Sundy Service Group Co. Ltd
宋都服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9608)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Director(s)**") of Sundy Service Group Co. Ltd (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**"), together with the comparative figures for the corresponding period in 2025. The results of the Group for the Period have been reviewed by the audit committee of the Company (the "**Audit Committee**") and approved by the Board on 31 August 2026.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

RESULTS HIGHLIGHTS

Financial performance of the Group

- Revenue of the Group was RMB108.3 million during the Period, representing a decrease of 7.0% as compared with RMB116.5 million in the corresponding period in 2025.

- Revenue generated from four business lines during the Period are as follows: (i) revenue from property management services was RMB87.9 million, representing a decrease of 6.3% as compared with that in the corresponding period in 2025; (ii) revenue from value-added services to non-property owners was RMB1.8 million, representing a decrease of 60.3% as compared with that in the corresponding period in 2025; (iii) revenue from community value-added services was RMB9.6 million, representing an increase of 8.5% as compared with that in the corresponding period in 2025; and (iv) revenue from other businesses was RMB9.0 million, representing a decrease of 2.1% as compared with that in the corresponding period in 2025.

- Gross profit was RMB35.4 million during the Period, representing an increase of 14.8% as compared with that in the corresponding period in 2025. Gross profit margin was 32.7% during the Period, representing an increase of 6.2 percentage points as compared with that in the corresponding period in 2025.

- Profit attributable to owners of the Company was RMB4.7 million during the Period, representing a decrease of 55.9% as compared with RMB10.6 million in the corresponding period in 2025.

- The Group's total gross floor area ("**GFA**") under management was 8.5 million sq.m. as at 30 June 2026, remaining stable as compared with that as at 30 June 2025. The Group's total contracted GFA was 9.4 million sq.m. as at 30 June 2026.

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

for the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*4*	**108,331**	116,460
Cost of sales and services rendered		**(72,934)**	(85,623)
Gross profit		**35,397**	30,837
Interest income		**774**	941
Other income and gains	*6*	**1,752**	2,455
Selling and marketing expenses		**(505)**	(532)
Administrative expenses		**(8,961)**	(10,301)
Impairment loss on trade receivables		**(20,340)**	(11,034)
Other expenses		**(119)**	(292)
Share of loss of an associate		**–**	(154)
Provision for impairment of properties held for sale		**(2,355)**	–
Loss on fair value changes of investment properties		**(1,264)**	–
Finance costs	*7*	**(42)**	(42)
Profit before taxation		**4,337**	11,878
Income tax credit/(expense)	*8*	**3,583**	(5,585)
Profit for the period	*9*	**7,920**	6,293
Other comprehensive (expense)/income:			
Items that will not be reclassified to profit or loss:			
Exchange differences on translation of financial statements of the Company		**(5,731)**	(1,331)
		(5,731)	(1,331)
Items that may be reclassified to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**4,240**	1,782
		4,240	1,782
Total comprehensive income for the period		**6,429**	6,744

	Notes	Six months ended 30 June **2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
Profit for the period attributable to:			
Owners of the Company		**4,652**	10,557
Non-controlling interests		**3,268**	(4,264)
		7,920	6,293
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		**3,161**	11,008
Non-controlling interests		**3,268**	(4,264)
		6,429	6,744
Earnings per share			
– Basic and diluted *(RMB cents)*	*10*	**0.12**	0.27

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	*12*	**5,220**	9,437
Investment properties		**38,304**	–
Intangible assets		**16**	58
Financial assets at fair value through profit or loss	*13*	**16,000**	16,000
Other receivable	*14*	**3,500**	3,500
Deferred tax assets		**24,067**	16,056
		87,107	45,051
Current assets			
Inventories		**121**	204
Properties held for sale		**105,449**	147,372
Trade and other receivables	*14*	**208,179**	197,191
Financial assets at fair value through profit or loss	*13*	**–**	24,800
Restricted bank balances		**14,705**	18,970
Cash and cash equivalents		**160,669**	139,344
		489,123	527,881
Current liabilities			
Contract liabilities		**34,950**	25,147
Advances from lessees		**171**	137
Trade and other payables	*15*	**121,585**	126,964
Current taxation		**2,505**	10,094
		159,211	162,342
Net current assets		**329,912**	365,539
TOTAL ASSETS LESS CURRENT LIABILITIES		**417,019**	410,590

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
NET ASSETS		**417,019**	410,590
Capital and reserves			
Share capital		**254**	254
Reserves		**404,330**	401,169
Equity attributable to owners of the Company		**404,584**	401,423
Non-controlling interests		**12,435**	9,167
TOTAL EQUITY		**417,019**	410,590

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026

1. BASIS OF PREPARATION

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

The unaudited condensed interim consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated. RMB is the functional currency of the Company's subsidiaries established in the Mainland China. The functional currency of the Company and the Company's subsidiaries outside the Mainland China are Hong Kong dollars ("**HKD**"). The Group translates the unaudited condensed interim consolidated financial statements of the Company and the Company's subsidiaries outside Mainland China from HKD into RMB.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period.

The unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2025. The accounting policies and methods of computation used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 December 2025.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Adoption of amendments to IFRS Accounting Standards

In the current period, the Group has adopted the following amendments to IFRS Accounting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the IASB that are relevant to its operations and mandatory effective for its accounting year beginning on or after 1 January 2026 for the preparation of the Group's unaudited condensed interim consolidated financial statements:

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
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The adoption of these amendments to IFRSs 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 unaudited condensed interim consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective for the current accounting period:

IFRS 18 and consequential amendments to other IFRSs	Presentation and Disclosure in Financial Statements[1]
IFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures[1]
IFRS 20	Regulatory Assets and Regulatory Liabilities[2]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2027

2 Effective for annual periods beginning on or after 1 January 2029

3 Effective for annual periods beginning on or after a date to be determined

IFRS 18 and consequential amendments to other IFRSs are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements. The directors of the Company are in the process of assessing the detailed impact on the consolidated financial statements for the forthcoming years.

