和泓服務
HEVOL SERVICES

HEVOL SERVICES GROUP CO. LIMITED
和泓服務集團有限公司
(Incorporated in the Cayman Islands with limited liability)
Stock Code：6093

2026
INTERIM REPORT

A Happy Life With Hevol

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Corporate Information

BOARD OF DIRECTORS

Executive Directors
Mr. Wang Wenhao *(Chief Executive Officer)*
Ms. Hu Hongfang

Non-executive Directors
Mr. Liu Jiang *(Chairman)*
Mr. Zhou Wei

Independent Non-executive Directors
Mr. Qian Hongji
Mr. Fan Chi Chiu
Dr. Chen Lei

AUDIT COMMITTEE

Mr. Fan Chi Chiu *(Chairman)*
Mr. Qian Hongji
Dr. Chen Lei

REMUNERATION COMMITTEE

Dr. Chen Lei *(Chairman)*
Mr. Qian Hongji
Ms. Hu Hongfang

NOMINATION COMMITTEE

Mr. Qian Hongji *(Chairman)*
Dr. Chen Lei
Ms. Hu Hongfang

COMPANY SECRETARY

Mr. Lee Lap Keung
(Hong Kong Certified Public Accountant)

AUTHORISED REPRESENTATIVES

Mr. Wang Wenhao
Mr. Lee Lap Keung

REGISTERED OFFICE

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Certified Public Accountants
Registered Public Interest Entity Auditor
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STOCK CODE

6093

DATE OF LISTING

12 July 2019

Chairman's Statement

Dear shareholders,

On behalf of the board of directors (the "**Board**") of Hevol Services Group Co. Limited (the "**Company**", together with its subsidiaries, the "**Group**"), I am pleased to present the interim results of the Company for the six months ended 30 June 2026 (the "**Reporting Period**").

During the first half of 2026, the property management services industry continued to undergo structural adjustments and value repositioning. As the real estate market remained in a downturn, the industry has been pivoting from scale-driven expansion towards a model anchored in existing stock operations, service quality and operational efficiency. At the same time, persistent cost pressures from labor and facility maintenance, coupled with ongoing difficulties in fee adjustments and collection, have further highlighted the critical importance of operational quality and cash flow management. Against this backdrop, policy initiatives have continued to encourage the integration of property management services into grassroots governance, community building and urban renewal, while new opportunities have also emerged in non-residential segments, urban services and value-added community services. The Group has adhered to a strategy of pursuing steady progress with quality as the top priority, and has stepped up its efforts in service fundamentals, market expansion, value-added services and smart operations, so as to strengthen its long-term resilience amid industry transformations.

PARTY-BUILDING INITIATIVES STEERING QUALITY ENHANCEMENT, AND HEARTFELT SERVICES CEMENTING THE FOUNDATION

During the Reporting Period, the Group remained customer-centric and aligned its efforts with policy requirements on service quality enhancement and grassroots governance, embedding a philosophy of caring services throughout its operations. It promoted the integration of Party-building initiatives with customer care, community welfare and homeowner co-governance, further advancing the development of "Red Property" services. The Group established a standardized caring service framework and worked closely with local sub-district offices and communities to roll out three core service pillars – service innovation, proactive assistance and thoughtful care – tailored to homeowner needs. It strengthened its foundational "four maintenance plus one customer service" offering, and put in place streamlined processes for rapid response, closed-loop resolution and empathetic follow-ups, effectively addressing homeowner concerns, reshaping the emotional value of community services and lifting overall homeowner satisfaction. Leveraging Party-building to empower its service teams, the Group translated its founding mission into frontline service momentum. It curated a caring culture trail within its properties and rolled out initiatives including micro-renovations, neighborhood convenience support, community events and regular care for vulnerable groups. These efforts elevated service delivery from mere compliance to genuine connection, fostering a warm community circle and reinforcing the foundation for harmonious, co-governed and shared communities.

REMAINING COMMITTED TO THE FULL-COMMISSION DEVELOPMENT APPROACH, WITH CONTINUED EFFORTS TO ENHANCE DEVELOPMENT QUALITY AND EFFICIENCY

The Group remained committed to its market-oriented full-commission development strategy, focusing on core cities and key operating regions. In strict compliance with the principles of regional concentration, project clustering and quality prioritization, the Group exercised prudence in project acquisition, and continued to expand its presence across a diverse range of property formats, including residential communities, public buildings, schools, industrial parks, commercial offices, tourist attractions and transportation services. During the Reporting Period, the Group strengthened the alignment between market development and project operations, refined the full-cycle project management framework and enhanced the coordination mechanism between headquarters and city-level branches. Key focus areas included the assessment of project operating fundamentals, cash flow profiles, cost parameters and performance risks, with a view to improving the quality of project screening, contract conversion and on-boarding operations. In recognition of the room for improvement in project advancement and conversion efficiency in certain regions, the Group further stepped up its tiered management and process supervision over key projects. Meanwhile, the Group proactively explored the application of artificial intelligence in project evaluation, tender analysis, project modeling and operational reviews, and continued to refine the relevant tools through real-case deployment. In the second half of the year, the Group will remain focused on its annual operating targets, accelerate the signing and conversion of key projects, strengthen cost estimation, risk assessment and post-project evaluation, and continue to enhance the business structure and operational quality of its full-commission operations.

DEEPENING SMART PROPERTY MANAGEMENT AND DRIVING AI-ENABLED EFFICIENCY ENHANCEMENT

During the Reporting Period, the Group proactively responded to the trends of digitalization and intelligent development, and continued to explore the integration of AI technologies with property service scenarios, leveraging technological means to enhance service efficiency, operational quality and risk management capabilities. The Group rolled out smart upgrades across key operational areas, including equipment inspection, security patrols, work order dispatching, customer services and energy management, progressively reducing repetitive manual input and raising the standardization and refinement of project management. At the same time, the Group continued to enhance its online service portals and internal management tools, streamlining the processes for homeowner repair requests, fee payments, enquiries and community lifestyle services, thereby improving service responsiveness and user convenience. Looking ahead, the Group will remain focused on the objectives of "risk control, experience optimization, cost reduction and efficiency improvement", advancing the deployment of AI and digital tools across a broader range of service scenarios, and sustaining the momentum for high-quality development through technology-enabled service enhancement.

The Group has always adhered to its service philosophy of "Happy Life With Hevol", staying true to its service-oriented mission and continuously refining service quality. Looking ahead, the Group will continue to consolidate its development foundation through service excellence, optimize its business structure through market expansion, and enhance operational efficiency through smart technologies, so as to steadily strengthen its capabilities for sustainable development.

Last but not least, on behalf of the Board, I would like to express sincere gratitude to all shareholders, business partners, property owners, customers and suppliers for their continued support and trust in the Group over the years. Our heartfelt appreciation also goes to the management team and all employees for their dedication, professionalism and hard work.

Liu Jiang
Chairman of the Board

Hong Kong, 28 August 2026

Management Discussion and Analysis

BUSINESS REVIEW

Overview

With over 24 years of dedicated experience in property management services, the Group is one of the early market participants in the property services sector in China. To date, the Group has been included in the China Top 100 Property Management Enterprises for 12 consecutive years, ranking 20th in the "2026 China Top 100 Property Management Enterprises (2026中國物業服務百強企業)". Backed by its standardized operating systems and well-regulated service management capabilities, the Group has received a number of prestigious industry accolades, including the "2026 Top 20 Listed Property Management Companies in China (2026中國物業管理行業上市物企20強)", the "2026 Outstanding Enterprise in Red Property Services in China (2026中國紅色物業服務優秀企業)", the "2026 Leading Enterprise in Smart Property Services in China (2026中國物業智慧物業服務領軍企業)" and the "2026 Top 100 Influential Property Brands in China (2026中國物業品牌影響力百強企業)".

