corresponding period in 2025, which was mainly due to the recovery of part of the deposits and other receivables, which reduced the provision for impairment.

Finance Costs

Our finance costs during the Reporting Period amounted to RMB7.1 million, representing a decrease of 3.7% from RMB7.4 million for the same period in 2025, which was mainly due to the decrease in interest on lease liabilities.

Other Expenses

We incurred other expenses of RMB0.7 million during the Reporting Period, representing an increase of 59.4% as compared to other expenses of RMB0.4 million for the same period in 2025, which was mainly due to the increase in bank charges.

Impairment Loss on Other Intangible Assets

During the Reporting Period, the Group recorded an additional impairment loss on other intangible assets of RMB0.5 million, primarily arising from impairment of acquired digital assets.

Share of (Loss)/Profit of Associates

Our share of loss of associates for the six months ended 30 June 2026 amounted to RMB3.1 million, as compared with a share of profits of associates of RMB5.5 million recorded for the six months ended 30 June 2025, which was mainly due to the investment losses incurred during the period from the real estate development projects of the Group's associates, which are still at the initial stage and have not yet entered the phase of concentrated delivery and revenue recognition.

(Loss)/Profit before Income Tax

The Group recorded a loss before income tax of approximately RMB9.1 million for the six months ended 30 June 2026, compared with a profit before income tax of approximately RMB21.6 million for the corresponding period in 2025.

Income Tax Expense

Our income tax expense was approximately RMB1.9 million and approximately RMB0.6 million for the six months ended 30 June 2025 and the six months ended 30 June 2026, respectively.

(Loss)/Profit for the Reporting Period

The Group recorded a net loss after tax of RMB9.7 million for the six months ended 30 June 2026, compared with a net profit after tax of RMB19.8 million for the corresponding period in 2025, primarily attributable to the Group actively advancing its business transformation and upgrading, which has adversely affected its profit or loss due to the necessary upfront resource investments and a temporary rise in operating expenses. Meanwhile, the real estate development projects of the Group's associates are still in the preliminary stage and have not yet entered the period of concentrated delivery and revenue recognition, resulting in investment losses during the current period. In addition, as necessitated by the Company's strategic development, share grants implemented during the Reporting Period and in prior years gave rise to share-based payment expenses recognised in the current period. Such expenses represent a significant investment made by the Group to build long-term talent competitiveness and to attract and deeply retain its core team. The net profit margin for the Reporting Period changed from 8.7% for the six months ended 30 June 2025 to −3.9% for the six months ended 30 June 2026.

Property and Equipment

Property and equipment mainly consist of electric devices and leasehold improvements, which decreased from RMB94.0 million as at 31 December 2025 to RMB89.6 million as at 30 June 2026, which was mainly due to the provision for depreciation.

Investment Properties

Investment properties consist of residential and commercial properties located in the PRC that are held to earn rentals or for capital appreciation, or both. Investment property decreased from RMB211.5 million as at 31 December 2025 to RMB203.5 million as at 30 June 2026, which was primarily due to the provision for depreciation.

Other Intangible Assets

We recognised other intangible assets of RMB8.2 million as at 30 June 2026 (as at 31 December 2025: RMB6.9 million), which mainly include (i) customer relationships arising from the acquisition of Zhongneng Group and Green Real Estate, calculated using the straight-line method over the expected useful life of 2 years to 10 years based on the past experience of the renewal model of property management contracts and the expected duration of the contracts; and (ii) digital assets newly acquired during the current period.

Goodwill

Goodwill arose out of our acquisition of Zhongneng Group in 2020, with a carrying amount of RMB9.2 million as at 30 June 2026 (as at 31 December 2025: RMB9.2 million).

Trade Receivables

Trade receivables mainly arise from property management services and certain value-added services. Trade receivables of our Group increased from RMB169.3 million as at 31 December 2025 to RMB197.6 million as at 30 June 2026, primarily due to the expansion of business scale.