Except for the aforesaid, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE

The principal activities of the Group are the provision of property management services, value-added services to non-property owners and community value-added services, and hotel business.

Revenue represents income from property management services, value-added services to non-property owners and community value-added services, and income from hotel business.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Property management services	**87,904**	93,848
Value-added services to non-property owners	**1,805**	4,544
Community value-added services	**9,574**	8,822
Hotel business		
– Rooms operation services	**7,522**	8,250
– Sales of food and beverage	**601**	41
	107,406	115,505
Revenue from other sources:		
Hotel business		
– Leasing of commercial shopping arcades *(Note (ii))*	**925**	955
	925	955
Total revenue	**108,331**	116,460
Type of customers:		
External customers	**96,566**	104,722
Related parties	**11,765**	11,738
	108,331	116,460

Notes:

(i) For the six months ended 30 June 2026, the revenue from Hangzhou Xingfu Jian Holdings Co., Ltd. ("**Xingfu Jian Holdings**") and its subsidiaries (collectively, "**Xingfu Jian Holdings Group**"), a related party of the Group, accounted for approximately 10% (2025: 10%) of the Group's revenue. The Group has a large number of customers in addition to Xingfu Jian Holdings Group, but none of them accounted for 10% or more of the Group's revenue during the period.

(ii) Leasing of commercial shopping arcades represent lease income relating to variable lease payments, which are based on its revenue from hotel operation and rental income.

Disaggregation of revenue from contracts with customers:

The major operating entities of the Group are domiciled in the PRC. Accordingly, all the Group's revenues were derived in the PRC for the six months ended 30 June 2026 and 2025.

For the six months ended 30 June 2026	**Property management services** *RMB'000* **(Unaudited)**	**Value-added services to non-property owners** *RMB'000* **(Unaudited)**	**Community value-added services** *RMB'000* **(Unaudited)**	**Hotel business – rooms operation services and sales of food and beverage** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Timing of revenue recognition					
At a point in time	**–**	**–**	**–**	**601**	**601**
Over time	**87,904**	**1,805**	**9,574**	**7,522**	**106,805**
	87,904	**1,805**	**9,574**	**8,123**	**107,406**

For the six months ended 30 June 2025	Property management services *RMB'000* (Unaudited)	Value-added services to non-property owners *RMB'000* (Unaudited)	Community value-added services *RMB'000* (Unaudited)	Hotel business – rooms operation services and sales of food and beverage *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Timing of revenue recognition					
At a point in time	–	–	–	41	41
Over time	93,848	4,544	8,822	8,250	115,464
	93,848	4,544	8,822	8,291	115,505

5. SEGMENT INFORMATION

(a) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines, including property management services and the corresponding value-added services, and hotel business. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("**CODM**") for the purposes of resource allocation and performance assessment, the Group has presented the following segments.

– Property management services and the corresponding value-added services: this segment includes revenue generated from property management services, value-added services to non-property owners and community value-added services, including consulting and pre-delivery service, and other services.

– Hotel business services: this segment includes revenue generated from hotel rooms operation services, leasing of commercial shopping arcades located within the hotel buildings, as well as provision of food and beverage and ancillary services in such premises.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets managed directly by the segments. Segment liabilities include all contract liabilities, trade and other payables, lease liabilities and other liabilities attributable to the business operation and managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. The measure used for reporting segment profit is profit before taxation. In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment sales), interest income, interest expenses, depreciation and amortisation, impairment losses, share of (loss)/profit arising from the activities of investment in an associate, income tax expense, investments in joint ventures, investment in an associate and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Segment revenue and results

For the six months ended 30 June 2026

	Property management services and the corresponding value-added services *RMB'000* **(Unaudited)**	**Hotel business services** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Revenue from external customers	**99,283**	**9,048**	**108,331**
Inter-segment sales	**–**	**–**	**–**
Reportable segment revenue	**99,283**	**9,048**	**108,331**
Segment profit/(loss)	**6,349**	**(2,012)**	**4,337**

For the six months ended 30 June 2025

	Property management services and the corresponding value-added services *RMB'000* (Unaudited)	Hotel business services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue from external customers	107,214	9,246	116,460
Inter-segment sales	–	–	–
Reportable segment revenue	107,214	9,246	116,460
Segment profit/(loss)	12,452	(574)	11,878

Segment assets and liabilities

As at 30 June 2026

	Property management services and the corresponding value-added services	**Hotel business services**	**Reconciling items**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Segment assets	**553,206**	**23,024**	**–**	**576,230**
Segment liabilities	**150,343**	**8,868**	**–**	**159,211**

As at 31 December 2025

	Property management services and the corresponding value-added services	Hotel business services	Reconciling items	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Audited)	(Audited)	(Audited)	(Audited)
Segment assets	554,059	18,873	–	572,932
Segment liabilities	155,943	6,399	–	162,342

Information about non-current assets

As at 30 June 2026 and 31 December 2025, all of the non-current assets, excluding financial assets at fair value through profit or loss, other receivable and deferred tax assets, of the Group were located in the PRC.

6. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants	**7**	110
Exchange gain	**1,673**	1,575
Fair value gain on financial assets at fair value through profit or loss	**105**	51
Gain on disposal of investment in an associate	**–**	226
Others	**(33)**	493
	1,752	2,455

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expense to a related party	**42**	42

8. INCOME TAX CREDIT/(EXPENSE)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax – PRC Enterprise Income Tax ("**EIT**")	**4,428**	6,024
Deferred tax	**(8,011)**	(439)
	(3,583)	5,585

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

For the six months ended 30 June 2026 and 2025, Hong Kong Profits Tax is calculated under a two-tier profits tax system where the first HK$2 million of estimated assessable profits is taxed at a reduced rate of 8.25% and the remaining of estimated assessable profits is taxed at 16.5%. No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to the tax during the six months ended 30 June 2026 and 2025.