For the six months ended 30 June 2026, the Group recorded revenue of approximately RMB619.5 million, representing a decrease of approximately RMB81.9 million, or approximately 11.7%, as compared with approximately RMB701.4 million for the corresponding period in 2025. Gross profit amounted to approximately RMB142.9 million, representing a decrease of approximately RMB36.2 million, or approximately 20.2%, from approximately RMB179.1 million in the same period of 2025, with a gross profit margin of approximately 23.1%. For the six months ended 30 June 2026, the Group's profit after income tax was approximately RMB12.2 million, representing a decrease of approximately RMB2.0 million, or approximately 13.5%, as compared with approximately RMB14.2 million for the corresponding period in 2025.

Property management services

The Group provides a range of property management services to property owners, residents, and property developers, including security, cleaning, greening, gardening as well as repair and maintenance services. The Group's property management portfolio focuses on serving residential communities and also involves other types of properties, such as commercial properties and government offices, schools, hospitals, industrial parks and other professional services projects.

For the six months ended 30 June 2026, revenue from property management services amounted to approximately RMB515.0 million, representing a decrease of approximately RMB51.7 million, or approximately 9.1%, from approximately RMB566.7 million in the corresponding period of 2025. For the six months ended 30 June 2026, revenue generated from property management services accounted for approximately 83.1% of the Group's total revenue during the period.

For the six months ended 30 June 2026, the Group had 381 contracted projects, with a total contracted gross floor area ("**GFA**") of approximately 60.7 million sq.m., representing a decrease of approximately 0.7 million sq.m., or approximately 1.1%, from approximately 61.4 million sq.m. in the corresponding period of 2025. The Group had 369 projects under management, with a total GFA under management of approximately 55.6 million sq.m., representing a decrease of approximately 0.2 million sq.m. from approximately 55.8 million sq.m. in the corresponding period of 2025. These projects are primarily located across six regions in China, namely North China, Northeast China, East China, Central China, Southwest China, and South China.

The table below sets out the breakdowns of (i) revenue from property management services and (ii) GFA under management classified by geographic regions in which the Group provides property management services for the periods indicated:

	Six months ended 30 June							
	2026				2025			
	Revenue generated from property management services *(RMB'000)*	*(%)*	GFA under management *('000 sq.m.)*	*(%)*	Revenue generated from property management services *(RMB'000)*	*(%)*	GFA under management *('000 sq.m.)*	*(%)*
Northern China [(1)]	70,069	13.6	6,215	11.1	72,884	12.9	6,569	11.8
Northeastern China [(2)]	19,188	3.7	2,422	4.4	20,249	3.6	2,606	4.7
Eastern China [(3)]	85,696	16.7	8,872	16.0	115,403	20.4	8,176	14.6
Central China [(4)]	13,631	2.6	2,788	5.0	9,272	1.6	1,339	2.4
Southwestern China [(5)]	287,464	55.8	32,224	58.0	287,962	50.8	31,505	56.4
Southern China [(6)]	38,919	7.6	3,044	5.5	60,929	10.7	5,645	10.1
Total	514,967	100.0	55,564	100.0	566,699	100.0	55,840	100.0

Notes:

(1) "Northern China" includes Beijing, Tianjin, Tangshan, Hohhot and Xinzhou.

(2) "Northeastern China" includes Harbin, Shenyang, Panjin and Dandong.

(3) "Eastern China" includes Shanghai, Kunshan, Changshu, Hangzhou, Jiaxing, Taizhou and Jinan.

(4) "Central China" includes Changsha, Yiyang, Yueyang, Huaihua, Wuhan, Zaoyang and Chibi.

(5) "Southwestern China" includes Chongqing, Chengdu, Neijiang, Meishan, Guiyang, Zunyi, Qiannan Prefecture, Honghe Prefecture, Zhaotong, Kaili and Liangshan Prefecture.

(6) "Southern China" includes Shenzhen, Zhongshan, Jiangmen, Dongguan, Huizhou, Guangzhou, Zhuhai, Haikou, Sanya, Lingshui, Wenchang and Ledong.

The following diagram illustrates the Group's geographical coverage of properties services projects under management as at 30 June 2026:

Northeastern China

Harbin, Shenyang, Panjin and Dandong

Northern China

Beijing, Tianjin, Tangshan, Hohhot and Xinzhou

Eastern China

Shanghai, Kunshan, Changshu, Hangzhou, Jiaxing, Taizhou and Jinan

Southwestern China

Chongqing, Chengdu, Neijiang, Meishan, Kaili, Liangshan Prefecture, Guiyang, Zunyi, Qiannan Prefecture, Honghe Prefecture and Zhaotong

Southern China

Shenzhen, Zhongshan, Jiangmen, Dongguan, Huizhou, Guangzhou, Zhuhai, Haikou, Sanya, Lingshui, Wenchang and Ledong

Central China

Changsha, Yiyang, Yueyang, Huaihua, Wuhan, Zaoyang and Chibi

The table below sets out the breakdowns of its (i) revenue generated from property management services and (ii) GFA under management by type of properties for the periods indicated:

	Six months ended 30 June							
	2026				2025			
	Revenue generated from property management services		GFA under management		Revenue generated from property management services		GFA under management	
	RMB'000	*%*	*'000 sq.m.*	*%*	*RMB'000*	*%*	*'000 sq.m.*	*%*
Residential properties	**427,813**	**83.1**	**49,752**	**89.5**	484,425	85.5	49,515	88.7
Non-residential properties	**87,154**	**16.9**	**5,812**	**10.5**	82,274	14.5	6,325	11.3
Total	**514,967**	**100.0**	**55,564**	**100.0**	566,699	100.0	55,840	100.0

Community value-added services

As an extension of the Group's property management services business, the Group provides community value-added services to property owners and residents according to their needs. The Group's community value-added services help to meet the high-quality life needs of the property owners and residents, enhance their customer experience, as well as to create a healthier and more convenient living community. The community value-added services, mainly includes home-living services, housing asset management, housing decoration and renovation services, community group purchase, online community business platform, leasing of car parking space, and leasing of common facilities.

For the six months ended 30 June 2026, revenue from community value-added services amounted to approximately RMB99.7 million, representing a decrease of approximately RMB24.5 million, or approximately 19.7%, from approximately RMB124.2 million in the corresponding period of 2025. For the six months ended 30 June 2026, revenue generated from community value-added services accounted for approximately 16.1% of the Group's total revenue during the period.

Value-added services to non-property owners

Revolving around the needs of property developers, the Group mainly provides site services and diverse auxiliary property management services for property developers, and provides full-cycle and full-process services before property sales and delivery. Based on the professional service standards of the Group in the property management industry, it assists property developers to enhance brand value in an all-rounded way.