The Group's primary customer base comprises individual customers, property developers, and other corporate customers. As of 26 August 2026, the Group had subsequently settled trade receivables amounting to RMB25.0 million. To ensure the orderly collection of receivables, the Group has established a regular management mechanism, conducting systematic analysis and review of the formation background, historical evolution, and underlying reasons for the receivables on both a regular and ad-hoc basis. For different customer types, the Group adopts a variety of collection measures, including but not limited to sending collection letters, engaging in on-site communication and negotiation, implementing debt settlement with assets and initiating legal action. Meanwhile, the Group actively assists customers in revitalizing their assets, such as by helping to lease or sell vacant properties to enhance their cash flow repayment capacity. Additionally, the Group promotes payment collection through organizing community cultural activities, improving service quality, and offering property-related incentives.

As of 30 June 2026, the Group had no trade receivables for which impairment provisions were recognised on an individual basis. Trade receivables are subject to the determination of expected credit loss rates using the provision matrix method under the simplified approach of Hong Kong Financial Reporting Standard 9 (HKFRS 9).

Prepayments, Deposits and Other Receivables

Prepayments, deposits and other receivables mainly comprise deposits paid for performance and project tendering, advances to staff, payments on behalf of residents relating to utilities and borrowings provided to associates. Our Group's prepayments, deposits and other receivables decreased from RMB201.4 million as at 31 December 2025 to RMB189.1 million as at 30 June 2026, which was mainly due to the partial repayment of a loan granted to an associate.

Trade Payables

Trade payables primarily represent our obligations to pay for goods and services that have been acquired in the course of business from suppliers, and primarily consist of cleaning fees, material fees, maintenance fees, subcontracting fees and construction fees. Trade payables of the Group increased from RMB40.6 million as at 31 December 2025 to RMB45.9 million as at 30 June 2026, primarily due to the increase in procurement resulting from the expansion of business scale.

Other Payables and Accruals

The other payables and accruals of our Group primarily consist of payables for payroll, utilities, other taxes, advance receipts on behalf of residents, consideration payables as well as deposits received. The other payables and accruals decreased from RMB158.7 million as at 31 December 2025 to RMB149.1 million as at 30 June 2026, which was mainly due to the payment during the current period of the year-end bonuses accrued at the end of the previous year.

Contract Liabilities

The contract liabilities of our Group primarily arise from the advance payments received from customers for property management services. The contract liabilities of the Group decreased from RMB77.5 million as at 31 December 2025 to RMB68.2 million as at 30 June 2026, primarily due to customers' payment habits.

Tax Payable

Tax payable of our Group primarily consists of PRC corporate income tax and value-added tax payable. Our tax payable decreased from RMB9.8 million as at 31 December 2025 to RMB4.2 million as at 30 June 2026, primarily due to the income tax paid during the period.

Lease Liabilities

As at 30 June 2026, the current lease liabilities of our Group were RMB18.0 million (as at 31 December 2025: RMB17.5 million), primarily due to the increase in rent to be paid in the next year according to the contract. Our Group recorded non-current lease liabilities of RMB210 million as at 30 June 2026 (as at 31 December 2025: RMB219.9 million), primarily due to the reclassification of certain lease liabilities due within one year to current liabilities.

Liquidity and Capital Resources

Our cash and cash equivalents decreased by RMB67.1 million from RMB178.6 million as at 31 December 2025 to RMB111.5 million as at 30 June 2026. Our net current assets decreased from RMB219.5 million as at 31 December 2025 to RMB160.8 million as at 30 June 2026. Our current ratio is approximately 1.5 times (31 December 2025: approximately 1.7 times). As at 30 June 2026, the short-term borrowing was RMB68.8 million (31 December 2025: RMB53.4 million).

Pledge of Assets

As at 30 June 2026, none of the assets of the Group were pledged (as at 31 December 2025: nil).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Significant Investment Held and Future Plans for Material Investment and Capital Assets

As at 30 June 2026, the Group has not held any significant investment representing 5% or more of the Group's total assets as at the end of the Reporting Period. Save as disclosed herein, the Group had no other plans for material investments or additions of capital assets as at the date of this announcement.