Under the Law of the People's Republic of China on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. During the period, certain subsidiaries of the Group are entitled to a preferential income tax rate of 20% (At 30 June 2025: 20%) for small and micro enterprises with the annual taxable income not more than RMB3 million eligible for 75% (At 30 June 2025: 75%) reduction.

9. PROFIT FOR THE PERIOD

The Group's profit for the period is stated after charging the following:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**4,352**	4,487
Amortisation of intangible assets	**42**	21
Staff costs	**23,104**	26,052
Retirement benefits scheme contributions	**3,117**	2,932
	26,221	28,984

10. EARNINGS PER SHARE

The calculation of the basic earnings per share for the period is based on the profit for the six months ended 30 June 2026 attributable to the owners of the Company of approximately RMB4,652,000 (2025: RMB10,557,000) and on the weighted average number of shares in issue during the period of approximately 3,840,000,000 (2025: 3,840,000,000).

No diluted earnings per share is presented as the Company had no potential ordinary shares outstanding for the six months ended 30 June 2026 and 2025.

11. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025: Nil).

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of approximately RMB181,000 (At 31 December 2025: RMB178,000).

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FINANCIAL ASSETS AT FVTPL")

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Non-current		
Unlisted equity investment in the PRC *(Note (i))*	**16,000**	16,000
Current		
Wealth Management Products *(Note (ii))*	**–**	24,800

Notes:

(i) The unlisted equity investment represented the Group's 2.45% (2025: 2.54%) equity interest in a private entity established in the PRC and the Group does not intend to dispose of it within twelve months from the end of the reporting period. The principal activities of the unlisted equity investment are (i) provision of health consultancy services (excluding medical treatment and clinical services); and (ii) sales of daily necessities, packaging materials and products, Class I medical devices, sanitary ware, instruments; (iii) sales of apparatuses, chemical products (excluding licensed chemical products), and disinfectants (excluding hazardous chemicals), and (iv) internet sales and domestic freight forwarding agency services.

(ii) On 22 December 2025, Hangzhou Xingrun Enterprise Management Co., Ltd. ("**Hangzhou Xingrun**") entered into an agency sales agreement for institutional wealth management product with China Minsheng Banking Corp., Ltd.* (中國民生銀行股份有限公司) ("**China Minsheng Bank**"), pursuant to which Hangzhou Xingrun agreed to subscribe for the Ju Ying Gold – Linked to Gold AU9999 Bullish Ternary Structured Deposit (SDGA253757V) (聚贏黃金－掛鈎黃金AU9999看漲三元結構性存款(SDGA253757V)) offered by China Minsheng Banking Corp., Ltd.* (中國民生银行股份有限公司) (the "**Minsheng Structured Deposit**") in an aggregate amount of RMB24,800,000 using internal resources. The Minsheng Structured Deposit has a term of 90 days, the expected annualised rate of return is 1.0% to 1.92% (non-guaranteed). Hangzhou Xingrun redeemed the Minsheng Structured Deposit on 23 March 2026 and the total gain investment was approximately RMB105,179 with an average annualised rate of return of approximately 1.72%.

14. TRADE AND OTHER RECEIVABLES

	Notes	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade receivables			
– Related parties	*(a)*	**99,400**	90,853
– Third parties	*(a)*	**167,536**	141,256
Less: loss allowance	*(a)*	**(89,919)**	(69,579)
		177,017	162,530
Other debtors			
– Related parties		**9,537**	9,537
– Third parties		**19,409**	22,928
		28,946	32,465
Deposits and prepayments			
– Others		**5,716**	5,696
		211,679	200,691
Non-current portion		**(3,500)**	(3,500)
Current portion		**208,179**	197,191

Notes:

(a) Trade receivables are primarily related to revenue recognised from the provision of property management services, value-added services to non-property owners, community value-added services and hotel business.

At 1 January 2025, trade receivables from contract with customers amounted to approximately RMB142,551,000 (net of loss allowance of approximately RMB52,726,000).

The ageing analysis of trade receivables based on the date of revenue recognition and net of loss allowance is as follows:

	As at 30 June 2026 ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Related parties		
0 to 180 days	**9,808**	19,926
181 to 365 days	**11,773**	14,105
1 to 2 years	**29,410**	23,782
Third parties		
0 to 180 days	**80,633**	74,544
181 to 365 days	**28,225**	20,912
1 to 2 years	**17,168**	9,261
	177,017	162,530

Trade receivables are due when the receivables are recognised.

15. TRADE AND OTHER PAYABLES

	Notes	**As at 30 June 2026** ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade payables			
– Related parties	*(a)*	**7,987**	5,539
– Third parties	*(b)*	**32,926**	38,608
		40,913	44,147
Other payables			
– Related party		**13,512**	12,866
– Deposits		**6,112**	6,002
– Other taxes and surcharges payable		**886**	565
– Cash collected on behalf of the property owners' associations		**19,305**	16,903
– Temporary receipts from property owners		**19,250**	21,177
– Others		**7,951**	8,993
		67,016	66,506
Accrued payroll and other benefits		**13,656**	16,311
		121,585	126,964

Notes:

(a) The credit period granted by related parties (trade nature) to the Group ranges from 30 days to 90 days. The amounts due to related parties are unsecured and interest-free.

(b) Trade payables mainly represent payables arising from sub-contracting services including cleaning, security, landscaping and maintenance services provided by suppliers. The credit period granted by third party suppliers to the Group ranges from 30 to 90 days during the six months ended 30 June 2026 and year ended 31 December 2025.

The ageing analysis of trade payables, based on invoice date is as follows:

	As at 30 June 2026 ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Related parties		
Within 1 year	**4,892**	5,539
After 1 year but within 2 years	**3,095**	–
	7,987	5,539
Third parties		
Within 1 year	**18,599**	21,689
After 1 year but within 2 years	**4,731**	5,982
After 2 years but within 3 years	**759**	994
Over 3 years	**8,837**	9,943
	40,913	44,147

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is a reputable integrated property management service provider in Zhejiang province. Established in Hangzhou in 1995, the Group has three decades of experience in the property management service industry in the People's Republic of China (the "**PRC**"). The Company was successfully listed on the Main Board of the Stock Exchange on 18 January 2021 (the "**Listing**"). The Group is principally engaged in the provision of property management services, value-added services to non-property owners, community value-added services and other businesses. The Group's business covers a wide range of properties, including residential properties and non-residential properties, such as commercial office buildings, city complexes and industrial parks.

As at 30 June 2026, the Group had 21 subsidiaries and 27 branches covering 20 cities in the PRC, the majority of which are located in Zhejiang province, providing property management services to 48 properties, including 36 residential properties and 12 non-residential properties, with a total GFA under management of approximately 8.5 million sq.m. and a total contracted GFA of 9.4 million sq.m..

The table below sets forth the changes in the GFA under management and number of projects under management of the Group as at 30 June 2026 and 2025:

	As at 30 June	
	2026	2025
GFA under management *('000 sq.m.)*	**8,532**	8,505
Number of projects under management	**48**	47

The table below sets forth the GFA under management by region as at 30 June 2026 and 2025:

	As at 30 June					
	2026			2025		
	GFA		**Number**	GFA		Number
	('000 sq.m.)	***%***		*('000 sq.m.)*	*%*	
Hangzhou	**4,659**	**54.6**	**25**	4,796	56.4	25
Zhejiang Province (excluding Hangzhou)	**1,567**	**18.4**	**11**	1,403	16.5	10
Yangtze River Delta region (excluding Zhejiang Province)	**2,166**	**25.4**	**10**	2,166	25.5	10
Other regions	**140**	**1.6**	**2**	140	1.6	2
Total	**8,532**	**100.0**	**48**	8,505	100.0	47

The Group's revenue was mainly generated from four business lines: (i) property management services; (ii) value-added services to non-property owners; (iii) community value-added services; and (iv) other businesses.

During the Period, the Group's revenue was RMB108.3 million, representing a decrease of 7.0% as compared with RMB116.5 million in the corresponding period in 2025. Among which, revenue from property management services was RMB87.9 million, revenue from value-added services to non-property owners was RMB1.8 million, revenue from community value-added services was RMB9.6 million and revenue from other businesses was RMB9.0 million.

Property Management Services

Property management services of the Group primarily consist of security, cleaning, gardening, repair and maintenance of common areas and common facilities and ancillary services to residential properties and non-residential properties. As at 30 June 2026, the number of the projects under management reached 48 properties, including 7 properties from independent third-party property developers. The Group utilised the strength in property management of residential properties to increase the brand value. During the Period, the Group's revenue and gross profit from property management services accounted for 81.1% of total revenue and 76.3% of total gross profit, respectively.

The table below sets forth the breakdown of the Group's total revenue from property management services and GFA under management by type of properties for the periods or as at the dates indicated:

	As at/for the six months ended 30 June							
	2026				2025			
	Revenue		**GFA under management**		Revenue		GFA under management	
	(RMB'000)	***%***	***('000 sq.m.)***	***%***	*(RMB'000)*	*%*	*('000 sq.m.)*	*%*
Residential properties	**58,729**	**66.8**	**7,263**	**85.1**	68,323	72.8	7,236	85.1
Non-residential properties	**29,175**	**33.2**	**1,269**	**14.9**	25,525	27.2	1,269	14.9
Total	**87,904**	**100.0**	**8,532**	**100.0**	93,848	100.0	8,505	100.0

The table below sets forth the breakdown of the Group's total revenue from property management services and GFA under management by type of property developers for the periods or as at the dates indicated:

	As at/for the six months ended 30 June							
	2026				2025			
	Revenue		**GFA under management**		Revenue		GFA under management	
	(RMB'000)	***%***	***('000 sq.m.)***	***%***	*(RMB'000)*	*%*	*('000 sq.m.)*	*%*
Properties solely developed by Sundy Land Group[note]	**46,230**	**52.6**	**3,912**	**45.9**	49,422	52.7	4,048	47.6
Properties co-developed by Sundy Land Group	**32,751**	**37.2**	**2,765**	**32.4**	29,410	31.3	2,765	32.5
Properties developed by independent third-party property developers	**8,923**	**10.2**	**1,855**	**21.7**	15,016	16.0	1,692	19.9
Total	**87,904**	**100**	**8,532**	**100**	93,848	100	8,505	100

Note: Sundy Land Group means Sundy Land Investment Co., Ltd.* (宋都基業投資股份有限公司) and its subsidiaries.

Value-added services to non-property owners

Value-added services to non-property owners encompasses processes such as property development, construction or design, which were mainly provided to non-property owners such as property developers. During the Period, the revenue from value-added services to non-property owners of the Group was RMB1.8 million, accounting for 1.7% of the total revenue for the Period, representing a decrease of 60.3% as compared with RMB4.5 million in the corresponding period in 2025.

The Group relied on the long-term cooperation with Sundy Land Group to acquire projects for value-added services to non-property owners. As at 30 June 2026, the Group's pipeline projects involved 6 properties, representing a GFA of 0.9 million sq.m..

Community value-added services

The Group actively developed community value-added services and created diversified life service scenarios based on the living needs of residents.

During the Period, the revenue from community value-added services of the Group reached RMB9.6 million, which was mainly from property repair and maintenance, waste cleaning, utility fee collection, community space services and retailing businesses.

Other businesses

The Group continued to operate Atour Hotel Hangzhou West Lake Hefang Street* (杭州西湖河坊街亞朵酒店) through its operating subsidiary, Hangzhou Sundy Jiahe Hotel Management Co., Ltd.* (杭州宋都嘉和酒店管理有限公司). Revenue during the Period reached RMB9.0 million, which was primarily generated from hotel room charges, food services and sales of food and beverages and leasing of commercial shopping arcades.

PROSPECTS

In 2026, the property management industry faced intensifying competition for existing stock, continued rising costs, and increasingly stringent regulatory oversight. Against this backdrop, the Group remained steadfast in its core strategy of prudent operations, quality enhancement and efficiency improvement, and innovative breakthroughs. We have fortified our operational foundation to drive the Company's transformation towards high-quality and sustainable development.

In the second half of 2026, the Group will focus on the following key areas:

– Safeguarding the core business and fortifying the baseline for operational safety. Basic property management services form the bedrock of the Company's survival and development. In the second half of the year, the Group will continue to deepen our focus on projects under management. We will adhere to the principles of "stabilising scale, improving collection rates, controlling risks, and optimising structure", while ensuring stringent operational safety and excellent customer service, and prudently expanding our portfolio with high-quality projects.

– Implementing standardised services to enhance quality and efficiency, thereby building sustainable service capabilities and brand competitiveness. We will comprehensively promote the standardisation, regularisation, systematisation, and refinement of our quality services. By proactively anticipating customer needs, we aim to further elevate customer satisfaction.

– Leveraging technology to drive the innovative development of asset-light value-added services and forge a second growth curve. We will optimise our smart property management system and introduce personalised services that better cater to the needs of property owners. Furthermore, we will unlock the value of public spaces within our communities to establish new community resource operation businesses. Concurrently, we will accelerate asset monetisation and unlock the value of existing resources to optimise our capital structure and improve the Company's liquidity, thereby funding the expansion of our value-added businesses.

FINANCIAL REVIEW

Revenue

During the Period, the Group's revenue amounted to RMB108.3 million, representing a decrease of 7.0% as compared with RMB116.5 million in the same period of 2025.

The table below sets forth a breakdown of revenue by business line for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	(RMB'000)	***%***	*(RMB'000)*	*%*
Property management services	**87,904**	**81.1**	93,848	80.6
Value-added services to non-property owners	**1,805**	**1.7**	4,544	3.9
Community value-added services	**9,574**	**8.8**	8,822	7.6
Other businesses	**9,048**	**8.4**	9,246	7.9
Total	**108,331**	**100**	116,460	100

Property management services: Property management services primarily consist of security, cleaning, gardening, repair and maintenance of common areas and common facilities and ancillary services. The portfolio of the Group's properties under management comprises residential properties and non-residential properties. During the Period, the Group realised revenue of RMB87.9 million, representing a decrease of 6.3% as compared to RMB93.9 million in the same period of 2025, accounting for 81.1% of the total revenue during the Period, which is the main source of revenue for the Group. The decrease in revenue was mainly due to a reduction in the number of large-scale projects under management during the Period.

Value-added services to non-property owners: Value-added services to non-property owners are a range of value-added services that the Group provides to non-property owners, primarily property developers. These services mainly include (i) consulting services, including advising property developers and property owners at the early and construction stages on project planning, design management and construction management; (ii) sales assistance services, which assist property developers in showcasing and marketing their properties, including display unit management and visitor reception for property development projects; and (iii) pre-delivery services, including unit cleaning before delivery, inspection services and security services for completed properties. During the Period, the Group realised revenue of RMB1.8 million, representing a decrease of 60.3% as compared to RMB4.5 million in the same period of 2025, accounting for 1.7% of the total revenue during the Period. The decrease was mainly due to the adjustment of the Group's business strategies to ease the negative impact from Chinese property developers.

Community value-added services: Community value-added services are a spectrum of community value-added services the Group provides to customers, primarily property owners and residents, including property repair and maintenance, waste cleaning, utility fee collection and community space services. During the Period, the Group realised revenue of RMB9.6 million, representing an increase of 8.5% as compared to RMB8.8 million in the same period of 2025, accounting for 8.8% of the total revenue during the Period. The increase in revenue from community value-added services was mainly due to our subsidiaries' approach to operations, which focused on products and brand, and enhanced our service quality and our competitiveness in the market.

Other businesses: Other businesses mainly include the hotel business. During the Period, the Group realised revenue of RMB9.0 million, representing a decline of 2.1% as compared to RMB9.3 million in the same period of 2025, accounting for 8.4% of the total revenue during the Period. The decline in revenue from our other businesses was mainly due to a reduction in consumption in the hotel industry as a whole, intensive competition from peers, necessitating adaptation.

Cost of sales

During the Period, the Group's cost of sales was RMB72.9 million, representing a decline of 14.8% as compared to RMB85.6 million in the same period of 2025. The decrease was mainly due to the Group's organizational changes, which was aimed at improved cost efficiency, higher service quality, efficient tech-driven projects, accelerated application and iteration and reinvented projects, in an effort to facilitate the Group's breakthrough of bottlenecks, and to build "small and beautiful" evergreen projects.

Gross profit and gross profit margin

Based on the above factors, during the Period, the Group realised a gross profit of RMB35.4 million, representing an increase of 14.8% as compared to RMB30.8 million in the same period of 2025. During the Period, the Group's gross profit margin increased by 6.2 percentage points from the same period of 2025 to 32.7%.

The table below sets forth a breakdown of gross profit and gross profit margin by business line for the periods indicated:

	For six months ended 30 June			
	2026		2025	
	Gross profit *(RMB'000)*	**Gross profit margin** *%*	Gross profit *(RMB'000)*	Gross profit margin *%*
Property management services	**27,020**	**30.7**	22,124	23.6
Value-added services to non-property owners	**449**	**24.9**	2,313	50.9
Community value-added services	**5,376**	**56.2**	4,375	49.6
Other businesses	**2,552**	**28.2**	2,025	21.9
Total	**35,397**	**32.7**	30,837	26.5

Gross profit of property management services was RMB27.0 million, representing an increase of 22.1% as compared to RMB22.1 million in the same period of 2025. During the Period, the gross profit margin amounted to 30.7%, representing an increase of 7.1 percentage points as compared to 23.6% in the same period of 2025. The growth was mainly due to the Group shifting away from low-margin projects, retaining premium projects, organizational changes, reduced costs and improved efficiency, which resulted in higher profit.

Gross profit of value-added services to non-property owners was RMB0.4 million, representing a decrease of 80.6% as compared to RMB2.3 million in the same period of 2025. During the Period, the gross profit margin amounted to 24.8%, representing a decrease of 26.1 percentage points as compared to 50.9% in the same period of 2025. The decrease was primarily attributable to a reduction in pre-delivery services and sales assistance services.

Gross profit of community value-added services was RMB5.4 million, representing an increase of 22.9% as compared to RMB4.4 million in the same period of 2025. During the Period, the gross profit margin amounted to 56.2%, representing an increase of 6.6 percentage points as compared to 49.6% in the same period of 2025. The increase was mainly due to the diversification of value-added businesses and the expansion of our high gross margin businesses.

Gross profit of other businesses was RMB2.6 million, representing an increase of 26.0% as compared to RMB2.0 million in the same period of 2025. During the Period, the gross profit margin amounted to 28.2%, representing an increase of 6.3 percentage points as compared to 21.9% in the same period of 2025. The increase was primarily attributable to the reduction in cost in the hotel business.

Other income and gains

During the Period, other income of the Group was RMB1.8 million, representing a decrease of 28.6% as compared to RMB2.5 million in the same period of 2025. This was primarily due to the decrease in government grants and the gain on disposal of an investment in an associate.

Selling and marketing expenses

During the Period, selling and marketing expenses of the Group amounted to RMB0.5 million, which remained stable from RMB0.5 million in the same period of 2025.

Administrative expenses

During the Period, administrative expenses of the Group amounted to RMB9.0 million, representing a decrease of 13.0% as compared to RMB10.3 million in the same period of 2025.

Interest income

During the Period, the Group's interest income was RMB0.8 million, representing a slight decrease as compared to RMB0.9 million in the same period of 2025.

Profit before tax

During the Period, the Group's profit before tax was RMB4.3 million, representing a decline of 63.5% from RMB11.9 million in the same period of 2025. Such decline was primarily attributable to an increase of impairment loss on trade and other receivables, as well as the increase of provision for impairment of properties held for sale and loss on fair value changes of investment properties.

Income tax

During the Period, the Group recorded an income tax credit of approximately RMB3.6 million, as compared to an income tax expense of RMB5.6 million for the same period in 2025. This was mainly due to an increase in deferred tax recognised during the Period.

Profit for the Period

During the Period, the Group's profit for the Period was RMB7.9 million, representing a growth of 25.9% from RMB6.3 million in the same period of 2025.

During the Period, profit attributable to owners of the Company was RMB4.7 million, representing a decrease of 55.9% from RMB10.6 million in the same period of 2025. During the Period, the decrease in profit attributable to owners of the Company was primarily attributable to an increase of impairment loss on trade and other receivables.

Current assets, financial resources and current ratio

As at 30 June 2026, the Group's current assets amounted to RMB489.1 million, representing a decrease of 7.3% as compared with RMB527.9 million as at 31 December 2025.

As at 30 June 2026, the Group's cash and cash equivalents amounted to RMB160.7 million, representing an increase of 15.3% as compared with RMB139.3 million as at 31 December 2025, mainly due to the redemption of financial products during the Period.

The current ratio (calculated by dividing current assets by current liabilities) of the Group decreased from 3.25 times as at 31 December 2025 to 3.07 times as at 30 June 2026.

Bank loans and other borrowings

During the Period, the Group did not have any bank loans or other borrowings.

Property, plant and equipment

As at 30 June 2026, the property, plant and equipment of the Group amounted to RMB5.2 million, representing a decrease of 44.7% as compared with RMB9.4 million as at 31 December 2025. This was mainly due to an increase in depreciation charge for the Period.

Capital structure

There has been no change in capital structure of the Company during the Period. The capital of the Company comprises ordinary shares and other reserves.

As at 30 June 2026 and as at the date of this announcement, there are a total of 3,840,000,000 issued shares of the Company at US$0.00001 per share.

Trade and other receivables

As at 30 June 2026, trade and other receivables of the Group amounted to RMB211.7 million, representing an increase of 5.5% as compared with RMB200.7 million as at 31 December 2025. This was mainly due to the delayed settlement of trade receivables during the Period.

The table below sets forth the ageing analysis of trade receivables as at the dates indicated and the subsequent settlement of the trade receivables for the Period.

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)	**Subsequent settlement** *RMB'000*
Related parties			
0 to 180 days	**9,808**	19,926	1
181 to 365 days	**11,773**	14,105	–
1 to 2 years	**29,410**	23,782	316
Third parties			
0 to 180 days	**80,633**	74,544	5,223
181 to 365 days	**28,225**	20,912	457
1 to 2 years	**17,168**	9,261	838
	177,017	162,530	6,835

In order to recover the long aged trade receivables, the Group has taken actions as below:

For related parties (mainly members of Sundy Land Group), the Group regularly follows up with relevant parties on the payment status and sends out reminders on a quarterly or semi-annual basis for accounts receivables with longer ageing periods. Considering the long-term cooperations with Sundy Land Group and the fact that the Group has substantially benefited from such relationship to acquire various projects, as at the date of this announcement, the Group has no current plans to take legal actions regarding such accounts receivables. Meanwhile, the Group will continue to closely monitor the payment status and the recoverability of such accounts receivables, and when necessary, for instance, if payment has not been settled according to the agreed schedule by the relevant parties, the Group will consider and commence legal proceedings against the relevant related parties to recover the said accounts receivables. The Group also actively negotiated with the related parties to deal with the receivables including but not limited to other payables covering the trade receivables and taking assets to cover the unpaid receivables.

For third parties, based on the historical payment record of the customer(s) involved and the actual agreed payment date of the corresponding accounts receivables, the Group has issued or will issue reminders to the customer setting out the deadline to settle the outstanding sum. If such customer does not settle the outstanding sum on or before the deadline, a formal demand letter will be issued. For those accounts receivables which are not recovered after the said actions, the Group will commence legal proceedings accordingly. Given the business nature of the Group, some independent third parties are property owners, and in line with industry practice, the Group also conducts regular activities to encourage such property owners to settle management fees in a timely manner, as well as report to the management the collection status of outstanding management fees on a daily basis.

Impairment loss on trade and other receivables

During the Period, the impairment loss on trade and other receivables of the Group amounted to RMB20.3 million, representing a growth of 84.3% as compared with RMB11.0 million in the same period of 2025. This was mainly due to an increase in trade receivables.

Trade and other payables

As at 30 June 2026, trade and other payables of the Group amounted to RMB121.6 million, representing a decrease of 4.2% as compared with RMB127.0 million as at 31 December 2025. This was mainly due to the decrease in trade payables to third parties and accrued salaries and other benefits.

Contingent liabilities

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

Treasury policy

To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Pledged assets

The Group did not have any pledged assets as at 30 June 2026 (31 December 2025: Nil).

Human resources and remuneration policies

As at 30 June 2026, the Group employed a total of 355 employees (30 June 2025: 408 employees). The staff costs of the Group for the Period were RMB26.2 million (for the six months ended 30 June 2025: RMB29.0 million).

In determining remuneration and discretionary bonuses of Directors and senior management of the Company, the Board will consider the level of skill, knowledge, involvement in the Group's affairs and performance of each Director, together with reference to the profitability of the Company, remuneration benchmarks in the industry, and prevailing market conditions.

The Group ensures that their employees are offered competitive remuneration packages. The Group had also adopted a share option scheme, details of which have been disclosed in the paragraph headed "Statutory and General Information – D. Other information – 1. Share Option Scheme" in Appendix IV of the prospectus of the Company dated 31 December 2020 (the "**Prospectus**").

The Company will also organize regular professional training sessions for employees. The contents of trainings include customer service skills training and technical training to improve the service quality from the frontline to the back office.

Significant investments

As at 30 June 2026, details of the wealth management and structured products purchased by the Group as strategic investments are set out below.

(a) As disclosed in the announcement of the Company dated 13 January 2026, Hangzhou Sundy Property Management Co., Ltd.* (杭州宋都物業經營管理有限公 司) ("**Sundy Property**"), an indirect wholly-owned subsidiary of the Company, entered into a structured deposit product agreement with the Bank of Hangzhou Co., Ltd. ("**Hangzhou Bank**"), pursuant to which, Sundy Property agreed to subscribe for a structured deposit product of RMB12.0 million from Hangzhou Bank by using the internal funds of the Group.

Hangzhou Bank is a commercial bank in the PRC, headquartered in Hangzhou, Zhejiang Province. Its shares are listed on the Shanghai Stock Exchange (stock code: 600926). Hangzhou Bank offers comprehensive commercial banking solutions, including deposits and loans, foreign exchange trading, fund settlement, investment and wealth management, and international finance.

The investment cost of the structured deposit product of Hangzhou Bank was RMB12.0 million. Sundy Property redeemed the structured deposit product of Hangzhou Bank on 30 April 2026 and the total gain on investment in the structured deposit product of Hangzhou Bank was approximately RMB60,213.71 with an average annualised rate of return of approximately 1.85%.

(b) As disclosed in the announcement of the Company dated 15 January 2026, Hangzhou Qiyu Life Services Co., Ltd.* (杭州啟寓生活服務有限公司) ("**Hangzhou Qiyu**"), and Zhejiang Hechen Enterprise Management Co., Ltd.* (浙江和辰企業管理有限公司) ("**Zhejiang Hechen**"), both of which are indirect wholly-owned subsidiaries of the Company, entered into structured deposit product agreements with China Minsheng Bank Co., Ltd. ("**China Minsheng Bank**"), pursuant to which Hangzhou Qiyu and Zhejiang Hechen agreed to subscribe for structured deposit products of RMB9.9 million and RMB16.0 million, respectively, from China Minsheng Bank by using the internal funds of the Group.

China Minsheng Bank is a commercial bank in the PRC, headquartered in Beijing. Its shares are listed on the Shanghai Stock Exchange (stock code: 600016). China Minsheng Bank is principally engaged in providing customers with various wholesale and retail banking products and services, and conducting capital businesses for itself and on behalf of customers.

The investment cost of the structured deposit products of China Minsheng Bank was RMB9.9 million and RMB16.0 million, respectively. Hangzhou Qiyu and Zhejiang Hechen redeemed the structured deposit products of China Minsheng Bank on 17 April 2026 and 22 June 2026,the total gain on investment in the structured deposit products of China Minsheng Bank was approximately RMB40,231.97 and RMB99,428.65, respectively, with an average annualised rate of return of approximately 1.63% and 1.47%, respectively.

(c) As disclosed in the announcement of the Company dated 31 March 2026, Hangzhou Xingrun Enterprise Management Co., Ltd.* (杭州興潤企業管理有限公司) ("**Hangzhou Xingrun**"), an indirect wholly-owned subsidiary of the Company, entered into a structured deposit product agreement with China Minsheng Bank, pursuant to which, Hangzhou Xingrun agreed to subscribe for a structured deposit product of RMB25.0 million from China Minsheng Bank by using the internal funds of the Group.

(d) As disclosed in the announcement of the Company dated 30 April 2026, Hangzhou Qiyu entered into a structured deposit product agreement with China Minsheng Bank, pursuant to which, Hangzhou Qiyu agreed to subscribe for a structured deposit product of RMB9.94 million from China Minsheng Bank by using the internal funds of the Group.

(e) As disclosed in the announcement of the Company dated 20 May 2026, Sundy Property entered into a structured deposit product agreement with Hangzhou Bank, pursuant to which, Sundy Property agreed to subscribe for a structured deposit product of RMB12.0 million from Hangzhou Bank by using the internal funds of the Group.

The investment cost of the structured deposit product of Hangzhou Bank was RMB12.0 million. Sundy Property redeemed the structured deposit product of Hangzhou Bank on 31 August 2026 and the total gain on investment in the structured deposit product of Hangzhou Bank was approximately RMB57,057.53 with an average annualised rate of return of approximately 1.87%.

(f) As disclosed in the announcement of the Company dated 30 June 2026, Zhejiang Hechen entered into a structured deposit product agreement with China Minsheng Bank, pursuant to which, Zhejiang Hechen agreed to subscribe for a structured deposit product of RMB14.8 million from China Minsheng Bank by using the internal funds of the Group.

The Company considers that the above structured deposit products generate a better return than letting its idle funds earn a fixed-term deposit interest with commercial banks in the PRC.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

FOREIGN EXCHANGE RISK EXPOSURE

The Group mainly operates its business in the PRC, and most of its business are conducted in RMB, and its exposure to foreign exchange risks is limited. However, as the proceeds from the Listing are dominated in Hong Kong dollars, the depreciation or appreciation of the Hong Kong dollar and interest rate adjustments will affect the performance of the Group. Therefore, the Group will closely monitor the exchange rate risks and interest rate risks involved, actively discuss foreign exchange hedging solutions with major banks, and use financial instruments to counter the risks involved when necessary.

USE OF PROCEEDS FROM THE LISTING AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The net proceeds from the Listing received by the Company, after deducting the underwriting commission, fees and estimated expenses payable by the Company in connection with the Listing, amounted to approximately HK$133.2 million (based on the final offer price of HK$0.25 per share). The net proceeds from the Listing are intended to be applied in accordance with the section headed "Future Plans and Use of Proceeds" in the Prospectus and with details of the actual use of such proceeds as set out as follows:

– approximately 48% to acquire, invest in, or form strategic alliance with one or more than one financially sound property management company with business focus on provision of property management services to residential and/or non-residential properties within the Yangtze River Delta region, particularly Hangzhou and other cities where the Group considers to be appropriate based on the market needs. As at the date of this announcement, approximately 15.3% of the amount has been utilised, mainly for investment in a joint venture and an associate and it is expected to be fully utilised by 31 December 2026;

– approximately 12% to invest in and expand the services related to the Future Community Pilot Plan as defined in the Prospectus, which primarily involves the provision of property management services and various types of community value-added services. As at the date of this announcement, all of the amount has been used for investing in digital upgrades among the certain future communities;

– approximately 15% to create a smart community through utilisation of advanced technology, such as the use of electronic patrolling systems and smart accesses, introduction of intelligent products and services and utilisation of digital equipment; and develop a mobile application for property owners and residents. As at the date of this announcement, all of the amount has been utilised to develop and upgrade the online-offline mobile application;

– approximately 15% to explore, diversify and expand its community value-added services, including move-in and move-out services, household services, home cleaning and laundering services, childcare, babysitting and elderly care services for property owners and residents; and expand other businesses, in particular long-term rental apartment business. As at the date of this announcement, approximately 55.2% of the amount has been utilised, mainly for investing in childcare, babysitting and elderly care services for residents and it is expected to be fully utilised by 31 December 2026; and

– approximately 10% to provide funding for its working capital and other general corporate purposes. As at the date of this announcement, all of the amount has been used for payment of related intermediary service fees after the Listing and other operating purposes.

EVENTS AFTER THE PERIOD

There were no material events after 30 June 2026 and up to the date of this announcement.

INTERIM DIVIDEND

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance the corporate value and accountability of the Company.

The Directors are of the view that, during the Period and up to the date of this announcement, the Company has adopted and complied with all applicable code provisions under the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"). The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Directors. The Company had made specific enquiry and each Director confirmed that they have complied with the Model Code during the Period and up to the date of this announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Period and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established the Audit Committee in compliance with the Listing Rules to fulfil the functions of reviewing and monitoring the financial reporting and internal controls of the Company. The Audit Committee currently consists of three independent non-executive Directors, namely, Ms. Ye Qian, Mr. Huang Enze and Mr. Zhu Haoxian. Ms. Ye Qian is the chairman of the Audit Committee.

The Audit Committee has reviewed with the management of the Company the unaudited interim financial statements and interim results as at 30 June 2026.

PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained a sufficient public float as required by the Listing Rules during the Period and up to the date of this announcement. The Company maintained the minimum level of public float of 25% of its total issued share capital.

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

This announcement has been published on the websites of the Stock Exchange at (www.hkexnews.com.hk) and the Company at (https://www.songdufuwu.com/en/). The interim report of the Company for the Period, which contains all information required by the Listing Rules, will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Sundy Service Group Co. Ltd
Yu Yun
Chairman

Hong Kong, 31 August 2026

As at the date of this announcement, the Board comprises four executive Directors, Ms. Yu Yun (Chairman), Mr. Zhu Yihua (Chief Executive Officer), Mr. Zhu Congyue and Mr. Zhang Zhenjiang, and three independent non-executive Directors, Mr. Zhu Haoxian, Mr. Huang Enze and Ms. Ye Qian.

* *For identification purpose only*