For the six months ended 30 June 2026, revenue from value-added services to non-property owners amounted to approximately RMB4.8 million, representing a decrease of approximately RMB5.7 million, or approximately 54.6%, from approximately RMB10.5 million in the corresponding period of 2025. For the six months ended 30 June 2026, revenue generated from value-added services to non-property owners accounted for approximately 0.8% of the Group's total revenue during the period.

FUTURE OUTLOOK

The industry trend of stock-market competition and quality-driven efficiency enhancement is set to continue, with prudent operations, quality prioritization and value cultivation emerging as key directions for long-term corporate development. In the next phase, the Group will remain firmly focused on its core business of property management services, stay customer-centric, and continue to deepen its caring service approach under the guidance of Party-building initiatives. It will steadily advance market-oriented expansion and the deepening of quality projects, continuously refine its community value-added service portfolio, and prudently roll out digital and intelligent tools. The Group will keep optimizing its business structure, enhance project operational quality and refined management capabilities, and strengthen its service reputation, operational resilience and capacity for sustainable development, in a concerted effort to achieve more stable growth amid the ongoing industry adjustment cycle.

FINANCIAL REVIEW

Revenue

The Group derived revenue from: (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners. Total revenue decreased by approximately RMB81.9 million, or approximately 11.7%, from approximately RMB701.4 million for the six months ended 30 June 2025 to approximately RMB619.5 million for the six months ended 30 June 2026. Such decrease was primarily attributable to (i) a decrease in revenue from property management services of approximately RMB51.7 million, or approximately 9.1%, as the Group's intensified fully entrusted market expansion efforts to acquire new property service projects for high-quality residential communities and public buildings with higher unit prices were offset by the decrease in revenue from property management services arising from the disposals of two subsidiaries, namely, Jiangsu Shenhua Times Property Group Co., Ltd.* (江蘇深華時代物業集團有限公司) ("**Jiangsu Shenhua**") and Zhongshan Zhongzheng Property Management Co., Ltd.* (中山市中正物業管理有限公司) ("**Zhongshan Zhongzheng**") in 2025 (the "**2025 Disposals**") as disclosed in the announcements of the Company dated 9 May 2025, 20 May 2025 and 14 November 2025, respectively; and (ii) a significant decrease in revenue from public utilities space leasing, site leasing, real estate brokerage services, home furnishing and decoration, and other diversified operation services, resulting in a decrease in revenue from community value-added services of approximately RMB24.5 million, or approximately 19.7%.

* *for identification purpose only*

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

	Six months ended 30 June					
	2026		2025		Change	
	RMB'000	***%***	*RMB'000*	*%*	*RMB'000*	*%*
Property management services	**514,967**	**83.1**	566,699	80.8	-51,732	-9.1
Community value-added services	**99,735**	**16.1**	124,212	17.7	-24,477	-19.7
Value-added services to non-property owners	**4,753**	**0.8**	10,469	1.5	-5,716	-54.6
Total	**619,455**	**100.0**	701,380	100.0	-81,925	-11.7

Property management services

Property management services primarily include the provision of security, cleaning, greening, gardening as well as repair and maintenance services to residential communities, commercial properties and other professional service projects. Revenue from property management services decreased by approximately RMB51.7 million, or approximately 9.1%, from approximately RMB566.7 million for the six months ended 30 June 2025 to approximately RMB515.0 million for the six months ended 30 June 2026. Such decrease was primarily attributable to the Group's intensified fully entrusted market expansion efforts to acquire new property service projects for high-quality residential communities and public buildings with higher unit prices, which were offset by the decrease in revenue from property management services of approximately RMB53.2 million arising from the 2025 Disposals.

Community value-added services

Revenue from community value-added services decreased by approximately RMB24.5 million, or approximately 19.7%, from approximately RMB124.2 million for the six months ended 30 June 2025 to approximately RMB99.7 million for the six months ended 30 June 2026. Such decrease was primarily attributable to (i) a decrease in revenue from public utilities space leasing, site leasing and real estate brokerage services of approximately RMB8.0 million; (ii) a decrease in revenue from home furnishing and decoration and other diversified operation services of approximately RMB8.1 million; and (iii) a decrease in revenue from community value-added services of approximately RMB5.0 million arising from the disposal of two subsidiaries in 2025.

Value-added services to non-property owners

The Group provides a wide range of value-added services to non-property owners including site services and auxiliary property management services. Revenue from value-added services to non-property owners decreased by approximately RMB5.7 million, or approximately 54.6%, from approximately RMB10.5 million for the six months ended 30 June 2025 to approximately RMB4.8 million for the six months ended 30 June 2026. Such decrease was mainly due to a further decrease of site services and auxiliary property management services to property developers resulted from impact of domestic real estate market as well as the decrease in service prices.

Cost of Sales

Cost of sales of the Group primarily comprises staff costs, sub-contracting costs, utility expenses, repairs and maintenance costs, cost of providing ancillary property management services, material costs and sales taxes. Cost of sales decreased by approximately RMB45.7 million, or approximately 8.8%, from approximately RMB522.3 million for the six months ended 30 June 2025 to approximately RMB476.6 million for the six months ended 30 June 2026. Such decrease was mainly attributable to: (i) the cost of approximately RMB27.1 million in respect of Jiangsu Shenhua, a subsidiary disposed of in May 2025, included in the cost for the six months ended 30 June 2025; and (ii) the cost of approximately RMB18.1 million in respect of Zhongshan Zhongzheng, a subsidiary disposed of in November 2025, included in the cost for the six months ended 30 June 2025. Such costs, amounting to approximately RMB45.2 million in aggregate, were not incurred in the cost for the six months ended 30 June 2026, thereby leading to a reduction in cost of sales.

Gross Profit and Gross Profit Margin

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

	Six months ended 30 June					
	2026		2025			
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Change	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Property management services	100,609	19.5	123,274	21.8	-22,655	-18.4
Community value-added services	41,303	41.4	53,703	43.2	-12,400	-23.1
Value-added services to non-property owners	962	20.2	2,100	20.1	-1,138	-54.2
Total	142,874	23.1	179,077	25.5	-36,203	-20.2

Overall gross profit of the Group decreased by approximately RMB36.2 million, or approximately 20.2%, from approximately RMB179.1 million for the six months ended 30 June 2025 to approximately RMB142.9 million for the six months ended 30 June 2026. The overall gross profit margin decreased from approximately 25.5% for the six months ended 30 June 2025 to approximately 23.1% for the six months ended 30 June 2026. Such decrease was primarily attributable to (i) the significant investment in the preliminary stage of new projects for market expansion and increased engineering repair and equipment maintenance expenses in the property management services segment to improve project quality; and (ii) the Group's continuous expansion into new business formats, resulting in increased utility expenses as the number of public building projects increased.

Property management services

Gross profit for the Group's property management services decreased by approximately RMB22.7 million, or approximately 18.4%, from approximately RMB123.3 million for the six months ended 30 June 2025 to approximately RMB100.6 million for the six months ended 30 June 2026. Gross profit margin of the Group's property management services decreased to approximately 19.5% for the six months ended 30 June 2026 from approximately 21.8% for the six months ended 30 June 2025. Such decrease was primarily attributable to (i) the significant investment in the preliminary stage of new projects for market expansion and increased engineering repair and equipment maintenance expenses in the property management services segment to improve project quality; and (ii) the Group's continuous expansion into new business formats, resulting in increased utility expenses as the number of public building projects increased.

Community value-added services

Gross profit for the Group's community value-added services decreased by approximately RMB12.4 million, or approximately 23.1%, from approximately RMB53.7 million for the six months ended 30 June 2025 to approximately RMB41.3 million for the six months ended 30 June 2026. Gross profit margin for the Group's community value-added services decreased from approximately 43.2% for the six months ended 30 June 2025 to approximately 41.4% for the six months ended 30 June 2026, mainly because the Group provided a variety of convenient services to community residents such as focusing on carrying out partial building renovation and refurbishment businesses, which have relatively low gross profit margins.

Value-added services to non-property owners

Gross profit for the Group's value-added services to non-property owners decreased by approximately RMB1.1 million, or approximately 54.2%, from approximately RMB2.1 million for the six months ended 30 June 2025 to approximately RMB1.0 million for the six months ended 30 June 2026. Gross profit margin for the Group's value-added services to non-property owners remained largely stable at approximately 20.1% for the six months ended 30 June 2025 and approximately 20.2% for the six months ended 30 June 2026, while the decrease in gross profit was mainly attributable to the decrease in prices of sales site and ancillary property management services provided to property developers resulting from impact of real estate market in the PRC.

Other income and gains and losses, net

Other income, gains and losses, net of the Group was a gain of approximately RMB2.3 million for the six months ended 30 June 2026, while other income, gains and losses, net amounted to a net loss of approximately RMB19.2 million for the six months ended 30 June 2025. The loss was mainly attributable to a one-time loss of approximately RMB19.3 million resulting from the disposal of 51% equity interest in Jiangsu Shenhua.

Administrative Expenses

Administrative expenses of the Group mainly include staff costs, bad debts, hospitality expenses, professional fees, conference fees, training costs for its employees, travelling fees, depreciation and amortisation. The Group's administrative expenses decreased by approximately RMB20.0 million, or approximately 20.8%, from approximately RMB96.1 million for the six months ended 30 June 2025 to approximately RMB76.1 million for the six months ended 30 June 2026, primarily due to (i) a reduction in staff costs of approximately RMB18.3 million as a result of a decrease in the number of employees of the Group by 247 as compared with the corresponding period in 2025; and (ii) the Group's enhanced cost control measures, which led to reductions in daily hospitality expenses and office expenses, as well as the adoption of online meetings wherever possible to replace physical meetings, thereby decreasing conference fees and travelling fees.

Income Tax Expense

Income tax expense of the Group decreased by approximately RMB14.2 million, or approximately 111.2%, from approximately RMB12.8 million for the six months ended 30 June 2025 to approximately RMB-1.4 million for the six months ended 30 June 2026, primarily due to the inclusion of tax effect on non-taxable income.

Profit for the Period

Profit for the period of the Group decreased by approximately RMB2.0 million, or approximately 13.5%, from approximately RMB14.2 million for the six months ended 30 June 2025 to approximately RMB12.2 million for the six months ended 30 June 2026, mainly attributable to (i) a one-time loss of approximately RMB19.3 million resulting from the disposal of 51% equity interest in Jiangsu Shenhua; (ii) the increase in provision for credit impairment of trade receivables of approximately RMB24.3 million; and (iii) an increase in repairs and maintenance costs, sub-contracting costs, utilities expenses and pre-investment costs for new property service projects in order to improve project quality.

Intangible Assets

Intangible assets of the Group mainly consisted of identified property management contracts and customer relationships, which decreased from approximately RMB67.7 million as at 31 December 2025 to approximately RMB61.9 million as at 30 June 2026, mainly due to the decrease in intangible assets resulting from amortisation during the period.

Investment Properties

Investment properties of the Group consisted of certain car parking spaces and shop premises, which decreased from approximately RMB74.3 million as at 31 December 2025 to approximately RMB72.5 million as at 30 June 2026, mainly due to investment property additions for the period of approximately RMB7.0 million, set off by depreciation of investment properties of approximately RMB8.8 million.

Goodwill

Goodwill of the Group amounted to approximately RMB415.6 million as at 30 June 2026, which was consistent with that as at 31 December 2025.

Trade and Other Receivables

Trade and other receivables mainly include trade receivables, prepayments and other receivables. Trade receivables are mainly related to property management services as well as value-added services. Trade receivables of the Group increased from approximately RMB387.0 million as at 31 December 2025 to approximately RMB443.0 million as at 30 June 2026, primarily due to the organic growth of trade receivables. Other receivables increased from approximately RMB306.2 million as at 31 December 2025 to approximately RMB349.5 million as at 30 June 2026, mainly attributable to (i) an increase in performance bonds and tender bonds paid for new project expansion, as well as various deposits and other receivables of RMB27.5 million; (ii) an increase in payments made on behalf of property owners of RMB3.7 million; and (iii) an increase in prepayments of RMB7.8 million. The Group seeks to strengthen strict control over its outstanding receivables, performs ongoing credit evaluation of its customers and makes frequent contact with customers to encourage regular payment of management fees.

Contract Liabilities

The Group's contract liabilities mainly arise from advance payments made by customers while the underlying property management services are yet to be provided. Contract liabilities of the Group decreased from approximately RMB367.4 million as at 31 December 2025 to approximately RMB321.0 million as at 30 June 2026.

Trade and Other Payables

Trade payables of the Group increased from approximately RMB149.2 million as at 31 December 2025 to approximately RMB185.8 million as at 30 June 2026, primarily due to an increase in purchase of materials and utilities during the period. Other payables consist of accrued charges and other payables, consideration payables, financial guarantees issued, accrued staff costs, other tax liabilities and amounts collected on behalf of property owner committees and property owners. Other payables of the Group increased from approximately RMB332.0 million as at 31 December 2025 to approximately RMB362.2 million as at 30 June 2026, primarily due to an increase in accrued charges and other payables of approximately RMB36.9 million, which was partially offset by a decrease in staff costs and welfare accruals and other tax liabilities.

Liquidity, Financial and Capital Resources

The Group's cash and cash equivalents decreased from approximately RMB239.5 million as at 31 December 2025 to approximately RMB126.0 million as at 30 June 2026. As at 30 June 2026, the cash and cash equivalents of the Group were mainly denominated in RMB and HKD. The Group's financial position remained solid. The Group's net current assets decreased from approximately RMB-0.6 million as at 31 December 2025 to approximately RMB-13.3 million as at 30 June 2026. As at 30 June 2026, the Group's current ratio was approximately 0.99 times compared to approximately 1.00 times as at 31 December 2025. During the six months ended 30 June 2026, the Group did not employ any financial instrument for hedging purpose.

As at 30 June 2026, the Group had outstanding bank borrowings of approximately RMB77.4 million (31 December 2025: approximately RMB102.2 million), of which certain investment properties of the Group of approximately RMB35.4 million were pledged for the Group's bank borrowings of RMB19.9 million; and certain trade receivables of the Group of RMB70.0 million were pledged for the Group's bank borrowings of RMB25.5 million. The borrowings were denominated in RMB. As at 30 June 2026, 100% (31 December 2025: 100%) of the Group's borrowings were on fixed interest rates.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. The Board of the Company closely monitors the Group's liquidity positions, while surplus cash will be invested appropriately with the consideration of the credit risks, liquidity risks and market risks of the financial instruments.

Foreign Exchange Risk and Related Hedges

The Group is principally focused on its business in China. Except for bank deposits denominated in foreign currencies, the Group was not subject to any other material risk directly relating to foreign exchange fluctuation. During the six months ended 30 June 2026, the directors of the Company ("**Directors**") expected that fluctuations of the RMB exchange rate would not materially and adversely affect the operations of the Group. The Group does not hedge its foreign currency risk. The Group does not have a foreign currency hedging policy. The management will continue to monitor the foreign exchange exposure, and take prudent measures to reduce foreign exchange risks.

Employees and Remuneration Policies

The Group had 3,729 employees as at 30 June 2026 compared to 3,976 employees as at 30 June 2025. For the six months ended 30 June 2026, the Group's total staff costs were approximately RMB189.4 million. The remuneration package of the Group's employees included salary, bonus and other cash subsidies. Employees were rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group was subject to social insurance contribution plans or other pension schemes prescribed by the local governments and was required to pay on behalf of the employees a monthly social insurance fund covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, the housing provident fund, or other mandatory provident fund schemes on behalf of the employees. The Group hosted comprehensive internal staff training programmes for its staff to improve and enhance their technical and service skills, as well as to provide them with the knowledge of industry quality standards and work place safety standards. The Group provided orientation training to new hires and introduce them to the Group's corporate culture to understand its service standards and procedures. The Group also provided training courses and regular seminars on various aspects of its business operations, such as quality control and customer relationship management, to its employees. The Group had also adopted a share option scheme, details of which are disclosed in the paragraph headed "Share Option Scheme" in this report.

Corporate Governance and Other Information

INTERIM DIVIDEND

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

CHARGE ON ASSETS

As at 30 June 2026, certain investment properties of the Group of approximately RMB35.4 million (31 December 2025: approximately RMB37.2 million) were pledged for the Group's bank borrowings of RMB19.9 million (31 December 2025: approximately RMB22.4 million); and certain trade receivables of the Group of RMB70.0 million (31 December 2025: RMB70.0 million) were pledged for the Group's bank borrowings of RMB25.5 million (31 December 2025: RMB29.5 million).

GEARING RATIO

The Group's gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest-bearing debt less cash and cash equivalents. As at 30 June 2026 and 31 December 2025, the gearing ratio of the Group maintained at net cash position.

CONTINGENT LIABILITIES

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

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the Reporting Period, the Group did not hold any single significant investment which accounted for over 5% of the Group's total assets, and the Group has no plan for other material investments or additions of capital assets as at the date of this report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

SUBSEQUENT EVENTS

There has been no significant subsequent event from 30 June 2026 to the date of this report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance by focusing on principles of integrity, accountability, transparency independence, responsibility and fairness to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability.

The Company has adopted Corporate Governance Code (the "**CG Code**") set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance. The Company has complied with all applicable code provisions set out in the CG Code during the six months ended 30 June 2026. The Company will continue to review and enhance its corporate governance practices to ensure the compliance with the CG Code.

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 a code of conduct for Directors to conduct securities transactions. Having made specific inquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the six months ended 30 June 2026.

AUDIT COMMITTEE

The Audit Committee of the Company assists the Board in providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, performing other duties and responsibilities as may be assigned by the Board from time to time.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Fan Chi Chiu, Dr. Chen Lei and Mr. Qian Hongji. The Audit Committee had reviewed the unaudited interim report for the six months ended 30 June 2026 and has discussed, among other things, the matters of risk management and internal control with the management.

USE OF NET PROCEEDS FROM LISTING

With the shares of the Company listed on the Stock Exchange on 12 July 2019, the net proceeds from the Global Offering (as defined in the Company's prospectus dated 27 June 2019 (the "**Prospectus**")) comprising of 100,000,000 shares at HK$1.28 per share were approximately HK$75.8 million (equivalent to approximately RMB66.6 million), which were intended to be utilised for the purposes as set out in the Prospectus. As disclosed in the annual report of the Company for the year ended 31 December 2022, all of the net proceeds from the listing had been utilised in the manner consistent with that as set out in the Prospectus by 31 December 2022.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CHANGES IN DIRECTORS' INFORMATION

Mr. Fan Chi Chiu, our independent non-executive Director, has been acting as an independent non-executive director of NASN Intelligent Tech (Zhejiang) Co., Ltd., the shares of which are listed on the Stock Exchange (stock code: 2261), since 7 August 2026.

Save as disclosed above, the Company is not aware of any changes in the Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the annual report of the Company for the year ended 31 December 2025.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

The Company did not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("**SFO**")), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in the issued shares

Name of Director	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
Mr. Liu Jiang [(1)]	Interest in a controlled corporation	286,439,934	51.15%

Note:

1. The entire issued share capital of Brilliant Brother Group Limited ("**Brilliant Brother**") is held by Mr. Liu Jiang ("**Mr. Liu**"). Accordingly, Mr. Liu is deemed to be interested in all the Shares held by Brilliant Brother under the SFO. Mr. Liu, a non-executive Director, is also a director of Brilliant Brother.

Long position in associated corporation

Name of Director	Associated corporation	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
Mr. Liu [(1)]	Brilliant Brother	Beneficial owner	1	100.0%

Note:

1. Brilliant Brother, a company whose entire issued share capital is held by Mr. Liu, is the ultimate holding company of the Company and thus an associated corporation of the Company under the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executive of the Company held or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (as defined in Part XV of SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which were taken or deemed to have taken under such provisions of SFO), or which were required, pursuant to Section 352 of SFO, to be entered into the register maintained by the Company, or which were required to be notified to the Company and the Stock Exchange pursuant to Model Code.

Save as disclosed above, as at the 30 June 2026, none of the Directors was a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, according to the register kept under Section 336 of the SFO, the following companies and persons (other than the Directors and chief executives of the Company) had long positions of 5% or more in the Shares and underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Interests and long positions in the Shares

Shareholder Name	Capacity	Number of shares held or interested	Approximate percentage of shareholding
Mr. Liu (1)	Interest of controlled corporation	286,439,934	51.15%
Brilliant Brother	Beneficial owner	286,439,934	51.15%
Mrs. Liu Hong (劉宏) (2)	Interest of spouse	286,439,934	51.15%

Notes:

(1) The entire issued share capital of Brilliant Brother is held by Mr. Liu. Therefore, Mr. Liu is deemed to be interested in the Shares held by Brilliant Brother in the Company under the SFO.

(2) By virtue of the SFO, Mrs. Liu Hong (劉宏) is deemed to be interested in the Shares held by her spouse, Mr. Liu, whose interests are disclosed in the above section headed "Directors' and Chief Executives' Interest and Short Positions in Shares, Underlying Shares and Debentures".

Save as disclosed above, as at 30 June 2026, the Company has not been notified of any other person (other than the Directors or chief executives of the Company) who was recorded in the register of the Company as having an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Share Option Scheme

On 14 June 2019 (the "**Adoption Date**"), the Company adopted a share option scheme (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to provide selected participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives: (i) motivate the selected participants to optimise their performance efficiency for the benefit of our Group; and (ii) attract and retain or otherwise maintain an on-going business relationship with the selected participants whose contributions are or will be beneficial to the long-term growth of our Group.

According to the terms of the Share Option Scheme, the participants of the Share Option Scheme include (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries; (ii) any Directors (including independent non-executive Directors) of our Company or any of its subsidiaries; and (iii) any advisors, consultants, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to our Company or any of its subsidiaries. Notwithstanding the above, following the amendment of Chapter 17 of the Listing Rules, Share grants may only be made to eligible participants as defined in the amended Chapter 17 after 1 January 2023, being the effective date of such amendment.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue immediately following completion of the capitalisation issue (as defined in the Prospectus) and the global offering (as defined in the Prospectus), being 40,000,000 shares (representing approximately 7.14% of the issued shares as at the date of this interim report), excluding for this purpose shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company) at the beginning and the end of the six months ended 30 June 2026. No service provider sublimit was set under the Share Option Scheme. The maximum number of shares issued and which may fall to be issued upon exercise of the share options granted to each participant (including both exercised and outstanding share options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period is limited to 1% of the shares in issue at the date of grant, unless otherwise separately approved by shareholders in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting. Upon acceptance of the option, the grantee shall pay HK$1.0 to the Company by way of consideration for the grant. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to the terms of grant of an option, an option may be exercised at any time after the date upon which the option is deemed to be granted and accepted in accordance with the vesting schedule. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. A grantee may be required to achieve any performance targets as our Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised. The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of: (i) the official closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of our shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

The Share Option Scheme is valid and effective for a period of 10 years commencing on the Adoption Date unless terminated earlier by the shareholders in general meeting. As at 30 June 2026, the remaining life of the Share Option Scheme was approximately two years and eleven and a half months.

No option of the Company was granted to the Company's employees and other eligible participants since the Adoption Date and up to 30 June 2026.

Further details of the principal terms of the Share Option Scheme are set out in "Appendix V – Statutory and General Information – D. Share Option Scheme" of the Prospectus.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	*4*	619,455	701,380
Cost of sales		(476,581)	(522,303)
Gross profit		142,874	179,077
Other income and gains and losses, net	*5*	2,283	(19,198)
Expected credit loss ("**ECL**") allowance on trade and other receivables, net		(57,090)	(32,777)
Administrative expenses		(76,136)	(96,097)
Finance costs	*6(a)*	(2,514)	(4,032)
Share of profit of associates		962	23
Share of profit of a joint venture		432	–
Profit before income tax	*6(b)*	10,811	26,996
Income tax credit/(expense)	*7*	1,435	(12,846)
Profit for the period		12,246	14,150
Other comprehensive income for the period, net of nil tax			
Items that will not be reclassified subsequently to profit or loss:			
– Exchange differences on translation of the Company's financial statements into its presentation currency		252	(20)
Total comprehensive income for the period		12,498	14,130

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Note	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit for the period attributable to:			
Equity shareholders of the Company		**6,606**	3,076
Non-controlling interests		**5,640**	11,074
		12,246	14,150
Total comprehensive income for the period attributable to:			
Equity shareholders of the Company		**6,858**	3,056
Non-controlling interests		**5,640**	11,074
		12,498	14,130
Earnings per share attributable to equity shareholders of the Company *(expressed in RMB cents)*			
Basic and diluted	*9*	**1.18**	0.55

The notes on pages 34 to 50 are an integral part of these financial statements.

Condensed Consolidated Statement of Financial Position

As 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	10	54,526	59,378
Intangible assets		61,919	67,731
Investment properties		72,531	74,299
Goodwill		415,605	415,605
Investments in associates		1,831	1,558
Investment in a joint venture		165	–
Other deposits	11	355	528
Deferred tax assets		63,643	53,584
		670,575	672,683
Current assets			
Inventories		773	728
Trade and other receivables	11	792,552	693,155
Restricted bank deposits		2,367	2,309
Bank balances and cash		126,003	239,453
		921,695	935,645
Current liabilities			
Bank borrowings		51,253	68,589
Contract liabilities		321,001	367,422
Trade and other payables	12	547,967	481,181
Lease liabilities		4,937	10,099
Income tax liabilities		9,800	8,947
		934,958	936,238
Net current liabilities		(13,263)	(593)
Total assets less current liabilities		657,312	672,090

	Note	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Bank borrowings		26,100	33,630
Lease liabilities		10,376	13,652
Deferred tax liabilities		16,405	19,289
		52,881	66,571
Net assets		604,431	605,519
EQUITY			
Share capital	13	38	38
Reserves		582,267	575,409
Equity attributable to equity shareholders of the Company		582,305	575,447
Non-controlling interests		22,126	30,072
Total equity		604,431	605,519

The notes on pages 34 to 50 are an integral part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to equity shareholders of the Company									
	Share capital *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Statutory reserve *RMB'000*	Exchange reserve *RMB'000*	Other reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
For the six months ended 30 June 2026 (unaudited)										
Balance at 1 January 2026	38	319,252	34,226	25,340	20,068	(111,277)	287,800	575,447	30,072	605,519
Total comprehensive income for the period										
Profit for the period	–	–	–	–	–	–	6,606	6,606	5,640	12,246
Other comprehensive income for the period										
– Exchange differences on translation of the Company's financial statements into its presentation currency	–	–	–	–	252	–	–	252	–	252
	–	–	–	–	252	–	6,606	6,858	5,640	12,498
Disposal of a subsidiary	–	–	–	(186)	–	–	186	–	(227)	(227)
Appropriation to statutory reserve	–	–	–	2,611	–	–	(2,611)	–	–	–
Capital injection	–	–	–	–	–	–	–	–	20	20
Dividends distributed to non-controlling interests	–	–	–	–	–	–	–	–	(13,379)	(13,379)
Balance at 30 June 2026 (unaudited)	38	319,252	34,226	27,765	20,320	(111,277)	291,981	582,305	22,126	604,431
For the six months ended 30 June 2025 (unaudited)										
Balance at 1 January 2025	38	319,252	34,226	27,613	19,824	(58,084)	350,216	693,085	75,998	769,083
Total comprehensive income for the period										
Profit for the period	–	–	–	–	–	–	3,076	3,076	11,074	14,150
Other comprehensive income for the period										
– Exchange differences on translation of the Company's financial statements into its presentation currency	–	–	–	–	(20)	–	–	(20)	–	(20)
	–	–	–	–	(20)	–	3,076	3,056	11,074	14,130
Disposal of a subsidiary	–	–	–	–	–	–	–	–	(11,984)	(11,984)
Appropriation to statutory reserve	–	–	–	2,203	–	–	(2,203)	–	–	–
Acquisition of non-controlling interests	–	–	–	–	–	(49,317)	–	(49,317)	(10,873)	(60,190)
Dividends distributed to non-controlling interests	–	–	–	–	–	–	–	–	(32,068)	(32,068)
Balance at 30 June 2025 (unaudited)	38	319,252	34,226	29,816	19,804	(107,401)	351,089	646,824	32,147	678,971

The notes on pages 34 to 50 are an integral part of these financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(68,161)**	(64,402)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,438)**	(4,238)
Proceeds from disposal of property, plant and equipment	**126**	47
Acquisition of non-controlling interests	**–**	(6,000)
Disposal of a subsidiary, net of cash and bank balance disposed of	**116**	(950)
Increase in restricted bank deposits	**(58)**	(4,099)
Net cash used in investing activities	**(1,254)**	(15,240)
Cash flows from financing activities		
Capital contribution from non-controlling interests	**20**	–
Payment of lease liabilities	**(3,548)**	(5,373)
Dividends paid to non-controlling interests	**(13,379)**	(32,068)
Proceeds from new bank borrowings	**16,000**	53,000
Repayment of bank borrowings	**(40,866)**	(36,510)
Interest paid on bank borrowings	**(2,039)**	(3,703)
Interest paid on lease liabilities	**(475)**	(329)
Net cash used in financing activities	**(44,287)**	(24,983)
Net decrease in cash and cash equivalents	**(113,702)**	(104,625)
Cash and cash equivalents at beginning of period	**239,453**	273,705
Effect of foreign exchange rate changes	**252**	(20)
Cash and cash equivalents at end of period, represented by bank balances and cash	**126,003**	169,060

The notes on pages 34 to 50 are an integral part of these financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1. GENERAL INFORMATION

Hevol Services Group Co. Limited (the "**Company**") was incorporated in the Cayman Islands on 28 May 2018 as an exempted company with limited liability under the Companies Law, Cap 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company is an investment holding company and its subsidiaries (collectively, the "**Group**") are principally engaged in the provision of property management services and related value-added services in the People's Republic of China (the "**PRC**").

The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

In the opinion of the directors, the immediate and ultimate holding company of the Company is Brilliant Brother Group Limited, a company incorporated in the British Virgin Islands ("**BVI**"). The controlling shareholder of the Group is Mr. Liu Jiang ("**Mr. Liu**" or the "**Controlling Shareholder**").

The functional currency of the Company is Hong Kong Dollars, while the interim condensed consolidated financial statements (the "**Interim Financial Statements**") are represented in Renminbi ("**RMB**"), as in the opinion of the directors of the Company, it presents more relevant information to the management who monitors the performance and financial position of the Group based on RMB. All values are rounded to the nearest thousand ("**RMB'000**"), unless otherwise stated.

The Interim Financial statements for the six months ended 30 June 2026 were approved for issue by the board of directors on 28 August 2026 and have not been audited.

2. BASIS OF PREPARATION

These Interim Financial Statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "**IASB**") and applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). These Interim Financial Statements do not include all the information and disclosures that are required in a complete set of financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

The Interim Financial Statements have been prepared on the historical cost basis.

The Group has not early adopted any IFRS Accounting Standards that has been issued but is not yet effective for the current accounting period. The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2025 except for the adoption of the amended IFRS Accounting Standards as set out below:

Amended IFRS Accounting Standards adopted by the Group as at 1 January 2026

In the current period, the Group has applied for the first time the following amended IFRS Accounting Standards, which is relevant to the Group's operations and effective for the Group's Interim Financial Statements for the annual period beginning on 1 January 2026.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

- 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 amended IFRS Accounting Standards has no material impact on these Interim Financial Statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Interim Financial Statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses on a year to date basis. Actual results may differ from these estimates under different assumptions and conditions. There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of property management services and related value-added services and leasing services in the PRC. This operating segment has been identified on the basis of internal management reports reviewed by the chief operating decision-maker (the "**CODM**"), being the executive directors of the Company. The CODM reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive directors of the Company regard that there is only one segment which is used to make strategic decisions.

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers and recognised over time		
Property management services	**514,967**	566,699
Community value-added services	**93,935**	115,762
Value-added services to non-property owners	**4,753**	10,469
	613,655	692,930
Leasing income (not within the scope of IFRS 15)	**5,800**	8,450
	619,455	701,380

4. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The major operating entities of the Group are domiciled in the PRC. As at 30 June 2026 and 31 December 2025, substantially all of the non-current assets (other than deferred tax assets) of the Group were located in the PRC.

Information about major customers

For the six months ended 30 June 2026, revenue from companies controlled by the Controlling Shareholder contributed 0.4% (six months ended 30 June 2025: 1.2%) of the Group's revenue. Other than companies controlled by Controlling Shareholder, the Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue for the period ended 30 June 2026 and 2025.

5. OTHER INCOME AND GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Bank interest income	**71**	103
Government subsidy income	**1,277**	1,317
Gain on disposal of property plant and equipment	**99**	–
Gain/(loss) on disposal of a subsidiary *(Note)*	**274**	(19,300)
Loss on disposal of an associate	**–**	(214)
Loss on lease modification	**–**	(4)
Loss on termination of leases	**–**	(97)
Recovery of bad debts	**–**	184
Sundry income	**562**	174
Write off of trade receivables	**–**	(1,361)
	2,283	(19,198)

Note:

On 1 April 2026, the Group disposed of its 51% equity interest in Beijing He Zhong Real Estate Agency Co., Ltd. for a cash consideration of RMB510,000. The resulted gain on disposal of RMB274,000 was recognised in profit or loss during the period ended 30 June 2026.

On 9 May 2025, the Group disposed of its 51% equity interest in Jiangsu Shenhua Times Property Group Co., Ltd ("**Jiangsu Shenhua**") for a consideration of RMB30,500,000. A loss on disposal of RMB19,300,000 was recognised in profit or loss during the period ended 30 June 2025.

6. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

		Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
(a)	**Finance costs**		
	Interest expenses on lease liabilities	**475**	329
	Finance costs on interest-bearing bank borrowings	**2,039**	3,703
		2,514	4,032
(b)	**Other items**		
	Amortisation of intangible assets	**5,812**	7,197
	Depreciation of property, plant and equipment		
	– Owned assets	**3,628**	3,482
	– Right-of-use assets	**2,619**	781
	Depreciation of investment properties		
	– Owned properties	**1,755**	1,557
	– Sub-leased properties	**1,876**	4,494
	Legal and professional fees	**3,796**	6,572
	Short-term leases	**1,189**	654

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax – PRC enterprise income tax		
Current period	**11,409**	20,444
Deferred tax		
Origination and reversal of temporary differences	**(12,844)**	(7,598)
Total income tax (credit)/expense	**(1,435)**	12,846

Notes:

(a) CAYMAN ISLANDS INCOME TAX

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law and accordingly, is exempted from Cayman Islands income tax.

(b) BVI INCOME TAX

Pursuant to the relevant rules and regulations of BVI, the Group is not subject to any income tax in BVI for the six months ended 30 June 2026 and 2025.

(c) HONG KONG PROFITS TAX

No provision for Hong Kong profits tax has been made as the Company has no assessable profits arising in Hong Kong in the current and prior periods.

7. INCOME TAX EXPENSE (Continued)

Notes: (Continued)

(d) PRC ENTERPRISE INCOME TAX

The income tax provision of certain PRC entities of the Group has been calculated at the statutory tax rate of 25% on the estimated assessable profits for the six months ended 30 June 2026 and 2025, based on the existing legislation, interpretations and practices in respect thereof.

The preferential income tax rate applicable to certain of the Group's PRC entities within the scope of the China's Western Development Program and Hainan Free Trade Port Program was 15% for the six months ended 30 June 2026 and 2025.

Pursuant to the relevant laws and regulation in the PRC, certain of the Group's PRC entities which are qualified as small low-profit enterprises enjoyed a preferential tax rate of 20% for the six months ended 30 June 2026 and 2025. In addition, in accordance with the "Notice on Preferential Income Tax Policies Applicable to Small Low-profit Enterprises", the small and low-profit enterprises are entitled to a tax concession for 75% and 50% of its taxable income for the annual taxable income of less than RMB1,000,000 and the portion that exceeds RMB1,000,000 but does not exceed RMB3,000,000 (inclusive) for the six months ended 30 June 2026 and 2025, respectively.

8. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

9. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Profit attributable to equity shareholders of the Company *(RMB'000)*	**6,606**	3,076
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share *(thousands)*	**560,000**	560,000
Basic earnings per share *(expressed in RMB cents)*	**1.18**	0.55

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2026 and 2025 equals the basic earnings per share as there were no dilutive potential ordinary shares in existence during the periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group had additions to property, plant and equipment with a cost of RMB1,438,000 (six months ended 30 June 2025: RMB4,238,000). Disposals of property, plant and equipment during the six months ended 30 June 2026 amounting to RMB43,000 (six months ended 30 June 2025: RMB739,000), of which RMB17,000 (six months ended 30 June 2025: RMB692,000) through the disposal of a subsidiary. No items of property, plant and equipment have been written off during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Carrying amount		Depreciation	
	As at 30 June 2026	As at 31 December 2025	**For the period ended 30 June 2026**	For the year ended 31 December 2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Land use rights	**6,879**	7,021	**142**	239
Office premises	**13,822**	15,920	**2,098**	4,927
Heating facility	**413**	620	**207**	620
Staff quarters	**399**	571	**172**	305
	21,513	24,132	**2,619**	6,091

No additions to right-of-use assets included in property, plant and equipment during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB73,000). The addition recognised during the six months ended 30 June 2025 arose from the transfer of right-of-use assets by certain trade debtors to the Group as settlement of outstanding trade receivables (Note 11(ii)).

11. TRADE AND OTHER RECEIVABLES

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables			
– Third parties	(i)	552,220	457,309
– Related parties	(ii)	113,049	102,887
		665,269	560,196
Less: ECL allowance on trade receivables		(222,179)	(173,220)
		443,090	386,976
Other receivables			
Deposits and other receivables		99,958	72,433
Other deposits	(iv)	210,241	202,661
Consideration receivable	(iii)	15,500	15,500
Payment on behalf of property owners		15,424	11,739
Advances to employees		8,625	7,342
		349,748	309,675
Less: ECL allowance on other receivables		(38,789)	(34,076)
		310,959	275,599
Prepayments		38,858	31,108
		349,817	306,707
Less: Other deposits classified as non-current assets (net of ECL allowance of RMB4,909,000 (31 December 2025: RMB26,914,000))		(355)	(528)
		349,462	306,179
		792,552	693,155

11. TRADE AND OTHER RECEIVABLES (Continued)

(i) Trade receivables

Trade receivables mainly arise from property management services and value-added services.

Property management services income is received in accordance with the terms of the relevant property service agreements. Service income is due for payment upon rendering of services.

As at 30 June 2026, certain of the Group's trade receivables amounted to RMB70,000,000 (31 December 2025: RMB70,000,000) were pledged for the Group's bank borrowings of RMB25,500,000 (31 December 2025: RMB29,500,000).

The ageing analysis of trade receivables based on invoice date, net of ECL allowance, is as follows:

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
0 – 90 days	101,804	73,544
91 – 180 days	74,056	47,269
181 – 365 days	66,972	74,097
1 to 2 years	86,126	90,051
2 to 3 years	51,830	57,783
Over 3 years	62,302	44,232
	443,090	386,976

11. TRADE AND OTHER RECEIVABLES (Continued)

(ii) During the year ended 31 December 2025, certain trade debtors agreed to transfer the legal title of their owned properties to the Group in settlement of their outstanding trade receivables with carrying amount of RMB31,731,000. The fair value of these properties at the dates of transfer approximates the carrying amount of these trade receivables. No such transfer of assets during the period ended 30 June 2026.

(iii) As at 30 June 2026 and 31 December 2025, the remaining consideration receivable in respect of the disposal of Jiangsu Shenhua amounted to RMB15,500,000.

(iv) During the period ended 30 June 2026, the Group entered into certain multi-party debt settlement arrangement agreements in relation to other receivables with a gross carrying amount of RMB22,000,000, pursuant to which a debtor agreed to transfer the legal title of its owned properties to the Group in partial settlement of its outstanding other receivables owed to the Group totalling RMB7,000,000 and the Group also agreed to write off an amount of RMB4,300,000. The fair value of the properties at the date of transfer in June 2026 approximates the partial settlement amount of these receivables of RMB7,000,000. The remaining outstanding receivables of RMB10,700,000 had been impaired in prior periods and the Group will actively pursue the recovery and retains the legal right to enforce the collection.

12. TRADE AND OTHER PAYABLES

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables			
– Third parties	*(ii)*	185,802	149,157
Other payables			
Accrued charges and other payables		175,778	136,958
Consideration payables	*(i)*	40,755	42,629
Renovation deposits collected from property owners		47,200	48,851
Amounts collected on behalf of property owners		33,392	32,484
Other tax liabilities		26,999	29,084
Staff costs and welfare accruals		38,041	42,018
		362,165	332,024
		547,967	481,181

Notes:

(i) As at 30 June 2026 and 31 December 2025, the remaining consideration payable in respect of the acquisition of Guiyang Xinglong Property Management Co., Ltd. amounted to RMB40,755,000.

12. TRADE AND OTHER PAYABLES (Continued)

Notes: (Continued)

(ii) Trade payables

The Group was granted by its suppliers credit periods ranging from 30 to 90 days. 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)
0 – 30 days	**51,261**	52,312
31 – 180 days	**84,618**	52,554
181 – 365 days	**13,569**	15,038
Over 1 year	**36,354**	29,253
	185,802	149,157

13. SHARE CAPITAL

	Number of shares	**Nominal value of shares** *United States dollars ("**US$**")*
Authorised:		
Ordinary shares of the Company:		
As at 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	5,000,000,000	50,000

13. SHARE CAPITAL (Continued)

	Number of shares	Nominal value of shares *US$*	Equivalent nominal value of shares *RMB'000*
Issued and fully paid:			
Ordinary shares of the Company:			
As at 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	560,000,000	5,600	38

14. SHARE OPTION SCHEME

On 14 June 2019 (the "**Adoption Date**"), the Company adopted a share option scheme (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants to work towards enhancing the value of the Company and the shareholders as a whole.

The Share Option Scheme is valid and effective for a period of 10 years commencing on the Adoption Date unless terminated earlier by the shareholders in general meeting.

The maximum number of shares issuable upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the total number of shares in issue.

No option of the Company was granted to the Company's employees and other eligible participants since the Adoption Date and up to the date of these Interim Financial Statements.

15. COMMITMENTS

(a) Lease commitments

As lessor

At the reporting date, the Group had total future minimum lease receivables under non-cancellable operating leases falling due as follows:

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Within one year	–	1,653
	–	1,653

(b) Capital commitments

Capital commitments outstanding at the end of the reporting period not provided for were as follows:

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Capital injection into certain subsidiaries	3,930	240

16. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Interim Financial Statements during the period, the Group had the following material transactions with related parties:

(a) During the period, the transactions with related parties of the Group carried in the ordinary course of business were as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Companies controlled by Mr. Liu		
Revenue arising from provision of property management and value-added services	**2,309**	8,302

(b) **Key management personnel remuneration**

Key management of the Group are members of the board of directors and senior management. Included in employee benefit expenses are key management personnel remuneration which includes the following expenses:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries, bonus and allowances	**1,920**	2,042
Retirement benefit scheme contributions	**174**	172
	2,094	2,214