Gearing Ratio

The gearing ratio (sum of interest-bearing bank loans divided by total equity) as at 30 June 2026 was 28.2% (as at 31 December 2025: 25.2%). The increase is primarily due to the increase in bank loans based on the needs of business development.

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: nil).

Treasury Policies

We consistently adhere to our treasury policies in managing relevant departments as well as conducting business, accounting and archiving processes. We are committed to safeguarding overall financial security and maintaining a strong cash position, a healthy debt profile with strong repayment capacity. To ensure sound financial management, we have established a long-term, medium-term and short-term liquidity management system. Through a comprehensive, rational and professional evaluation mechanism, along with annual and monthly cash flow planning, we have established a disciplined fund management framework to effectively mitigate market risks. If new funding needs arise due to factors such as strategic expansion, we will promptly arrange external financing to meet such requirements.

Foreign Exchange Risk

Other than certain bank deposits which are denominated in USD and HKD (as at 30 June 2026, bank and cash balances denominated in HKD and USD equal to RMB30.02 million in total; as at 31 December 2025: RMB23.91 million), the Group's business is principally conducted in RMB and therefore we were not exposed to any material direct risk of foreign exchange fluctuation as at 30 June 2026. Accordingly, the Group considers its exposure to currency risk to be insignificant. During the Reporting Period, the Group did not enter into any hedging transaction against foreign currency risks. However, the Board will remain alert to any relevant risks and, if necessary, consider hedging any material potential foreign exchange risk.

Employees and Benefits Policies

As at 30 June 2026, our Group had 1,365 employees (30 June 2025: 1,336 employees). During the Reporting Period, the wages and salaries of the employees of the Group were RMB72.0 million (for the six months ended 30 June 2025: RMB56.8 million), representing an increase of 26.8%. An employee's remuneration is determined based on the employee's performance, skills, knowledge, experience and market trends. Our Group regularly reviews compensation policies and programs, and will make necessary adjustment in order to be in line with the remuneration levels in the industry. Our Group also provides various systematic and extensive training programs to its employees. Our Group's employee training programs primarily cover key areas in the Group's business operations, which provide continuous training to our Group's existing employees at different levels to specialise and strengthen their skill sets.

On 22 December 2023, the Company also adopted the share award scheme which was amended and restated on 20 May 2024 and 14 July 2025, respectively (the "**Share Award Scheme**"). The purposes of the Share Award Scheme are to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group.

Major Risks and Uncertainties

The Group recognizes the critical importance of risk management practices and is committed to mitigating risks in its operations and financial condition as efficiently and effectively as possible. The following are the major risks and uncertainties facing our business:

(i) failure to fulfill contractual obligations with clients may negatively impact the Group's operating performance and financial condition;

(ii) our Group is susceptible to changes in the regulatory landscape of the PRC property management industry;

(iii) the Group faces intense competition as an increasing number of listed competitors on the Stock Exchange are seeking to acquire high-quality property management companies in the PRC. There is no guarantee that our Group will be able to acquire or invest in the desired targets as planned; and

(iv) any financial difficulties encountered by Desun Group could adversely affect the Group's business, financial condition, operating results and prospects.

To address the aforementioned risks, the Group will implement mitigation measures in the following aspects:

(i) Business Diversification and Refined Management: the Group will diversify its revenue streams by deepening its presence in three core business segments, optimizing its business structure to reduce reliance on any single business or related parties, thereby strengthening its overall risk resilience. Meanwhile, through digital transformation, the Group will refine cost control and cash flow management to mitigate capital utilization risks, achieving balanced growth in scale and quality.

(ii) Resource Allocation Optimisation and Talent Assurance: by reducing costs and increasing efficiency, along with optimising resource allocation, the Group aims to enhance overall operational efficiency and lower operational costs, thus mitigating risks stemming from regulatory changes or intensified market competition. Furthermore, with a customer value-oriented approach, the Group will elevate service quality, establish a standardized evaluation mechanism, and refine its talent cultivation and incentive programs to strengthen team execution and innovation capabilities, providing a solid talent foundation to navigate a complex and ever-changing market environment.

Future Outlook

Looking ahead, building on its well-established professional asset operating capabilities, the Group will focus on developing an integrated asset management model centred on the full cycle of "fundraising, investment, management and exit". The Group will undertake a comprehensive industrial layout and strategic investments focused on urban assets, and gradually establish a complete business system underpinned by "operations as the foundation and capital as the driver".

The Group will continue to strengthen its front-end capabilities in fund raising and investment deployment, and systematically enhance back-end value realisation and exit mechanisms, so as to further strengthen key links in the closed-loop asset management chain. Meanwhile, the asset operation segment will continue to leverage its professional strengths to systematically enhance asset value and operating efficiency; the property services segment will further deepen customer relationships and steadily expand its management scale.

Through the synergistic framework of "targeted fundraising and investment, professional operation, quality services, efficient exit and digitalised and intelligent management", the Group will continue to promote high-quality development of business.

Other Important Business Developments and Transactions

During the Reporting Period, other important business developments and transactions of the Group include: (i) On 25 March 2026, Chengdu Desun Real Estate Investment Property Service Co., Ltd.* (成都德商產投物業服務有限公司), successfully won the bid for the Jiaozi Park Financial and Business District Cultural and Financial Industry Supporting Infrastructure Construction Project (成都市交子公園金融商務區文創金融產業配套基礎設施建設項目), the relevant lease arrangements constitute discloseable transactions under Chapter 14 of the Listing Rules; (ii) On 31 March 2026, Wuhan Branch of Chengdu Desun Real Estate Investment Property Service Co., Ltd.* (成都德商產投物業服務有限公司武漢分公司) entered into the offset agreement with Wuhan Desun Rong He Real Estate Co. Ltd.* (武漢德商榮和置業有限公司), pursuant to which Wuhan Branch of Chengdu Desun Real Estate Investment Property Service Co., Ltd.* (成都德商產投物業服務有限公司武漢分公司) agreed to acquire the commercial residential properties (No. 301 and No. 302) of Building No. 11 of the Desun Zhangtai Feili Tianxi Project (德商彰泰翡麗天璽項目), located in the East Lake High-tech Development Zone, Wuhan City, the PRC at the consideration of RMB3,691,863.00, which shall be partially offset against the receivables, the relevant transaction constitutes a connected transaction under Chapter 14A of the Listing Rules; and (iii) Chengdu Desun Real Estate Investment Enterprise Management Group Co., Ltd.* (成都德商產投企業管理集團有限公司) successfully won the bid for the Hongcang Huatian Mansion on 23 June 2026. The relevant lease arrangements constitute a major transaction under Chapter 14 of the Listing Rules. For details, please refer to the announcements of the Company dated 25 March 2026, 31 March 2026, 14 May 2026 and 23 June 2026, respectively.

Events After the Reporting Period

Chengdu Desun Real Estate Investment Enterprise Management Group Co., Ltd.* ("**Desun Enterprise Management**"), a wholly-owned subsidiary of the Company, received a bid award notice on 23 June 2026 confirming that it had successfully won the bid for the Hongcang Huatian Mansion Project (the "**Project**"). As the successful bidder, Desun Enterprise Management will follow this industry positioning and be responsible for investment promotion and leasing, operations and the introduction of industries, with a commitment to developing this property into a functional industrial park that is market-leading, brand-influential and industry-driving.

Desun Enterprise Management entered into the Lease Agreement with Chengdu Huatian Culture Tourism Development Co., Ltd.* (成都華天文化旅遊開發有限責任公司) on 15 July 2026. The lease term for the Project shall be 15 years (180 months) commencing on the formal handover date of the leased property, which includes a rent-free period of 12 months for the fit-out. The rent-charging period shall be 14 years. For details, please refer to the announcement of the Company dated 23 June 2026 and the circular of the Company dated 15 July 2026.

Save as disclosed in this announcement, there were no material events subsequent to the Reporting Period and up to the date of approval of the unaudited interim condensed consolidated financial information.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles as set out in the CG Code.

The Company has adopted the principles and code provisions as set out in Part 2 of Appendix C1 to the Listing Rules and complied with the applicable code provisions contained in Part 2 of Appendix C1 to the Listing Rules throughout the Reporting Period except for code provision C.2.1.

Currently, Mr. Zhang Zhicheng serves as both the chairman of the Board and the CEO, and such practice deviates from the code provision C.2.1 of the CG Code which states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Nevertheless, the Board believes that Mr. Zhang's extensive experience and knowledge in the real estate and property management industry, who has guided the Group to complete the initial public offering in December 2021, together with the support of the management, will provide solid and consistent leadership for the Group. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances.

COMPLIANCE WITH THE 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 Listing Rules as its code of conduct regarding securities transactions by its Directors and employees (the "**Securities Dealing Code**").

The Company has made specific enquiry of all Directors as to whether they have complied with the required standard as set out in the Model Code during the Reporting Period and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Reporting Period.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined in the Listing Rules)). As at 30 June 2026, the Company did not have any treasury shares (as defined in the Listing Rules).

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Yan Hong, Mr. Chen Di and Mr. Fang Liqiang. The chairman of the Audit Committee is Mr. Yan Hong.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters, including a review of this announcement and the unaudited interim financial information for the six months ended 30 June 2026.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND 2026 INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.desunhui.com), and the interim report of the Group for the six months ended 30 June 2026 containing all information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as set out below:

"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"CEO" or "Chief Executive Officer"	chief executive officer of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chengdu Desun"	Chengdu Desun Real Estate Investment Property Service Co., Ltd.* (成都德商產投物業服務有限公司), formerly known as Chengdu Desun Investment Management Co., Ltd.* (成都德商投資管理有限公司) at the time of establishment, a company incorporated in the PRC with limited liability on 12 March 2010 and an indirect wholly owned subsidiary of our Company

"China" or "PRC"	People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires otherwise, references in this announcement to "China" and the "PRC" do not apply to Hong Kong, the Macau Special Administrative Region and Taiwan
"Company" or "our Company" or "Desun Real Estate Investment"	Desun Real Estate Investment Services Group Co., Ltd. (德商產投服務集團有限公司) (formerly known as Desun Real Estate Investment Services Limited), an exempted company incorporated in the Cayman Islands with limited liability on 10 December 2020
"Desun Group"	Companies in which Mr. Zou Kang has control or joint control, and has significant influence
"Director(s)"	the directors of the Company
"Green Real Estate"	Sichuan Desun Smart Green Real Estate Co., Ltd.* (四川德商智慧綠色置業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, which is principally engaged in construction project management business
"Group", "our Group", "our", "we" or "us"	the Company and its subsidiaries from time to time
"HK$" or "HKD"	the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of the shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Reporting Period"	the six months ended 30 June 2026
"Share(s)"	ordinary shares in the share capital of our Company with a nominal value of USD0.0001 each
"Shareholder(s)"	holder(s) of our Share(s)
"sq.m."	square meters

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“value-added services”	include value-added services provided to property owners, tenants and non-property owners
“Zhongneng”	Chengdu Zhongneng Property Management Company Limited* (成都中能物業管理有限責任公司), a company incorporated with limited liability in the PRC on 16 May 2006 and an indirect wholly owned subsidiary of our Company
“Zhongneng Group”	Zhongneng and its subsidiaries

By order of the Board
Desun Real Estate Investment Services Group Co., Ltd.
Zhang Zhicheng
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 28 August 2026

As at the date of this announcement, the executive Directors are Mr. Zhang Zhicheng, Ms. Wan Hong, Mr. Liu Jun, Mr. Shao Jiazhen and Ms. Zhu Na, the non-executive Director is Mr. Zou Kang, and the independent non-executive Directors are Mr. Fang Liqiang, Mr. Chen Di and Mr. Yan Hong.

* *for identification purpose only*

** *Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding*