



SHIMAO SERVICES HOLDINGS LIMITED 世茂服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 873

2026 中期報告 Interim Report





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CORPORATE INFORMATION

Board of Directors

Executive Directors

Hui Sai Tan, Jason (*Chairman*)
Jiang Lifeng (*President*)

Independent Non-executive Directors

Zhou Xinyi
Hui Wai Man, Lawrence
Lau Chi Kin, Dave

Audit Committee

Hui Wai Man, Lawrence (*Committee Chairman*)
Zhou Xinyi
Lau Chi Kin, Dave

Remuneration Committee

Zhou Xinyi (*Committee Chairman*)
Hui Wai Man, Lawrence
Lau Chi Kin, Dave

Nomination Committee

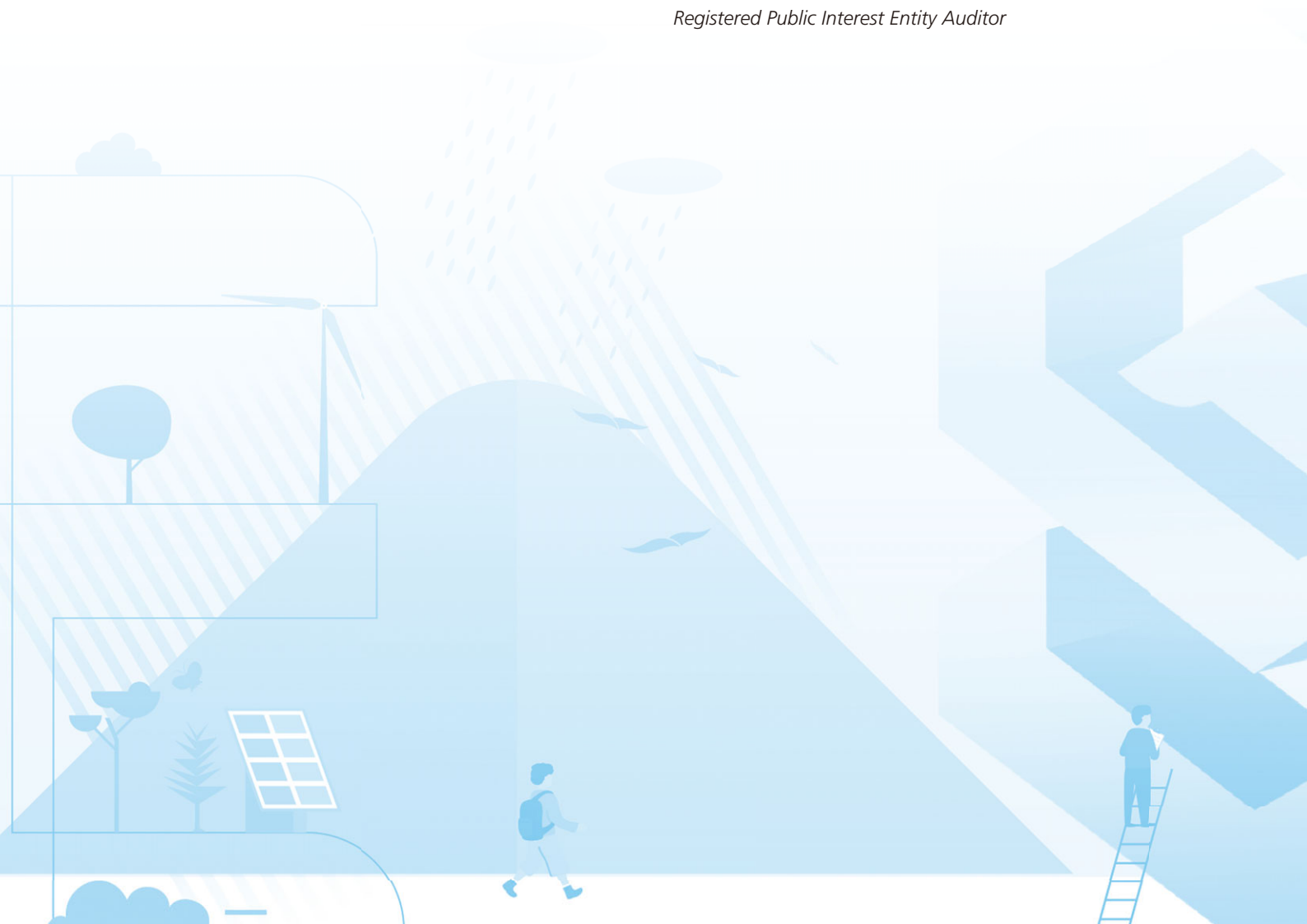
Lau Chi Kin, Dave (*Committee Chairman*)
Zhou Xinyi
Hui Wai Man, Lawrence

Company Secretary

Chan Ka Yan

Auditor

Grant Thornton Hong Kong Limited
*Certified Public Accountants and
Registered Public Interest Entity Auditor*



CORPORATE INFORMATION

Principal Place of Business in Hong Kong

Unit 3820, 38th Floor
Tower One, Lippo Centre
89 Queensway
Hong Kong

Headquarters and Principal Place of Business in the PRC

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Shanghai
PRC

Website: www.shimaofuwu.com

Registered Office

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103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Share Registrar and Transfer Office

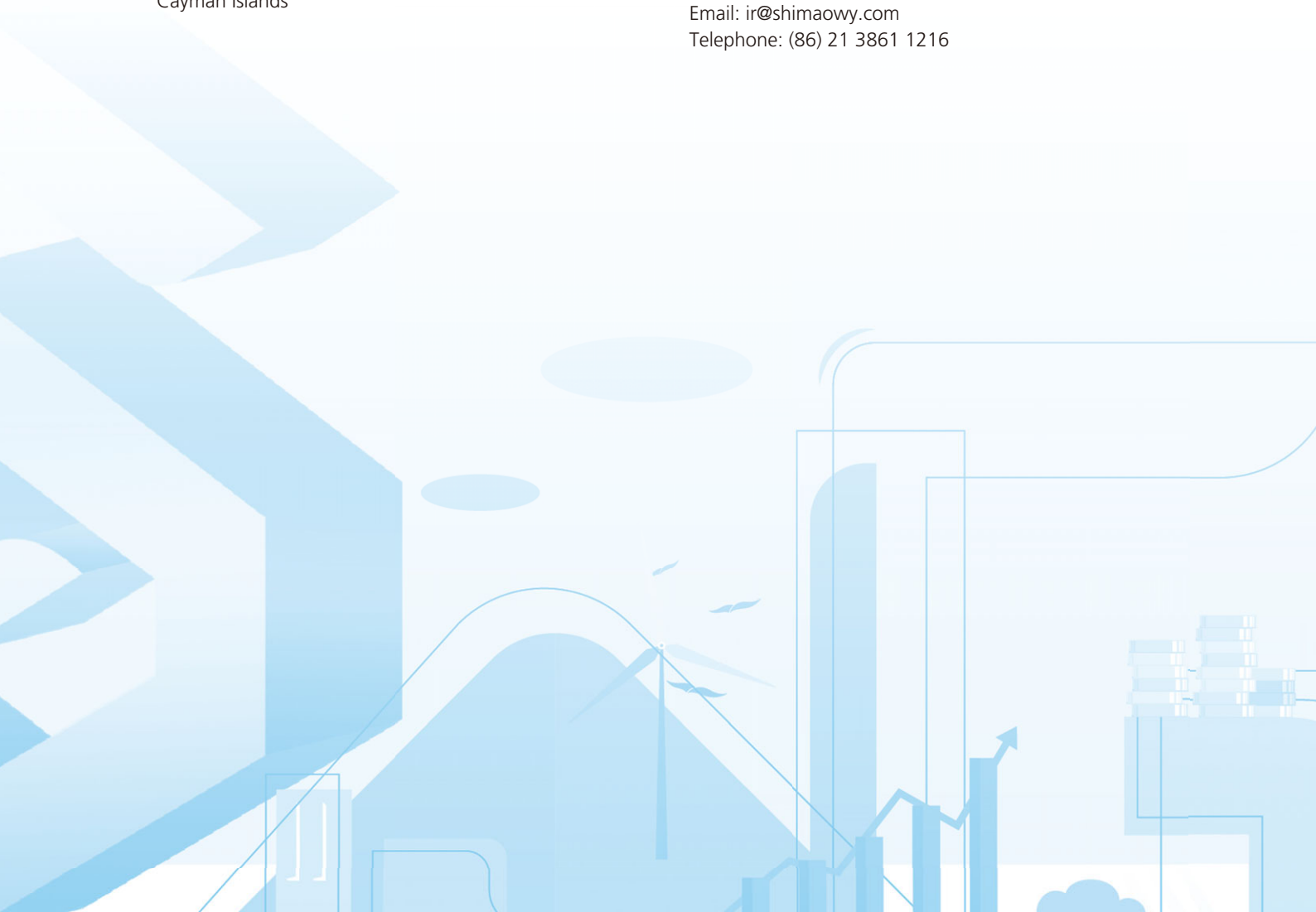
Ascentium (Cayman) Limited
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Place of Listing

The Stock Exchange of Hong Kong Limited
Stock Code: 873

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CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present the interim results of Shimao Services Holdings Limited ("Shimao Services" or the "Company", together with its subsidiaries, collectively, the "Group") for the six months ended 30 June 2026.

Market and Industry

In the first half of 2026, China's real estate industry continued to undergo deep adjustment and structural recovery. The scale of housing starts and delivery declined period-to-period, while the scale of second-hand residential properties transaction exceeded that of new properties, indicating a shift towards a market dominated by existing home sales.

With the advancement of China's new urbanisation initiatives, the ongoing optimisation of social governance at the grassroots level, and the comprehensive upgrade in living standards and public service needs, the property services sector has completed a strategic transformation from traditional basic support to a modern, comprehensive public service.

In July 2026, whilst inspecting an old residential estate in Huangpu District, Shanghai, General Secretary Xi Jinping pointed out that efforts should be made to actively explore new models for the coordinated operation of Residents' Committee, Owners' Committee and property management companies under the leadership of community Party organisations, with the aim of building comprehensive communities and community life circle. In addition, he emphasised the need to continuously improve the standards of residential property management and convenience services with "meticulous care". Previously, both the "15th Five-Year Plan for Urban Renewal" and the "15th Five-Year Plan for Expanding Consumption" also highlighted the need to "improve the urban governance working system, shift the focus of urban governance and urban amenities downward to the grassroots, strengthen the oversight of the property services market, extend property services to households, and encourage eligible property service companies to expand into sectors such as elderly care, childcare, domestic services, culture, health and disabilities assistance".

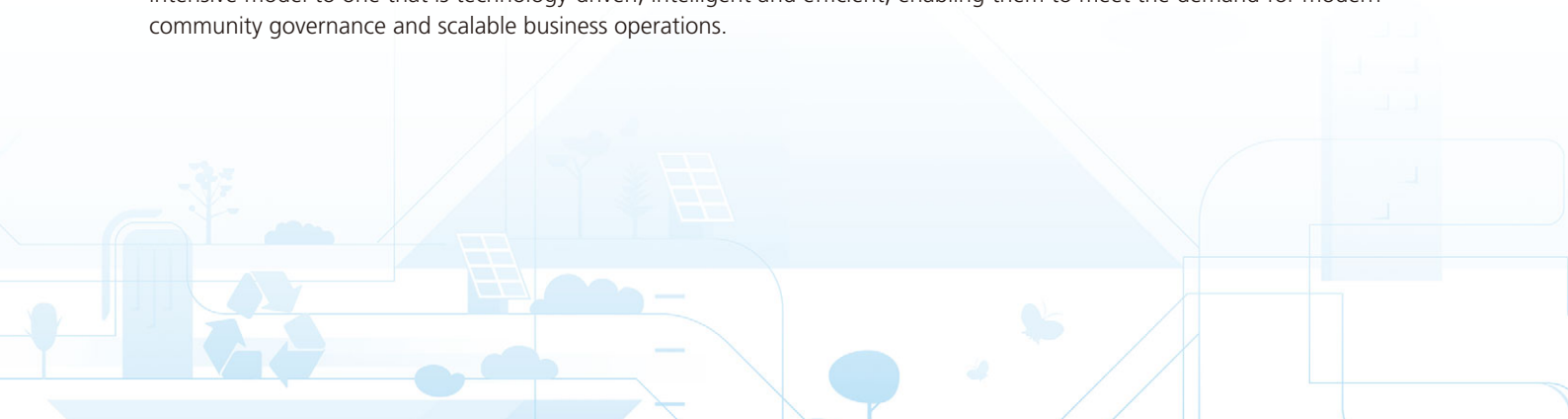
As a result, the property services sector has seen its position risen, development model evolved, service scope enriched, and market boundaries broadened; enterprises are moving further towards standardisation, digitalisation and diversification. With a focus on improving efficiency within the existing properties, creating synergies and ensuring sustainable development, leading enterprises are leveraging their high-quality services to align with market trends, deepen the application of digital technologies, develop diversified products, continuously expand their development scope, and explore potential for business growth.

Upholding the Essence of Service

With the ongoing development in the industry, the market has entered a new phase of competition on quality and value. Improving quality and efficiency, as well as deepening service have become a core consensus for sustainable development. Leading enterprises are focusing on standardised, meticulous and customer-oriented services as the key driver for upgrading customer service systems comprehensively, strengthening housing lifecycle management and continuously enhancing their core competitiveness.

Deepening Technology-Driven Transformation

Further applications of digital technologies, including artificial intelligence ("AI"), big data and internet of things ("IoT"), serve as a key technical support for the property services industry aiming to improve quality, reduce costs and enhance efficiency. The digital and smart transformation of leading enterprises will accelerate the industry's shift from a labour-intensive model to one that is technology-driven, intelligent and efficient, enabling them to meet the demand for modern community governance and scalable business operations.



CHAIRMAN'S STATEMENT

Broadening Business Scope

With neighbourhoods being the heart of residents' lives, property management companies enjoy proximity, strong customer loyalty and frequent service needs. Broadening diversified business scope by expanding value-added services such as the silver economy, early childhood education and childcare, and community commerce will help enterprises to overcome growth bottlenecks, optimise profit structure and enhance overall capabilities.

Revitalising Existing Assets

Property service companies play an active role in renovating old urban communities, neighbourhoods and industrial sites, and revitalising industrial heritage to enhance the values of existing assets. By continuously offering professional operation and management services, they are not only addressing to public needs but also opening up vast avenues for growth.

Strengthening Community Co-construction

As an integrated part of grassroots governance systems, property service providers proactively collaborate with local communities in promoting collaborative governance, co-construction and shared benefits, and enhance the efficiency and people-oriented approach of community governance. By fulfilling the corporate social responsibilities, multiple platforms for neighbourhood interaction and resident self-governance are established to enhance community cohesion and residents' sense of well-being.

Interim Results

During the first half of 2026, the Group recorded revenue of RMB3,350.3 million and gross profit of RMB452.3 million. The gross floor area ("GFA") under management amounted to 190.2 million sq.m. and the contracted GFA reached 306.5 million sq.m..

Enhancing Service Quality

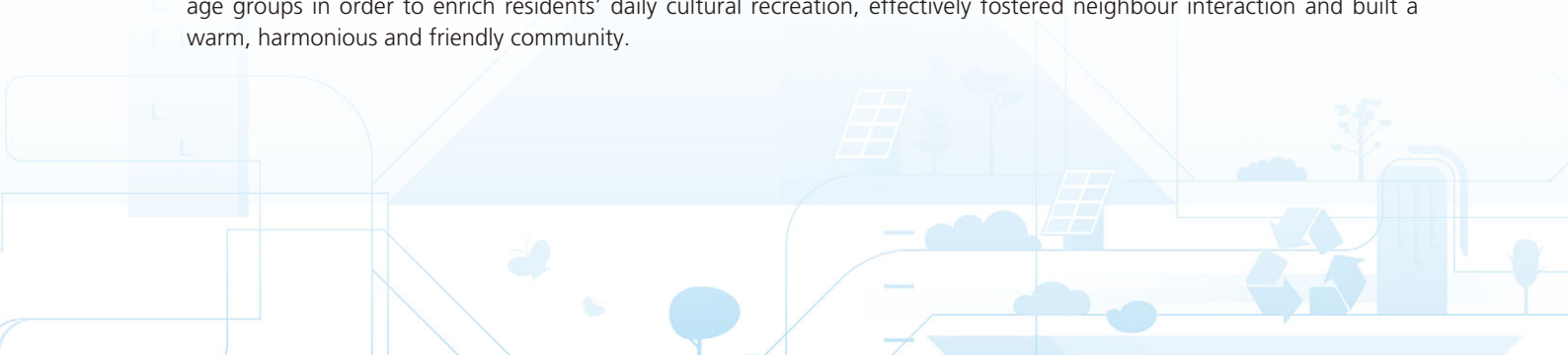
In the first half of 2026, Shimao Services continued to advance its efforts to enhance service quality and upgrade its products and service system across multiple dimensions. Focusing on the goal of improving service quality, it coordinated and optimised three key segments, including customer service, community environment and ecosystem, to gradually elevate the service quality of projects under management and steadily enhance the satisfaction of property owners.

Enriching Residents' Living Experience

Guided by owners' needs, Shimao Services identified precisely and responded swiftly to their diverse requirements. It paid particular attention to the elderly and children in the community, implementing customised services for "the elderly and children", and carrying out feature services on a regular and ongoing basis such as elderly assistance, companionship for seniors and child pick-up and drop-off. Regular on-site inspections of vacant properties were also arranged to safeguard owners' property assets.

Shimao Services steadily implements the refurbishment of public space, and systematically upgraded the physical facilities, renovated lighting system and optimised main routes for better community environment; upgraded security hardware and software for higher level of safety; renovated recreational facilities to enrich leisure and entertainment options; and enhanced garden maintenance by renovating lawn, refurbishing plants and refining the landscape for comfortable living space.

Establishing diverse and vibrant communities to enrich residents' cultural activities. Focusing on traditional festivals, mental health and parent-child bonding, Shimao Services organised distinctive themed activities that are suitable for all age groups in order to enrich residents' daily cultural recreation, effectively fostered neighbour interaction and built a warm, harmonious and friendly community.



CHAIRMAN'S STATEMENT

Enhancing Operational Capabilities

In the first half of 2026, Shimao Services enhanced its capabilities in refined management, enhanced its supply chain system, strengthened the control over the front-line, and rationally allocated its resources.

Shimao Services optimised its comprehensive project health intelligent framework, breaking down and analysing each of key costs throughout the project's entire lifecycle. Under this framework, in-depth data analysis was conducted to accurately pinpoint resource allocation priorities and loss-making segments with low efficiency, enabling precise allocation of resources as needed and reducing ineffective costs and expenditures from the source.

Shimao Services improved the supply chain management system by solidifying the core advantages of centralised procurement and bulk negotiation, coordinating procurement needs, broadening the scope of centralised procurement categories and projects, thereby leveraging economies of scale to enhance bargaining power and effectively reduce the procurement costs of various services. It established a supporting management model that links supply chain quality control with costs, strictly adhered to service quality standards, strived for optimal overall supply chain costs, and continuously optimized the overall business cost framework.

Strengthening Market Expansion Capabilities

The Company implemented a development strategy of deepening presence across cities by focusing on expansion of high-tier city clusters, concentrating resources for in-depth development of priority regions, and achieving refined regional operations and enhanced efficiency. It coordinated and allocated resources by establishing a strong foothold in key regions and cultivating core markets; continuously improved market reputation by steadily expanding business layout, and constantly increased market share and overall industry competitiveness.

In terms of project expansion, Shimao Services adhered to the main approach of high-quality development. It exercised strict control over project entry thresholds and review standards, conducted comprehensive analysis of the fundamentals and long-term operating value of projects, and solidified the foundation for development from the outset.

In terms of property type planning, we focused on residential properties to strengthen our business foundation. In addition, we developed high-quality industrial sectors, prioritizing strategic deployments in industries such as chip manufacturing, communications, energy, finance and banking. By strengthening the cooperation with leading enterprises in these industries, we continuously enhanced our core advantages in high-end industrial property services, and established a differentiated competitive barrier.

Developing Community Value-added Services

The Company has rolled out community commercial sector, developing high-quality businesses that are integrated in terms of property types, services and operational scenarios. Based on the all-day consumption needs of the community residents, the Company has deeply reviewed core living scenarios, including household daily necessities, convenience-oriented procurement and lifestyle services. Leveraging the trust built up by property management services over time, the Company has opened up natural traffic channels within the communities, thereby reducing customer acquisition costs, forming a loyal and stable customer base, and expanding the scale of community consumption businesses.

Adapting to local conditions, the Company made full use of public spaces such as unused lobbies, overhead floors, and connecting corridors within the communities. Renovations to common space planning were made based on the age structure, consumption habits, and lifestyle preferences of the residents in each community. Fresh-food market, housekeeping and laundry services, convenient repair services, health and wellness services and parent-child services and other service types that met daily essentials were introduced, so as to improve the amenities of the communities.

The Company systematically built a community business ecosystem by integrating local merchants, brand service providers, local supply chains and other commercial resources both online and offline. A range of distinctive commercial activities, including neighbourhood fairs, group purchasing activities, holiday promotions and convenient sales events, are regularly organised to boost community vitality, thereby achieving mutual empowerment and development between property services and community commerce.

CHAIRMAN'S STATEMENT

Future Outlook

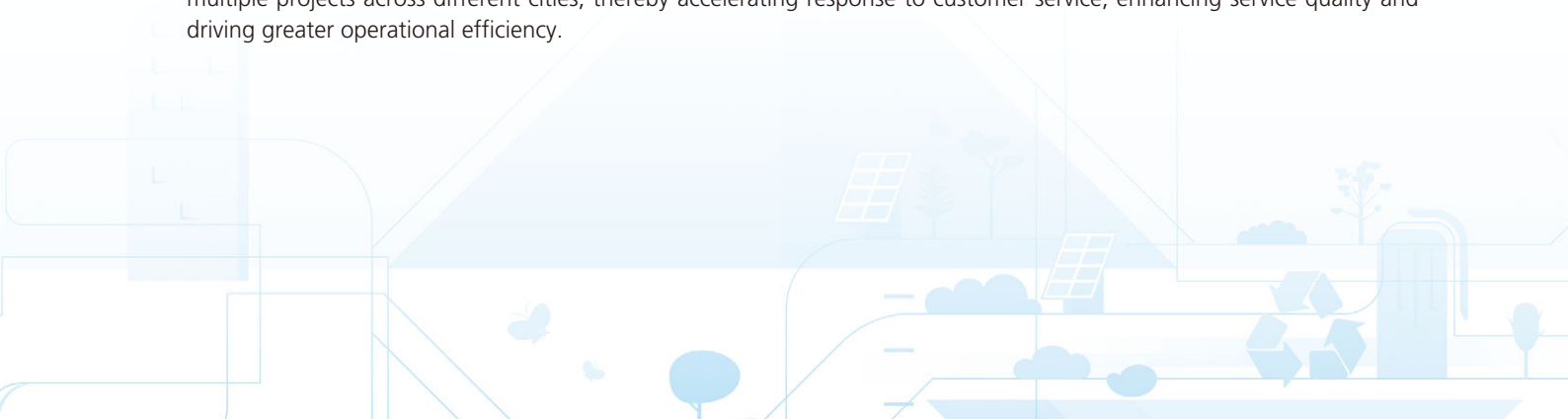
The National 15th Five-Year Plan clearly outlines an action plan to enhance the quality of property services, calling for the extension of property services to residential households and encouraging property service providers to expand their offerings into diversified sectors, including elderly care, childcare, health services and household services. It also requires property management enterprises to play an active role in the refurbishment of old residential estates and the integrated governance of local communities. According to the requirements of the 15th Five-Year Plan for Urban Renewal, property services are recognised as a pivotal force in fostering complete community development, achieving long-term operation of old residential estates, and enhancing the refined governance at grassroots level.

Property service industry is different from manufacturing and other sectors that involve one-off sales of goods. Its core value derives from a continuous delivery of high-quality service that improves dynamically and perceptibly throughout the entire lifecycle. It serves not only as the vehicle for the long-term operational maintenance framework following renovation and renewal, but also as a vital link that connects the needs of community residents and facilitates the construction of the 15-Minute community living zone.

In the future, Shimao Services will focus on delivering high-quality services as its core objective and will deepen its commitment to core sectors, including residential communities, universities and colleges and industrial parks. The Company will continuously improve service quality, strengthen its fulfilment capabilities throughout the entire project lifecycle, and progressively improve both property owner and customer satisfaction. In line with the national urban renewal strategy, Shimao Services will proactively participate in the upgrade and refurbishment of old residential estates, community improvement projects and the renewal of old industrial parks. By providing stable and high-quality property services to support the operation and maintenance of various renovation and renewal projects, the Company aims to achieve high-quality renovations and long-term effective operation, thereby promoting the steady and sustained development at the time when existing home sales dominate in cities.

The Company will enhance its operational capabilities and unleash the value of existing properties. The Company will conduct comprehensive and systematic reviews as well as specialised assessments across all managed property projects, with the implementation of an operation and management mechanism known as "one project, one strategy", whereby operational plans are tailored to the specific characteristics of each community, taking into account the years of completion, hardware facilities and the needs of property owners. The Company will accurately identify the core profit drivers across different property types, including residential communities, industrial parks and universities and colleges, and strategically allocate resources towards high-value sectors and high-profit projects. For old residential estates that have undergone renovation and refurbishment, more refined operational plans will be developed to boost vitality of the renewed public spaces and amenities, thereby enabling revaluation of existing assets and driving a systematic leap in the operational quality of the projects under management.

The Company will enhance management efficiency and unleash its digital and intelligent potential. In response to the ongoing digital transformation of community governance, the Company will comprehensively upgrade its deployment of advanced technologies across all operational scenarios. AI, IoT, AIoT and other technologies will be applied at scale in areas such as customer services, security monitoring, greening and cleaning, facility maintenance, pipeline network inspections and energy consumption monitoring. Through AI-powered intelligent inspections, smart alerts of equipment failures and cross-regional distant coordination, the Company will achieve proactive hazard identification and enhanced visibility and control over its operations and maintenance. This approach will, on the one hand, reduce redundant on-site manual inspections and control overall service costs, while on the other hand, increase the efficiency of managing multiple projects across different cities, thereby accelerating response to customer service, enhancing service quality and driving greater operational efficiency.



CHAIRMAN'S STATEMENT

Social Responsibility

Shimao Services integrates social responsibility into its entire business operation process. While promoting its steady growth, it remains committed to sharing fruitful development with its employees, customers, investors and society, diligently implementing a range of initiatives and fulfilling its corporate responsibilities and mission.

Shimao Services has established a comprehensive, top-down environmental management framework and systematically developed a green and low-carbon property service system, under which the environmental impact of its operations is managed and controlled by business segments and sectors. To enhance smart energy management system, the Company has rolled out low-carbon retrofits across its communities, including replacement with LED lighting, elevator energy recovery and intelligent communal power control, in collaboration with residents to build low-carbon and liveable communities. Beyond residential estates, the Company has also strengthened its operation of recycling businesses, while improving smart city operation management to support the construction of low-carbon cities.

In the first half of 2026, Shimao Services successfully elevated its Sino-Securities Index ESG rating to Grade BBB, upgraded its SynTao Green Finance ESG rating to Grade A-, maintained its Morgan Stanley Capital International (MSCI) ESG rating at Grade BBB, maintained its ESG score under the S&P Corporate Sustainability Assessment (CSA) at 30+, and maintained its China Chengxin International (CCXI) ESG rating at Grade A.

Acknowledgement

In the first half of 2026, the global economy experienced a slow recovery amid distinct regional disparities and the uncertainties in energy and trade landscape caused by geopolitical conflicts. China's economy maintained steady growth by leveraging new quality productive forces to offset economic downward pressure.

On behalf of the Board, I would like to extend my heartfelt gratitude to our shareholders, business partners, local governments, property owners, customers and the staff of Shimao Services for their ongoing support. Your understanding and support in joining hands with us all along the way are very much appreciated.

Shimao Services is committed to the guiding principles of "responsibility, collaborative breakthrough, and secure the fruitful results". By proactively adapting to shifts in the property service industry, the Company transforms its core strengths into drivers of long-term growth, insisting on pragmatic execution and empowering business development through technological innovation. By enhancing quality and efficiency through transformation and upgrades, the Company consistently delivers robust and sustainable value returns for shareholders.

Hui Sai Tan, Jason

Chairman

Hong Kong, 28 August 2026



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Business Overview

The Group aims to become a leading comprehensive property management services provider in China, providing property owners with high quality property management services and diversified value-added services tailored to the needs of customers. Currently, the Group has four major business segments: (1) property management services; (2) community value-added services; (3) value-added services to non-property owners; and (4) city services.

As at 30 June 2026, the Group had businesses presence in 126 cities and provided property management services and a wide variety of community value-added services for 1,354 projects, covering various types of customers, including residences, public buildings, universities and colleges, industrial parks and hospitals, etc. The GFA under management was 190.2 million sq.m. and the contracted GFA was 306.5 million sq.m..

The following table sets out the number of cities where projects under management are located and the number of projects under management as at 30 June 2026 and 30 June 2025, respectively:

	2026 number (unit)	As at 30 June 2025 number (unit)	Change (%)
Cities where projects under management are located	126	123	2.4%
Projects under management	1,354	1,466	-7.6%

As of 30 June 2026, the Group recorded revenue of RMB3,350.3 million, gross profit of RMB452.3 million, and loss for the period of RMB103.8 million. Gross profit margin and net loss margin stood at 13.5% and 3.1%, respectively.

The following table sets forth the Group's revenue by business segments for the six months ended 30 June 2026 and 30 June 2025, respectively:

	For the six months ended 30 June					
	2026		2025			
	Revenue (RMB million)	Percentage (%)	Revenue (RMB million)	Percentage (%)	Change in revenue (%)	Change in percentage (percentage point)
Property management services	2,559.2	76.4%	2,812.3	77.7%	-9.0%	decrease by 1.3 percentage points
Community value-added services	550.9	16.5%	538.9	14.9%	2.2%	increase by 1.6 percentage points
Value-added services to non-property owners	31.3	0.9%	61.2	1.7%	-48.9%	decrease by 0.8 percentage point
City services	208.9	6.2%	207.4	5.7%	0.7%	increase by 0.5 percentage point
Total	3,350.3	100%	3,619.8	100%	-7.4%	N/A

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis on Business Segments

1. Property Management Services

- **Representing 76.4% of total revenue and 74.6% of total gross profit**

As of 30 June 2026, the Group's revenue from property management services amounted to RMB2,559.2 million, representing a period-to-period decrease of 9.0% as compared to RMB2,812.3 million for the same period of 2025, mainly due to changes in the industry market environment, which led to adjustments in service unit price for renewal of some existing projects, thereby compressing the revenue of the property services segment.

Going forward, the Group will (1) proactively expand its portfolio in high-quality third-party projects bidding; and (2) enhance service quality and customer satisfaction, increase the retention rate of projects under management for effective stabilisation and active expansion of its revenue base, thereby promoting steady growth in the revenue from property management services.

As of 30 June 2026, gross profit from property management services of the Group was RMB337.3 million, representing a period-to-period decrease of 40.1% as compared to RMB562.7 million for the same period of 2025; the gross profit margin was 13.2%, representing a period-to-period decrease of 6.8 percentage points as compared to 20.0% for the same period of 2025. This was mainly due to (1) changes in the industry market environment, which led to adjustments in service unit price for renewal of some existing projects, compressing the revenue of the property services segment; (2) investment in quality improvement of property cleaning, greening, and labor services; (3) aging of facilities and equipment in existing old projects, resulting in driving up the cost of engineering renovation and maintenance; and (4) additional phased investment in facility upgrades and renovations to promote the successful renewal of project contracts, increasing current operating costs.

In the future, the Group will (1) continue to advance the upgrade of its management to strengthen the foundations of its operation; (2) implement refined operation to boost the frontline efficiency; and (3) carry out energy-saving renovation in phases to reduce energy consumption, thereby promoting the steady development of property services business through multi-pronged approaches.

- **Management scale remained stable**

In the first half of 2026, the Group's management scale remained stable, while the overall structure of projects under management was further enhanced.

As at 30 June 2026, the Group's GFA under management was 190.2 million sq.m., representing a period-to-period decrease of 14.4% as compared to 222.3 million sq.m. for the same period of 2025; the Group's contracted GFA was 306.5 million sq.m., representing a period-to-period decrease of 10.7% as compared to 343.4 million sq.m. for the same period of 2025. The change was mainly attributable to the Group's (1) focus on the operations, involving a systematic review of its portfolio of projects under management, benchmarking analysis and assessment of the fundamentals of these projects; and (2) efforts to unleash the operational potential of overall projects under management by adjusting the allocation of resources.



MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the Group's GFA under management and contracted GFA as at 30 June 2026 and 30 June 2025 respectively:

	2026 Area (sq.m. in million)	As at 30 June 2025 Area (sq.m. in million)	Change in area (%)
GFA under management	190.2	222.3	-14.4%
Contracted GFA	306.5	343.4	-10.7%

As at 30 June 2026, the GFA under management from independent third-party developers was 127.3 million sq.m., representing a period-to-period decrease of 20.5% as compared to 160.1 million sq.m. for the same period of 2025. The contracted GFA from independent third-party developers was 230.2 million sq.m., representing a period-to-period decrease of 14.1% as compared to 268.0 million sq.m. for the same period of 2025. The change was mainly attributable to the Group's (1) continued focus on high-quality development and ongoing efforts to strengthen operational management; and (2) optimisation of the portfolio structure of its projects under management, including the proactive termination of certain projects whose performance has fallen short of expectation.

The following table sets forth the Group's GFA under management and contracted GFA which were categorised by property developer type as at 30 June 2026 and 30 June 2025, respectively:

	As at 30 June 2026		2025		Change in area	Change in percentage
	Area (sq.m. in million)	Percentage (%)	Area (sq.m. in million)	Percentage (%)	(%)	(percentage point)
GFA under management	190.2	100%	222.3	100%	-14.4%	N/A
Among which:						
From Shimao Group* and its co-developers	62.9	33.1%	62.2	28.0%	1.1%	increase by 5.1 percentage points
From independent third-party developers	127.3	66.9%	160.1	72.0%	-20.5%	decrease by 5.1 percentage points
Contracted GFA	306.5	100%	343.4	100%	-10.7%	N/A
Among which:						
From Shimao Group and its co-developers	76.3	24.9%	75.4	22.0%	1.2%	increase by 2.9 percentage points
From independent third-party developers	230.2	75.1%	268.0	78.0%	-14.1%	decrease by 2.9 percentage points

* Shimao Group Holdings Limited ("Shimao Group Holdings", together with its subsidiaries, collectively, the "Shimao Group")

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2026, the Group's GFA under management of residential properties was 138.3 million sq.m., representing a period-to-period increase of 1.0% as compared to 136.9 million sq.m. for the same period of 2025. Contracted GFA of residential properties was 199.0 million sq.m., representing a period-to-period increase of 1.7% as compared to 195.6 million sq.m. for the same period of 2025. The primary reasons for the increase of GFA under management of residential properties were the fact that the Group (1) always adheres to service quality as its core focus, and consolidated its residential business foundation; (2) continuously improve customer satisfaction by upgrading service standards, refining its full-cycle service system, speeding up the response to requests and enhancing the living experience for property owners, thereby, solidifying the foundation for business development; and (3) leveraging its excellent market reputation to actively expand its market presence and steadily increasing the scale of projects under management.

As at 30 June 2026, among the Group's GFA under management, 76.5% of the projects under management were located in first-tier, new first-tier and second-tier cities in China, which will provide strong support for the expansion of various community value-added services.

The following table sets forth the Group's GFA under management and contracted GFA which were categorised by property type as at 30 June 2026 and 30 June 2025, respectively:

	As at 30 June				Change in area (%)	Change in percentage (percentage point)
	2026		2025			
	Area (sq.m. in million)	Percentage (%)	Area (sq.m. in million)	Percentage (%)		
GFA under management	190.2	100%	222.3	100%	-14.4%	N/A
Among which:						
Residential properties	138.3	72.7%	136.9	61.6%	1.0%	increase by 11.1 percentage points
Non-residential properties	51.9	27.3%	85.4	38.4%	-39.2%	decrease by 11.1 percentage points
Contracted GFA	306.5	100%	343.4	100%	-10.7%	N/A
Among which:						
Residential properties	199.0	64.9%	195.6	57.0%	1.7%	increase by 7.9 percentage points
Non-residential properties	107.5	35.1%	147.8	43.0%	-27.3%	decrease by 7.9 percentage points

As of 30 June 2026, the Group's terminated GFA under management amounted to 35.5 million sq.m., representing a period-to-period increase of 219.8% as compared to 11.1 million sq.m. for the same period of 2025, and the Group's terminated contracted GFA amounted to 35.5 million sq.m., representing a period-to-period increase of 219.8% as compared to 11.1 million sq.m. for the same period of 2025. The change was mainly attributable to the fact that the Group (1) conducted a comprehensive and systematic review of the projects under management, focused on the enhancement of operational efficiency, and carried out an in-depth analysis of its operational fundamentals; and (2) optimised and made adjustments to each project based on the operational contribution and development potential after taking into account industry benchmarking analysis and its own comprehensive management requirements, thereby unleashing its overall operational growth potential.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the Group's terminated GFA under management and terminated contracted GFA which were categorised by property type for the six months ended 30 June 2026 and 30 June 2025, respectively:

	For the six months ended 30 June				Change in area	Change in percentage
	2026		2025			
	Area (sq.m. in million)	Percentage (%)	Area (sq.m. in million)	Percentage (%)	(%)	(percentage point)
Terminated GFA under management	35.5	100%	11.1	100%	219.8%	N/A
Among which:						
Residential properties	7.1	20.0%	4.1	36.9%	73.2%	decrease by 16.9 percentage points
Non-residential properties	28.4	80.0%	7.0	63.1%	305.7%	increase by 16.9 percentage points
Terminated contracted GFA	35.5	100%	11.1	100%	219.8%	N/A
Among which:						
Residential properties	7.1	20.0%	4.1	36.9%	73.2%	decrease by 16.9 percentage points
Non-residential properties	28.4	80.0%	7.0	63.1%	305.7%	increase by 16.9 percentage points

- **Greater focus on third-party bidding expansion**

As of 30 June 2026, the Group's newly-added annualised contract amount from third-party bidding expansion was RMB191.3 million, representing a period-to-period decrease of 80.0% as compared to RMB958.4 million for the same period of 2025. The newly-added GFA under management was 3.5 million sq.m., representing a period-to-period decrease of 5.4% as compared to 3.7 million sq.m. for the same period of 2025; the newly-added contracted GFA was 6.4 million sq.m., representing a period-to-period decrease of 84.0% as compared to 40.1 million sq.m. for the same period of 2025. The changes are primarily attributable to the Group's (1) proactive efforts to raise its market expansion requirements and enhance project approval criteria; and (2) focus on higher-quality projects to establish a solid foundation for its business operations.

Going forward, the Group will (1) implement a strategy to greatly focus on third-party bidding expansion to align with industry trends and build on its core competitive strengths; (2) clearly define business segments, key regions and project eligibility criteria; and (3) adhere to the principles of prioritising quality, profitability and long-term sustainability in its market expansion, whilst prudently pursuing market-driven expansion to achieve long-term, sustainable and high-quality development.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the Group's newly-added annualised contract amount from third-party bidding expansion of various businesses which were categorised by property type for the six months ended 30 June 2026 and 30 June 2025, respectively:

	For the six months ended 30 June 2026		2025		Change in amount (%)	Change in percentage (percentage point)
	Contract amount (RMB in million)	Percentage (%)	Contract amount (RMB in million)	Percentage (%)		
Newly-added annualised contract amount	191.3	100%	958.4	100%	-80.0%	N/A
Among which:						
Residential properties	35.4	18.5%	232.0	24.2%	-84.7%	decrease by 5.7 percentage points
Non-residential properties	155.9	81.5%	726.4	75.8%	-78.5%	increase by 5.7 percentage points

The following table sets forth the Group's newly-added GFA under management and newly-added contracted GFA from third-party bidding expansion which were categorised by property type for the six months ended 30 June 2026 and 30 June 2025, respectively:

	For the six months ended 30 June 2026		2025		Change in area (%)	Change in percentage (percentage point)
	Area (sq.m. in million)	Percentage (%)	Area (sq.m. in million)	Percentage (%)		
Newly-added GFA under management	3.5	100%	3.7	100%	-5.4%	N/A
Among which:						
Residential properties	1.3	37.1%	1.8	48.6%	-27.8%	decrease by 11.5 percentage points
Non-residential properties	2.2	62.9%	1.9	51.4%	15.8%	increase by 11.5 percentage points
Newly-added contracted GFA	6.4	100%	40.1	100%	-84.0%	N/A
Among which:						
Residential properties	2.3	35.9%	6.7	16.7%	-65.7%	increase by 19.2 percentage points
Non-residential properties	4.1	64.1%	33.4	83.3%	-87.7%	decrease by 19.2 percentage points

MANAGEMENT DISCUSSION AND ANALYSIS

2. Community Value-Added Services

- **Representing 16.5% of total revenue and 19.3% of total gross profit**

As of 30 June 2026, the Group's revenue from community value-added services amounted to RMB550.9 million, representing a period-to-period increase of 2.2% as compared to RMB538.9 million for the same period of 2025; gross profit was RMB87.5 million, representing a period-to-period decrease of 25.0% as compared to RMB116.6 million for the same period of 2025; and gross profit margin was 15.9%, representing a period-to-period decrease of 5.7 percentage points as compared to 21.6% for the same period of 2025.

In the first half of 2026, the Group (1) focused on developing new retail businesses tailored to the daily needs of property owners, thereby broadening its revenue base; (2) established a convenient and efficient community consumption ecosystem to enhance operational capabilities and increase revenue; and (3) actively developed elderly care services, strengthening collaboration between property management services and elderly care businesses to increase revenue.

The following table sets forth the Group's revenue from community value-added services by category for the six months ended 30 June 2026 and 30 June 2025, respectively:

	For the six months ended 30 June				Change in revenue	Change in percentage
	2026		2025			
	Revenue (RMB million)	Percentage (%)	Revenue (RMB million)	Percentage (%)	(%)	(percentage point)
Community asset management services	151.4	27.5%	123.4	22.9%	22.7%	increase by 4.6 percentage points
Smart scenario solutions	9.1	1.7%	4.0	0.7%	127.5%	increase by 1.0 percentage point
Carpark asset operation services	97.7	17.7%	113.6	21.1%	-14.0%	decrease by 3.4 percentage points
Home decoration services	0.9	0.2%	10.1	1.9%	-91.1%	decrease by 1.7 percentage points
New retail services	48.1	8.7%	28.5	5.3%	68.8%	increase by 3.4 percentage points
Campus value-added services	122.4	22.2%	154.0	28.6%	-20.5%	decrease by 6.4 percentage points
Elderly care services	121.3	22.0%	105.3	19.5%	15.2%	increase by 2.5 percentage points
Total of community value-added services	550.9	100%	538.9	100%	2.2%	N/A

MANAGEMENT DISCUSSION AND ANALYSIS

- **Community asset management services**

In the first half of 2026, revenue from community asset management services was RMB151.4 million, representing a period-to-period increase of 22.7% as compared to RMB123.4 million for the same period of 2025. The increase in revenue was due to the Group's systematic efforts to enhance the overall operational efficiency of its community asset management by effectively revitalising existing common spaces for commercial use which increased revenue.

- **Smart scenario solutions**

In the first half of 2026, revenue from smart scenario solutions was RMB9.1 million, representing a period-to-period increase of 127.5% as compared to RMB4.0 million for the same period of 2025. The increase in revenue was primarily driven by the Group's active expansion of third-party and related-party project opportunities by capitalizing on the demand for intelligent installation and upgrades in ongoing and renovation projects, so as to explore new business growth points.

- **Carpark asset operation services**

In the first half of 2026, revenue from carpark asset operation services was RMB97.7 million, representing a period-to-period decrease of 14.0% as compared to RMB113.6 million for the same period of 2025. The decrease in revenue was due to the impact of the macroeconomy and the real estate market, which led to decrease in average selling price and scale.

- **Home decoration services**

In the first half of 2026, revenue from home decoration services was RMB0.9 million, representing a period-to-period decrease of 91.1% as compared to RMB10.1 million for the same period of 2025. The decrease in revenue was due to the changes in the domestic market environment, the Group proactively adjusted its business layout by scaling back the home decoration services segment, and focused on completing the delivery of existing contracts.

- **New retail services**

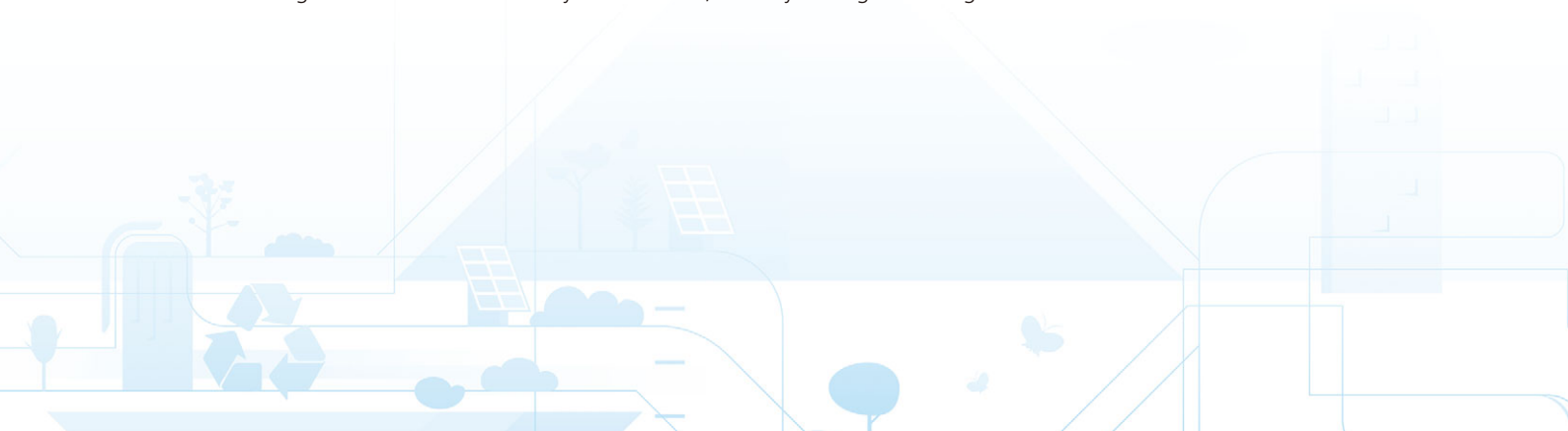
In the first half of 2026, revenue from new retail services was RMB48.1 million, representing a period-to-period increase of 68.8% as compared to RMB28.5 million for the same period of 2025. The increase in revenue was due to the Group's proactive business development focused on addressing the essential daily needs of property owners, which drove rapid revenue growth.

- **Campus value-added services**

In the first half of 2026, revenue from campus value-added services was RMB122.4 million, representing a period-to-period decrease of 20.5% as compared to RMB154.0 million for the same period of 2025. The decrease in revenue was mainly due to (1) the decline in the scale of the canteen catering segment as a result of market competition from the food delivery industry; and (2) the Group's proactive divestment from certain projects that were incurring significant losses, taking into account its overall profitability.

- **Elderly care services**

In the first half of 2026, revenue from elderly care services was RMB121.3 million, representing a period-to-period increase of 15.2% as compared to RMB105.3 million for the same period of 2025. The increase in revenue was due to the Group increased efforts in deepening synergistic cooperation between property management services and elderly care services, thereby driving revenue growth.



MANAGEMENT DISCUSSION AND ANALYSIS

3. Value-Added Services to Non-Property Owners

- **Representing 0.9% of total revenue and 0.9% of total gross profit**

As of 30 June 2026, the Group's revenue from value-added services to non-property owners amounted to RMB31.3 million, representing a period-to-period decrease of 48.9% as compared to RMB61.2 million for the same period of 2025. The decrease in revenue was due to the fact that the domestic real estate industry was still undergoing adjustment when related party guaranteed delivery projects were successively completed, which led to a decrease in revenue from the sales offices related business.

4. City Services

- **Representing 6.2% of total revenue and 5.2% of total gross profit**

As of 30 June 2026, the Group's revenue from city services amounted to RMB208.9 million, representing a period-to-period increase of 0.7% as compared to RMB207.4 million for the same period of 2025, remaining stable.

Share Award Scheme

A Share Award Scheme of the Company (the "Share Award Scheme") was adopted by the board of directors of the Company (the "Board") on 28 June 2021 (the "Adoption Date"). The purpose of the Share Award Scheme is to recognize the contributions by certain selected employees of the Group and to provide them with incentives so as to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

The Share Award Scheme shall be valid and effective for a term of ten years commencing from the Adoption Date. The maximum number of shares which can be awarded under the Share Award Scheme is 3% of the total number of issued shares of the Company as at the Adoption Date (i.e. 70,919,190 shares). During the six months ended 30 June 2026, no award share was granted by the Company under the Share Award Scheme. Further details of the Share Award Scheme are set out in the section headed "Corporate Governance and Other Information" in this report.

Employees and Compensation Policy

As at 30 June 2026, the Group had a total of 34,435 employees, representing a period-to-period decrease of 0.5% as compared to 34,592 employees for the same period of 2025. Total staff costs amounted to RMB1,369.7 million, representing a period-to-period decrease of 9.8% as compared to RMB1,517.7 million for the same period of 2025. The decrease in staff costs was mainly due to the fact that (1) subject to the dynamic deployment and withdrawal of projects, the average monthly headcount in the first half of the year fell by approximately 100 compared with the same period last year; this reduction in the overall workforce was a major factor in the year-on-year decline in labour costs; (2) in the first half of the year, we intensified lean cost control measures for back-office functions. On the one hand, we dynamically adjusted managerial remuneration in line with operational performance, thereby achieving a reasonable reduction in management labour costs; on the other hand, we optimised the workforce structure and streamlined back-office roles, driving the reallocation of staffing resources towards front-line operations; and (3) at the project level, we strictly implemented staffing control requirements, utilising existing personnel more effectively through measures such as role consolidation and reallocation, eliminating redundant positions, and continuously optimising front-line workforce allocation to strictly control labour costs at source.

The salary paid to the employees by the Group was determined according to their duties, market levels as well as performance and contribution, and bonuses were also paid to employees based on their work performance. In addition, the Group offered its employees a variety of training and personal development schemes together with employee benefits, including pension fund, medical insurance and provident fund, etc.



MANAGEMENT DISCUSSION AND ANALYSIS

Use of Proceeds from the Listing

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 30 October 2020 (the “Listing”). Excluding underwriting fees and related expenses, the net proceeds from the Listing amounted to HK\$5,917.4 million (equivalent to approximately RMB5,126 million). Details of the intended use of net proceeds from the Listing and its utilisation are set out as follows:

Intended use of net proceeds	Allocation percentage	Actual net proceeds from the Listing	Utilised amount up to 31 December 2025	Utilised amount during six months ended 30 June 2026	Unutilised amount as at 30 June 2026	Expected timeline for utilising the remaining amount
	%	(RMB million)	(RMB million)	(RMB million)	(RMB million)	
(1) To continue to expand business scale through multiple channels	65%	3,332	3,332	–	–	
– Acquire, invest in or cooperate with other property management companies	55%	2,819	2,819	–	–	
– Develop and launch municipal services	10%	513	513	–	–	
(2) To diversify people-oriented and property-oriented value-added service offerings	15%	769	303	10	456	2026
– Upgrade smart community solutions	10%	513	47	10	456	
– Offer more value-added services	5%	256	256	–	–	
(3) To improve the information technology system and smart technologies	5%	256	256	–	–	
– Upgrade enterprise resource planning system	2%	102	102	–	–	
– Optimize data middle office and big data analytics platforms	2%	102	102	–	–	
– Upgrade Mao Home (茂家) mobile application	1%	52	52	–	–	
(4) To attract and nurture talent	5%	256	74	1	181	2026
– Recruit external talent and promote internal talent	2%	102	74	1	27	
– Further improve training programs and strengthen employee development	1%	52	–	–	52	
– Establish a new system with new business lines, talent and structure	2%	102	–	–	102	
(5) For general working capital and other general corporate purposes	10%	513	213	5	295	2026
– Market expansion and brand promotion	3.6%	184	184	–	–	
– Information system operations and maintenance	6.4%	329	29	5	295	
Total	100%	5,126	4,178	16	932	

MANAGEMENT DISCUSSION AND ANALYSIS

Use of Proceeds from the Top-Up Placing

Placing of Existing Shares and Top-up Subscription of New Shares under the General Mandate (the “Top-Up Placing”)

On 19 October 2021, the Company entered into a placing and subscription agreement (the “2021 Placing and Subscription Agreement”) with Morgan Stanley & Co. International plc (the “Placing Agent”), Shimao Group Holdings and the vendor, Best Cosmos Limited (“Best Cosmos”), pursuant to which the Placing Agent conditionally agreed to place to not less than six independent professional, institutions and/or individual investors, on a fully underwritten basis, 115,000,000 existing ordinary shares of the Company at the placing price of HK\$15.18 per share, and Best Cosmos conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue to Best Cosmos new ordinary shares, which were the same number as the placing shares that have been placed by the Placing Agent, at the placing price. The subscription shares have a nominal value of HK\$1.15 million and a market value of HK\$1,934.3 million, based on the closing price of HK\$16.82 per share as quoted on the Stock Exchange on the last full trading day immediately before the time at which the 2021 Placing and Subscription Agreement was signed. The net price per subscription share is HK\$15.09. The completion of placing of existing shares took place on 22 October 2021, and the Company allotted and issued 115,000,000 ordinary shares to Best Cosmos on 2 November 2021 under the general mandate granted to the directors of the Company (the “Directors”) pursuant to an ordinary resolution passed at the 2021 annual general meeting of the Company (the “General Mandate”). For further details, please refer to the announcements of the Company dated 20 October 2021 and 2 November 2021 (the “Announcements”).

Excluding related fees and expenses, the net proceeds from the Top-up Placing amounted to HK\$1,735 million (equivalent to approximately RMB1,426 million). Details of the intended use of net proceeds from the Top-up Placing and its utilisation are set out as follows:

Intended use of net proceeds	Allocation percentage %	Actual net proceeds from the Top-Up Placing (RMB million)	Utilised amount up to 31 December 2025 (RMB million)	Utilised amount during six months ended 30 June 2026 (RMB million)	Unutilised amount as at 30 June 2026 (RMB million)	Expected timeline for utilising the remaining amount
(1) Potential M&A	80%	1,140	1,140	–	–	
– Acquire, invest in or cooperate with other property management companies	80%	1,140	1,140	–	–	
(2) Business expansion	10%	143	–	–	143	2026
– Expansion of new value-added services	10%	143	–	–	143	
(3) General working capital and other general corporate purposes	10%	143	143	–	–	
– Market expansion and brand promotion	10%	143	143	–	–	
Total	100%	1,426	1,283	–	143	

The abovementioned net proceeds from the Listing and the Top-up Placing had been utilised in accordance with the intended use of proceeds and allocation percentage as disclosed in the Company’s prospectus dated 20 October 2020 (the “Prospectus”) and the Announcements, respectively, save for the expected timeline for utilising the remaining unutilised amounts from the Listing and the Top-up Placing has been extended to 2026, in which there has been a delay in the expected timeline for utilising the allocated net proceeds compared to the original expected timeline as previously disclosed in the Prospectus and the Announcements.

MANAGEMENT DISCUSSION AND ANALYSIS

The reasons for the delay in the use of proceeds from the Listing and the Top-up Placing are primarily due to (1) the overall external environment of the property management industry has undergone significant changes over time since the Company's Listing and the completion of the Top-up Placing. The industry has shifted from rapid expansion to a focus on operational quality, and the uncertainty about the valuation and quality of mergers and acquisitions ("M&A") targets has increased. In light of this, the Group carefully screens M&A targets and investment opportunities that offer reasonable returns and manageable risks, and would rather postpone investments than make inefficient ones; (2) the Group has proactively optimised its business structure and scaled back certain non-core business operations in response to changes in the real estate industry environment. Consequently, the originally planned large-scale recruitment of external talent has decreased accordingly and the focus has shifted to internal training and skill development, thus, the pace of hiring has slowed down; and (3) the Group prudently allocates funds in a timely manner based on actual needs under the uncertainties surrounding the changing market condition. The Group currently maintains abundant operating cash flow, it will utilise the proceeds as business expenses are actually incurred, and the unutilised proceeds have been deposited in full in interest-bearing accounts at licensed banks, ensuring the safety of unutilised amount.

In view of the above, the Company has extended the estimated timeline for utilising the allocated but unutilised net proceeds from the Listing and the Top-up Placing to 2026, and considers that such extension of the expected timeline will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole. As the current expected timeline for utilising the remaining net proceeds is based on the estimation of the present and future business market situations made by the Group assuming there are not any unforeseeable circumstances, therefore, it may be subject to change based on the future development of the market conditions.

The Group will continue to identify suitable investment opportunities, and will adhere to a prudent and proactive principles into consideration for utilising the capital deployment reasonably, thereby ensuring the Group's steady business growth and safeguarding the long-term benefit of shareholders.

Update on the Formation of the Partnership and the Capital Contribution Arrangement

Formation of the Partnership – Liaoning Province Qisheng Project Management Consultancy Partnership (Limited Partnership) (遼寧省琪晟項目管理諮詢合夥企業(有限合夥)) ("Liaoning Qisheng")

On 22 December 2025, Shanghai Shimao Tianjing Property Services Co., Ltd. ("Shanghai Shimao Tianjing") (as a limited partner), an indirect wholly-owned subsidiary of the Company, entered into a partnership agreement with Huludao Yongsheng Project Management Consultancy Company Limited (葫蘆島永晟項目管理諮詢有限責任公司) ("Huludao Yongsheng") (as the general partner) under which the two parties agreed to establish the partnership to invest and operate a sewage treatment project in Xingcheng City, Huludao, Liaoning Province in the PRC.

Pursuant to the terms of the partnership agreement, the total capital contribution amount to be paid by all partners of the partnership shall be RMB283,000,000, of which RMB280,170,000 shall be contributed by Shanghai Shimao Tianjing and RMB2,830,000 shall be contributed by Huludao Yongsheng. Shanghai Shimao Tianjing and Huludao Yongsheng jointly established the partnership, namely, Liaoning Qisheng in December 2025. In December 2025, Shanghai Shimao Tianjing completed capital contribution. As information relating to the underground pipelines involved in the construction of the project had not been fully obtained and the groundwater level was higher than that in previous years, the site investigation works of the project were delayed. Following mutual consultation, the parties agreed to extend the deadline for making the capital contribution from 31 March 2026 to 31 December 2026. For details about the establishment of the partnership, please refer to the announcement of the Company dated 22 December 2025 and 5 February 2026.



MANAGEMENT DISCUSSION AND ANALYSIS

Acquisitions and Future Outlook

Acquisitions

When making acquisitions, the Group focuses on the alignment between the target company and the Group's development strategy, while it also takes into account the development needs, including scale growth, the deployment of new business lines and the new building capabilities. For potential acquisition targets, the Group will comprehensively assess the following core factors: (1) being within the Group's existing management radius; (2) being a leading company in the region or sub-sector; (3) not touching red-line issues, such as safety issues, etc.; (4) being able to accept the Group's integration requirements; and (5) having a customer base that is from local middle-income and high-income classes. Through rigorous screening based on the above criteria, the Group can ensure the effective management and empowerment of the target company after the completion of the M&A, thereby achieving long-term and sound development.

In the first half of 2026, the real estate industry was still undergoing adjustment and the market was relatively sluggish. The Group did not complete any project acquisitions during the period. Looking ahead, the Group will continue to adopt a prudent approach while actively seeking suitable acquisition opportunities in the market. In view of the prevailing industry situation, the Group will further strengthen its pre-acquisition due diligence by comprehensively assessing a target company's overall performance in market position, business model, financial conditions and service quality, with particular focus on its risk resilience and long-term development potential in a complex market environment. At the same time, the Group will fully leverage its own strategic layout and integration capabilities, so as to ensure the acquisitions not only can unleash synergistic value between both parties, but also continuously enhance its overall competitiveness within the industry.

Future Outlook

AI and big data are driving the digital transformation of the property services industry. The Group will adapt to developments and changes in the industry, build on its strengths, and reduce costs and enhance operational efficiency by prioritising digital transformation to deepen the application of technology. Leveraging big data analysis, the Group will create personalised and precise services to enhance customer satisfaction. At the same time, it will optimise its business structure by focusing on high-quality project expansion while phasing out underperforming projects, thereby establishing a dual-engine model of "basic services + value-added services". Furthermore, the Group will strengthen its advantages in technology, talent and service to build core competitive barriers, uphold its service-oriented philosophy, and achieve long-term sustainable, high-quality development, thereby providing customers with better service experience and generating greater value for shareholders.

Financial Review

During the period, the Group realised:

Revenue

Revenue amounted to RMB3,350.3 million, representing a decrease of 7.4% as compared to RMB3,619.8 million for the same period of 2025. The Group generated revenue from four business segments: (1) property management services; (2) community value-added services; (3) value-added services to non-property owners; and (4) city services. During the period, revenue from property management services was RMB2,559.2 million, accounting for 76.4% of the total revenue and representing a decrease of 9.0% as compared to RMB2,812.3 million for the same period of 2025; revenue from community value-added services amounted to RMB550.9 million, accounting for 16.5% of the total revenue and representing an increase of 2.2% as compared to RMB538.9 million for the same period of 2025; revenue from value-added services to non-property owners amounted to RMB31.3 million, accounting for 0.9% of the total revenue and representing a decrease of 48.9% as compared to RMB61.2 million for the same period of 2025; and revenue from city services amounted to RMB208.9 million, accounting for 6.2% of the total revenue and representing an increase of 0.7% as compared to RMB207.4 million for the same period of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales and Services

Cost of sales and services of the Group primarily included staff costs, subcontracting costs, utilities and facility operating costs, cost of selling carpark spaces, cost of smart community solutions and others. During the period, cost of sales and services was RMB2,898.0 million, representing a period-to-period decrease of 0.4% as compared to RMB2,910.8 million for the same period of 2025. This was mainly attributable to (1) the relatively high proportion of fixed costs associated with the basic operation of the properties; and the investment in manpower and the basic operation and maintenance of the parks have remained stable due to the Group's commitment to maintaining its service standards; (2) the various outsourced services subject to medium to long-term contracts, resulting in a lag in cost optimisation; and (3) the additional pressure caused by rising labour costs.

Gross Profit and Gross Profit Margin

During the period, gross profit amounted to RMB452.3 million, representing a period-to-period decrease of 36.2% as compared to RMB709.0 million for the same period of 2025. Gross profit margin was 13.5%, representing a decrease of 6.1 percentage points as compared to 19.6% for the same period of 2025. Gross profit margins for the four business segments were 13.2% for property management services, 15.9% for community value-added services, 12.7% for value-added services to non-property owners and 11.3% for city services, respectively. Gross profit margins for those business segments for the same period of 2025 were 20.0%, 21.6%, 15.0% and 9.9%, respectively.

Gross profit margin for property management services was 13.2%, representing a decrease of 6.8 percentage points as compared to 20.0% for the same period of 2025. It was mainly due to (1) the adjustments to the unit service rates for certain existing projects following contract renewal under the changes in the industry's market environment, which reduced revenue in the property services segment; (2) the investments in improving the quality of services such as property cleaning, greening and labour; (3) the increased expenditure on engineering renovations and maintenance costs resulting from the ageing of facilities and equipment in existing legacy projects; and (4) the increased current operating costs resulting from phased investment in additional facility upgrades and renovations undertaken to facilitate the smooth renewal of project contracts.

Gross profit margin for community value-added services was 15.9%, representing a decrease of 5.7 percentage points as compared to 21.6% for the same period of 2025. This was primarily due to (1) the continued rise in fixed costs such as labour and facility maintenance; (2) the decline in the average selling price and the reduction in the scale of the car parking spaces sales business, resulting from the impact of the macroeconomy and the real estate market; and (3) the realisable revenue from the community resources segment was under pressurized, resulting from the gradual transfer of revenue from project communal areas to the owners' committee for self-management, and the changes to the distribution arrangements for revenue from the operation of related resources.

Gross profit margin for value-added services to non-property owners was 12.7%, representing a decrease of 2.3 percentage points as compared to 15.0% for the same period of 2025. It was mainly due to the increased labour costs and the slowdown in developers' property launch schedules, which led to a decline in gross profits from property sales office services and preliminary fees.

Gross profit margin for the city services business was 11.3%, representing an increase of 1.4 percentage points as compared to 9.9% for the same period of 2025. It was mainly due to (1) the ongoing optimisation of the project portfolio and the orderly adjustment of the layout of low-return projects; and (2) the continued implementation of refined cost control measures, the co-ordination of staff deployment and outsourced resources, and the improvements in operational efficiency.

Selling and Marketing Expenses

Selling and marketing expenses for the period were RMB59.7 million, representing an increase of 6.0% as compared to RMB56.3 million for the same period of 2025. Selling and marketing expenses as a percentage of revenue was 1.8%, representing an increase of 0.2 percentage point as compared to 1.6% for the same period of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative Expenses

Administrative expenses for the period were RMB330.8 million, representing a period-to-period decrease of 2.6% as compared to RMB339.8 million for the same period of 2025. Administrative expenses as a percentage of revenue was 9.9%, representing an increase of 0.5 percentage point as compared to 9.4% for the same period of 2025, which was mainly due to the increased depreciation and amortisation charge for the period, resulting from the completion and delivery of a newly developed software system for improving management efficiency in the previous year.

Operating (Loss)/Profit

Operating loss for the period was RMB108.7 million, as compared to operating profit of RMB40.2 million for the same period of 2025. Operating loss margin was 3.2%, as compared to operating profit margin of 1.1% for the same period of 2025.

Finance Income/Costs – Net

Finance income – net for the period was RMB8.3 million, as compared to finance costs – net of RMB2.1 million for the same period of 2025. It was primarily due to the recognition of amortisation of unrecognised finance charges from discount on consideration for the acquired companies during the same period of last year.

(Loss)/profit before Income Tax

Loss before income tax for the period amounted to RMB97.8 million, as compared to profit before income tax of RMB29.5 million for the same period of 2025, representing a turnaround from profit to loss, with the change amounting to RMB127.3 million, which was mainly attributable to pressure resulting from a decline in overall gross profit margin during the period.

Income Tax Expense

Income tax expense for the period amounted to RMB6.0 million, representing a period-to-period decrease of 17.8% as compared to RMB7.3 million for the same period of 2025. It was primarily due to the dramatic decrease in profit before income tax for the period.

Tibet Shimao Tiancheng Property enjoyed tax benefits for being headquartered in Tibet; while Chengdu Xinyi and the newly established “second headquarters” enjoyed the preferential tax policy for the “Western Region Development”.

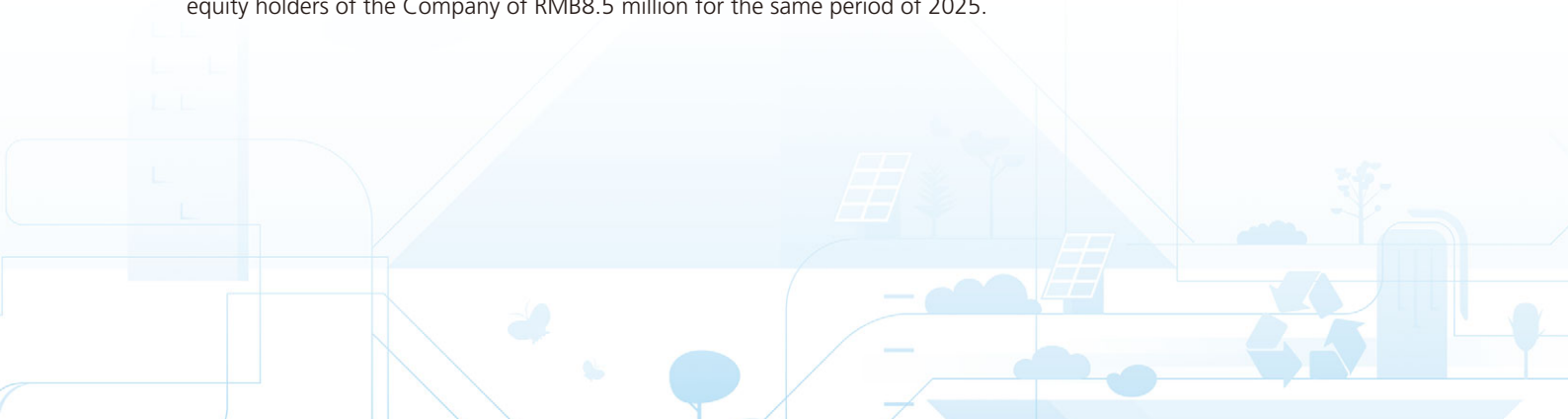
Pursuant to the regulations of the Cayman Islands, the Group is not required to pay income tax of the Cayman Islands.

The tax rate applicable to the Group’s entities incorporated in Hong Kong was 16.5%. However, no provision was made for the relevant tax, as the Group did not derive any income subject to Hong Kong profits tax over the period from 1 January to 30 June 2026.

Unless otherwise specified, the corporate income tax rate applicable to the Group’s subsidiaries in the PRC was 25%.

(Loss)/Profit for the Period

Loss for the period was RMB103.8 million, as compared to profit for the period of RMB22.3 million for the same period of 2025. Loss attributable to equity holders of the Company was RMB106.2 million, as compared to profit attributable to equity holders of the Company of RMB8.5 million for the same period of 2025.



MANAGEMENT DISCUSSION AND ANALYSIS

Core Net Profit (Non-HKFRS Measure)

To supplement the consolidated financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS"), the Company has also adopted core net profit (a non-HKFRS measure) as an additional financial measure, which is not required or presented under HKFRS, and believed that by excluding the potential impact of certain items irrelevant to the Company's daily business operations and management, the presentation of core net profit (a non-HKFRS measure) provides investors and management with useful information regarding the consolidated results of the Group's core business for each period. Core net profit (a non-HKFRS measure) is defined as net profit attributable to equity holders of the Company, adjusted by deducting the provisions for bad debts attributable to the parent, amortisation of intangible assets – customer relationships, impairment losses on goodwill, impairment of inventories, and the impact of related deferred tax.

During the period, core net profit attributable to equity holders of the Company (a non-HKFRS measure, adjusted by deducting (i) the provisions for bad debts attributable to the parent of RMB147.1 million; (ii) amortisation of intangible assets – customer relationships of RMB50.3 million; (iii) impairment losses on goodwill of RMB8.0 million; (iv) impairment of inventories of RMB4.1 million; and (v) the impact of related deferred tax of RMB48.4 million) was RMB55.0 million, representing a period-to-period decrease of 78.9% as compared to RMB261.0 million for the same period of 2025.

Investment Properties, Property, Plant and Equipment

As of 30 June 2026, net book value of investment properties, property, plant and equipment was RMB477.8 million, representing a decrease of 2.0% as compared to RMB487.6 million as at 31 December 2025, generally on par with the previous year.

Intangible Assets

As of 30 June 2026, the carrying amount of the Group's intangible assets was RMB2,240.8 million, representing an increase of 4.0% as compared to RMB2,153.9 million as at 31 December 2025. The Group's intangible assets primarily included (i) goodwill amounted to RMB1,234.8 million arising from the acquired companies; (ii) customer relationships amounted to RMB319.7 million arising from the acquired companies; (iii) software developed and procured by the Group amounted to RMB686.3 million. Customer relationships and software have definite useful lives and are measured at cost less accumulated amortisation.

As of 30 June 2026, the Group's goodwill was RMB1,234.8 million, mainly derived from the expected future development of the acquired companies, the improvement of market coverage, the expansion of service scope, the integration of value-added services and the enhancement of management efficiency.

As of 30 June 2026, the Group's management has made a provision for a goodwill impairment loss of RMB8.0 million in respect of Tianjin Rongwei.

Trade Receivables

As at 30 June 2026, trade receivables amounted to RMB4,258.7 million, representing an increase of 8.9% as compared to RMB3,911.8 million as at 31 December 2025. It was mainly due to (1) the slower collection of charges for residential property services as some property owners delayed payment; (2) less willingness to pay fees by some property owners of investment properties amid the downturn in the real estate market; (3) extended settlement period for commercial and government customers; and (4) fiercer market competition, with recovery period lengthened for newly added single-customer projects. As at the date of this report, subsequent recovery of trade receivables accounted for approximately 6.5% of the closing balance, representing a period-to-period increase of 3.0 percentage points compared with the 3.5% for the same period of 2025.

In respect of long-aging trade receivables, the management of the Company has formulated specific plans for recovery based on the residential and non-residential businesses respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

With regard to the recovery for the residential business, the “Specialised Campaign” serves as the key initiative. Building on the annual debt recovery targets, quarterly targets for exceeding collection targets are set, with tasks broken down across each region. Progress in collections and improvements in debt recovery rates are monitored on a monthly basis to drive each region to accelerate the recovery of outstanding debts. At the same time, a tiered incentive mechanism based on the principles of “maintaining the bottomline, improving efficiency and generating incremental growth” has been established. The assessment criteria include ensuring that trade receivable do not increase, that the debt recovery rate is no lower than that of the same period last year, and that the cash collection target is exceeded. For contributions exceeding the target, incentives are calculated at differentiated rates and paid out on a quarterly basis, with the aim of strengthening goal-oriented management and accountability, and continuously improving the effectiveness of recovery for the residential business.

With regard to the recovery for the non-residential business, the Group manages outstanding debts through a tiered and categorised approach based on the difficulty of recovery, including (1) resources are concentrated on projects with a higher likelihood of recovery, with clear accountability and payment deadlines established for easily recoverable amounts; and (2) recovery is accelerated through measures such as deploying dedicated on-site collection teams, tackling each case individually, and pursuing litigation and mediation. For receivables that are particularly difficult to recover, the Group adopts a comprehensive approach involving (1) judicial recovery, asset disposal and debt assignment; and (2) realising value through related-party transactions to facilitate resolution. Meanwhile, for projects with multiple owners, the Group maintains household-level tracking ledgers and customer profiles, implementing daily reporting, regular reviews and on-site collection visits; for major client projects, it strengthens visits to key clients and business coordination, whilst continuously following up on payments from government and major projects. The Group has also reinforced accountability at all levels through mechanisms such as dynamic receivables dashboards, special incentive schemes and “cash inflow performance targets”, whilst optimising payment terms to facilitate improvements in operating cash flow.

Trade Payables

As of 30 June 2026, trade payables amounted to RMB2,541.3 million, representing an increase of 56.6% as compared to RMB1,623.2 million as at 31 December 2025, which was primarily due to the Group’s flexible fund arrangement and appropriate adjustment of settlement with suppliers in response to collection pressure from external market conditions, resulting in a phased rise in the balance of trade payables.

Liquidity, Reserves and Capital Structure

The Group maintained a strong financial position during the period. Current assets amounted to RMB8,827.8 million as of 30 June 2026, representing an increase of 6.5% as compared to RMB8,291.5 million as at 31 December 2025. Cash and cash equivalents, including time deposits with maturity over three months, amounted to RMB3,130.8 million, representing an increase of 4.7% as compared to RMB2,991.3 million as at 31 December 2025, which was mainly due to sustained collection of sales proceeds and orderly procurement payment based on the Group’s overall fund management plan, contributing to an increase in cash reserves.

The Group’s net current assets amounted to RMB3,400.3 million as of 30 June 2026, with a current ratio of 1.6, representing a decrease from RMB3,450.1 million and a current ratio of 1.7 as of 31 December 2025, remaining at a robust level.

Capital Expenditure Commitments

As of 30 June 2026, there was no capital commitment that the Group had contracted but not provided for.

Foreign Exchange Risk

The Group principally operates in the PRC, and the majority of its businesses are conducted in RMB with limited exposure to the foreign exchange risk. However, any depreciation or appreciation in HKD and adjustment in the interest rates will affect the performance of the Group. Therefore, the Group will closely monitor its exchange rate risk and interest rate risk exposure, actively explore foreign exchange hedging plans with major banks and use financial instruments to hedge against such risks when necessary.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Share Award Scheme

A share award scheme of the Company (the "Share Award Scheme") was adopted by the Board on 28 June 2021 (the "Adoption Date"). The purpose of the Share Award Scheme is to recognise the contributions by certain selected employees of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The Share Award Scheme shall be valid and effective for a term of ten years commencing on the Adoption Date. The maximum number of shares which can be awarded under the Share Award Scheme is 3% (i.e. 70,919,190 shares) of the total number of issued shares of the Company as at the Adoption Date.

The number of award shares granted is determined based on the grantee's position, experience, years of service, performance and contribution to the Group. The maximum number of shares which may be subject to an award or awards to a selected employee under the Share Award Scheme must not exceed 3% of the total number of issued shares of the Company as at the Adoption Date. The award shares granted will automatically lapse if the grantee, among other things, terminate his/her service or employment relationship with the Group and other circumstances as provided in accordance with the rules of the Share Award Scheme. No acceptance price of award shares will be payable on the acceptance of the award and no purchase price is payable by the selected employees upon acceptance of awards granted under the Share Award Scheme. Pursuant to the terms of the rules and trust deed of the Share Award Scheme, the trustee shall purchase shares from the market to satisfy the allocation of the awarded shares and shall hold such shares upon trust until they are vested.

During the six months ended 30 June 2026, no award share was granted, vested, lapsed or cancelled under the Share Award Scheme. Details of the movement of the award shares during the period are set out below:

Name of grantees	Date of grant	Number of awarded shares				Outstanding as at 30 June 2026
		Outstanding as at 1 January 2026	Granted during the period	Vested during the period	Lapsed/ cancelled during the period	
Selected employees of the Group	16 November 2022 ^(Note 1)	1,247,511	–	–	–	1,247,511
	19 June 2023 ^(Note 2)	2,097,966	–	–	–	2,097,966
Total		3,345,477	–	–	–	3,345,477

Notes:

- Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, 60% of award shares will be vested after 6 months from the date of grant and 40% of award shares will be vested after 18 months from the date of grant. The closing price of the Company's shares immediately before the date on which the awards were granted was HK\$2.65 per share. The fair value of the awards at the date of grant was HK\$2.29 per share based on the closing price of the Company's shares on that date.
- Subject to the satisfaction of the vesting criteria and conditions of the Share Award Scheme, 60% of award shares will be vested after 12 months from the date of grant and 40% of award shares will be vested after 24 months from the date of grant. The closing price of the Company's shares immediately before the date on which the awards were granted was HK\$1.74 per share. The fair value of the awards at the date of grant was HK\$1.68 per share based on the closing price of the Company's shares on that date.

Since the Adoption Date and up to the date of this report, a total of 7,542,551 award shares had been granted under the Share Award Scheme, representing approximately 0.32% of the total number of issued shares of the Company on the Adoption Date. The total number of shares available for future grant under the Share Award Scheme is 63,376,639 shares, representing approximately 2.57% of the total number of issued shares of the Company as at the date of this report. Further details of the Share Award Scheme are set out in note 27 to the interim condensed consolidated financial statements.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Disclosure of Interests in Securities

Directors' and Chief Executive's Interests and Short Position in the Company and the Associated Corporation

As at 30 June 2026, the interests and short position of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "HKEx") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Appendix C3 to the Rules Governing the Listing of Securities on the HKEx (the "Listing Rules") were as follows:

(i) Long position in the shares of the Company

Name of Directors	Capacity/ Nature of interests	Number of ordinary shares held	Approximate percentage of issued share capital
Hui Sai Tan, Jason	Beneficial owner	57,129	0.002%
Shao Liang (resigned on 14 July 2026)	Beneficial owner	35,016	0.001%

(ii) Long position in the shares of the Associated Corporation – Shimao Group Holdings

Name of Directors	Capacity/ Nature of interests	Number of ordinary shares held	Approximate percentage of Issued share capital
Hui Sai Tan, Jason	Beneficial owner	3,682,198 ^(Note 1)	0.038%
Shao Liang (resigned on 14 July 2026)	Beneficial owner	61,388 ^(Note 2)	0.001%

Notes:

- These interests disclosed include deemed interests in 119,493 shares granted which had not vested pursuant to a share award scheme adopted by Shimao Group Holdings on 30 December 2011 (the "2011 Shimao Group Share Award Scheme").
- These interests disclosed represent deemed interests in shares granted which had not vested pursuant to the 2011 Shimao Group Share Award Scheme.

Save as disclosed above, no other interests or short position in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) were recorded in the register.

Directors' Right to Acquire Shares or Debentures

Save as disclosed above, at no time during the six months ended 30 June 2026 was the Company, any of its subsidiaries, or its holding company a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Interests of Substantial Shareholders

As at 30 June 2026, the interests and short position of substantial shareholders in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long/short position in the shares or underlying shares of the Company

Name	Nature of interests	Number of shares or underlying shares held	Approximate percentage of issued share capital
Long Position			
Best Cosmos Limited ("Best Cosmos")	Note 1	1,356,276,591	54.951%
Shimao Group Holdings	Note 1	1,356,276,591	54.951%
Gemfair Investments Limited ("Gemfair")	Note 2	1,388,210,750	56.244%
Mr. Hui Wing Mau	Note 3	1,399,067,092	56.684%

Notes:

- These interests held by Best Cosmos (a company which is directly wholly-owned by Shimao Group Holdings, which is owned as to approximately 26.13% by Gemfair, a company which is directly wholly-owned by Mr. Hui Wing Mau).
- These interests comprise (i) 31,934,159 shares held directly by Gemfair; and (ii) 1,356,276,591 shares held by Gemfair's controlled corporations.
- These interests comprise (i) 10,856,342 shares held directly by Shiyang Finance Limited, a company which is directly wholly-owned by Mr. Hui Wing Mau; (ii) 31,934,159 shares held by Gemfair; and (iii) 1,356,276,591 shares held by Gemfair's controlled corporations.

Save as disclosed above, no other interests and short position in the shares and underlying shares of the Company were recorded in the register.

Changes in Information of Directors

The changes in the information of the Directors of the Company since the publication of the 2025 annual report of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Name of Directors	Details of Changes
Mr. Jiang Lifeng	Appointed as an Executive Director, the President and an Authorised Representative under Rule 3.05 of the Listing Rules on the HKEx of the Company on 14 July 2026.
Mr. Shao Liang	Resigned as an Executive Director, the President and an Authorised Representative under Rule 3.05 of the Listing Rules on the HKEx of the Company on 14 July 2026.
Mr. Hui Sai Tan, Jason	Ceased as a director of Shanghai Shimao Co., Ltd. on 31 July 2026.
Mr. Lau Chi Kin, Dave	Appointed as an Independent Non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee of the Company on 15 September 2026.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board

The Board currently consists of five Directors, comprising two Executive Directors and three Independent Non-executive Directors who all possess appropriate academic and professional qualifications or related financial management expertise and have brought a wide range of business and financial experience to the Board. Their diverse range of business and professional expertise ensures that the Board has a balance of skills and experience appropriate to the business needs of the Group.

The Board has the collective responsibility for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Board is also responsible for promoting the success of the Company by directing and supervising its affairs and formulating business strategies and policies of the Group. The management is delegated with the authority and responsibilities by the Board for the day-to-day management and operation of the Group and the Board makes decisions objectively in the best interests of the Company and its shareholders as a whole.

The Board is also responsible for performing the corporate governance duties set out in the code provision A.2.1 of the Corporate Governance Code (the "Code") as contained in Appendix C1 to the Listing Rules.

Audit Committee

The audit committee of the Company (the "Audit Committee") currently comprises all three Independent Non-executive Directors, namely, Mr. Hui Wai Man, Lawrence (as the chairman of the Audit Committee), Ms. Zhou Xinyi and Mr. Lau Chi Kin, Dave.

The primary duties of the Audit Committee are to assist the Board to review the financial reporting process, internal control and risk management systems of the Company, nominate and monitor external auditor and provide advice and comments to the Directors.

The Audit Committee meets the external auditor at least twice a year to discuss any significant items during the audits and considers any matters raised by the Company's staff responsible for the accounting and financial reporting function or auditor. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been reviewed by the Audit Committee.

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") currently comprises all three Independent Non-executive Directors, namely, Ms. Zhou Xinyi (as the chairman of the Remuneration Committee), Mr. Hui Wai Man, Lawrence and Mr. Lau Chi Kin, Dave.

The primary functions of the Remuneration Committee include, but not limited to evaluate the performance and make recommendations to the Board on the remuneration package of the Directors and senior management and to evaluate as well as make recommendations on the Company's Share Award Scheme.

Nomination Committee

The nomination committee of the Company (the "Nomination Committee") currently comprises all three Independent Non-executive Directors, namely, Mr. Lau Chi Kin, Dave (as the chairman of the Nomination Committee), Ms. Zhou Xinyi and Mr. Hui Wai Man, Lawrence.

The primary function of the Nomination Committee is to identify and nominate suitable candidates, for the Board's consideration and recommendation to stand for election by shareholders at annual general meeting, or when necessary, make recommendations to the Board to fill Board vacancies when they arise.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Company Secretary

Ms. Chan Ka Yan is a full-time employee of the Company with professional qualifications and extensive experience to discharge the functions of Company Secretary of the Company. The Company Secretary plays an important role in supporting the Board by ensuring efficient information flow within the Board and that Board procedures, and all applicable law, rules and regulations are followed. The Company Secretary reports to the Board through the Chairman whilst all Directors have access to the advice and services of the Company Secretary.

Directors' Securities Transactions

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Before the Group's interim and annual results are announced, notifications are sent to the Directors to remind them not to deal in the securities of the Company during the blackout periods. The Company has made specific enquiry of all Directors and all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Interim Dividend

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

Corporate Governance Code

The Company has complied with all applicable code provisions set out in the Code as contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2026.

Compliance with the Listing Rules

As disclosed in the announcements of the Company dated 18 March 2026 and 25 June 2026, following the resignation of Mr. Gu Yunchang as an Independent Non-executive Director of the Company on 18 March 2026, the number of Independent Non-executive Directors and the members of the Audit Committee of the Company fell below the minimum number as required under Rule 3.10(1) and Rule 3.21 of the Listing Rules, and the composition of the Nomination Committee of the Company does not meet the requirements under Rule 3.27A of the Listing Rules.

Following the appointment of Mr. Lau Chi Kin, Dave as an Independent Non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee of the Company on 15 September 2026, the Company has complied with the requirements under Rule 3.10(1), Rule 3.21 and Rule 3.27A of the Listing Rules.

Amendments to Constitutional Documents

In order to (i) enable the Company to convene and hold an electronic or a hybrid general meetings and provide electronic voting; (ii) bring the existing memorandum and articles of association in line with the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers; (iii) reflect the implementation of an uncertificated securities market regime; and (iv) make other housekeeping amendments, the third amended and restated memorandum and articles of association of the Company was approved and adopted by the shareholders of the Company at the annual general meeting held on 22 June 2026, which is available at the websites of the Company (www.shimaofuwu.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk).



CORPORATE GOVERNANCE AND OTHER INFORMATION

Choice of Language or Means of Receipt of Corporate Communications

This interim report is now available in printed form and on the websites of the Company (www.shimaofuwu.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). If shareholders who have received or chosen (or are deemed to have chosen) to receive this interim report by electronic means but (i) wish to receive a printed copy; or (ii) for any reason have difficulty in receiving or gaining access to this report on the Company's website, they may obtain a printed copy free of charge by sending a request to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited ("Tricor Investor") by email at 873-ecom@vistra.com or by post to 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

To help protect the environment, shareholders are encouraged to access the Company's corporate communications electronically via the websites of the Company or Hong Kong Exchanges and Clearing Limited. For shareholders who wish to change their choice of language or means of receipt of the Company's future corporate communications, free of charge, they could at any time notify Tricor Investor by email or by post.



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

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	7	3,350,275	3,619,813
Cost of sales and services	7	(2,897,975)	(2,910,819)
Gross profit		452,300	708,994
Selling and marketing expenses		(59,745)	(56,261)
Administrative expenses		(330,772)	(339,805)
Impairment losses on financial assets – net	8	(156,925)	(235,938)
Impairment losses on intangible assets	17	(8,000)	(34,742)
Other income	9	7,088	5,497
Other gains and losses – net	10	(9,775)	(4,581)
Other operating expenses	11	(2,886)	(2,970)
Operating (loss)/profit		(108,715)	40,194
Finance income		9,581	12,720
Finance costs		(1,287)	(14,772)
Finance income/(cost) – net	12	8,294	(2,052)
Share of results of associates		2,650	(8,632)
(Loss)/Profit before income tax	8	(97,771)	29,510
Income tax expense	13	(6,018)	(7,253)
(Loss)/Profit for the period		(103,789)	22,257
(Loss)/Profit attributable to:			
– Equity holders of the Company		(106,164)	8,519
– Non-controlling interests		2,375	13,738
		(103,789)	22,257
Other comprehensive expenses for the period, net of tax			
<i>Item that will be reclassified subsequently to profit or loss</i>			
– Exchange differences on translation of foreign operations		(378)	(1,526)
Total comprehensive (expenses)/income for the period		(104,167)	20,731
Total comprehensive (expenses)/income attributable to:			
– Equity holders of the Company		(106,542)	6,993
– Non-controlling interests		2,375	13,738
		(104,167)	20,731
(Loss)/Earnings per share			
– Basic (RMB)	14	(0.043)	0.003
– Diluted (RMB)	14	(0.043)	0.003

The above interim condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

INTERIM 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	16	461,886	471,191
Right-of-use assets		27,374	25,685
Investment properties	16	15,936	16,403
Intangible assets	17	2,240,835	2,153,934
Deferred tax assets		356,126	399,777
Interests in associates	15	620,191	590,442
Financial assets at fair value through profit or loss ("FVPL")	18	583,417	583,417
Prepayments, deposits and other receivables	20	273,146	417,026
Total non-current assets		4,578,911	4,657,875
Current assets			
Financial assets at fair value through profit or loss ("FVPL")	18	45,000	114,580
Inventories		28,413	27,312
Trade receivables	19	4,258,726	3,911,763
Prepayments, deposits and other receivables	20	1,246,042	1,145,452
Restricted bank balances	21	118,807	101,094
Time deposits with maturity over three months	21	18,300	1,500,000
Cash and cash equivalents	21	3,112,546	1,491,273
Total current assets		8,827,834	8,291,474
Current liabilities			
Trade payables	24	2,541,315	1,623,199
Deposits received, accruals and other payables	24	1,320,802	1,480,190
Contract liabilities		1,097,336	1,193,063
Income tax liabilities		455,787	532,380
Borrowings	25	2,500	4,495
Lease liabilities		9,808	8,024
Total current liabilities		5,427,548	4,841,351
Net current assets		3,400,286	3,450,123
Total assets less current liabilities		7,979,197	8,107,998

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities		15,297	16,768
Deferred tax liabilities		80,576	92,487
Provisions for other liabilities and charges	23	22,234	22,234
Other payables	24	2,033	6,629
Total non-current liabilities		120,140	138,118
Net assets		7,859,057	7,969,880
Equity			
Share capital	22	21,358	21,358
Reserves		7,619,518	7,726,060
Equity attributable to equity holders of the Company		7,640,876	7,747,418
Non-controlling interests		218,181	222,462
Total equity		7,859,057	7,969,880

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity holders of the Company								Total equity RMB'000 (Unaudited)
	Share capital RMB'000 (Unaudited) (Note 22)	Share premium RMB'000 (Unaudited)	Statutory reserves RMB'000 (Unaudited)	Other reserves RMB'000 (Unaudited)	Treasury reserve RMB'000 (Unaudited)	Retained earnings RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Non-controlling interests RMB'000 (Unaudited)	
Balance at 1 January 2026	21,358	8,416,063	284,225	(1,709,731)	(7,461)	742,964	7,747,418	222,462	7,969,880
Loss for the period	-	-	-	-	-	(106,164)	(106,164)	2,375	(103,789)
Other comprehensive expense	-	-	-	(378)	-	-	(378)	-	(378)
Total comprehensive expense for the period	-	-	-	(378)	-	(106,164)	(106,542)	2,375	(104,167)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(6,762)	(6,762)
Capital injection from non-controlling interests of subsidiaries	-	-	-	-	-	-	-	106	106
Appropriation to statutory reserves	-	-	2,239	-	-	(2,239)	-	-	-
Balance at 30 June 2026	21,358	8,416,063	286,464	(1,710,109)	(7,461)	634,561	7,640,876	218,181	7,859,057

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2026

	Notes	Attributable to equity holders of the Company						Non-controlling interests	Total equity
		Share capital	Share premium	Statutory reserves	Other reserves	Treasury reserve	Retained earnings		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Note 22)							
Balance at 1 January 2025		21,358	8,416,063	272,633	(1,694,014)	(7,461)	650,173	7,658,752	380,291
Profit for the period		-	-	-	-	-	8,519	8,519	13,738
Other comprehensive expense		-	-	-	(1,526)	-	-	(1,526)	-
Total comprehensive income for the period		-	-	-	(1,526)	-	8,519	6,993	13,738
Equity-settled share-based payment share award scheme	27	-	-	-	486	-	-	486	-
Lapse of shares under equity-settled share-based payment-share award scheme		-	-	-	(654)	-	654	-	-
Dividend paid to non-controlling interest		-	-	-	-	-	-	-	(1,570)
Dispose of subsidiaries		-	-	-	-	-	-	-	(3,193)
Acquisition of equity interests of subsidiaries from non-controlling interests		-	-	-	(38,957)	-	-	(38,957)	(103,277)
Capital injection from non-controlling interests of subsidiaries		-	-	-	-	-	-	-	3,850
Appropriation to statutory reserves		-	-	17,518	-	-	(17,518)	-	-
Balance at 30 June 2025		21,358	8,416,063	290,151	(1,734,665)	(7,461)	641,828	7,627,274	289,839



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities		
Cash from operations	285,640	1,387,892
Interest received on bank deposits	9,581	12,720
Income tax paid	(50,871)	(86,611)
Net cash generated from operating activities	244,350	1,314,001
Cash flows from investing activities		
Capital injection in associates	(40,599)	(1,489)
Decrease in financial assets at FVPL	69,580	–
Payments for acquisition of subsidiaries, net of cash acquired	–	(12,114)
Net cash outflow from disposal of a subsidiary	–	(16,727)
Payments for property, plant and equipment	(115,497)	(103,922)
Proceeds from disposal of property, plant and equipment	1,881	2,493
Payments of acquisition of intangible assets	(16,104)	(159,840)
Gain on early termination on leases	(2,000)	(12)
Dividend from associates	13,500	12,278
Decrease in time deposits with maturity over three months	1,481,700	1,100,129
Net cash generated from investing activities	1,392,461	820,796
Cash flows from financing activities		
Capital injection from non-controlling interests of subsidiaries	106	3,850
Dividend paid to non-controlling interests	(6,762)	(1,570)
Repayments of bank borrowings	(1,995)	–
Payments for lease liabilities	(5,098)	(10,853)
Interest paid on bank borrowings	(2)	–
Interest paid on lease liabilities	(670)	(976)
Net cash used in financing activities	(14,421)	(9,549)
Net increase in cash and cash equivalents	1,622,390	2,125,248
Cash and cash equivalents at beginning of the period	1,491,273	2,183,639
Effects of exchange rate changes on cash and cash equivalents	(1,117)	(1,526)
Cash and cash equivalents at end of the period	3,112,546	4,307,361

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. General information

Shimao Services Holdings Limited (the “Company”) was incorporated on 3 December 2019 under the laws of the Cayman Islands with limited liability. The address of the Company’s registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box. 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business is located at Unit 3820, 38th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong. The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 30 October 2020.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in the provisions of property management services, community value-added services, value-added services to non-property owners and city services in the People’s Republic of China (the “PRC”).

The Company’s immediate holding company is Best Cosmos Limited (“Best Cosmos”), a company incorporated in the British Virgin Islands (the “BVI”) and intermediate holding company is Shimao Group Holdings Limited (“Shimao Group”) whose shares are listed on the Main Board of the Stock Exchange since 5 July 2006. The Company’s ultimate holding company is Gemfair Investments Limited, a company incorporated in the BVI which is wholly-owned by Mr. Hui Wing Mau (“Ultimate Controlling Shareholder”).

2. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”, as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim condensed consolidated financial statements is presented in thousands of Renminbi (“RMB’000”), unless otherwise stated.

The interim condensed consolidated financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Group the year ended 31 December 2025.

3. Adoption of new and amended HKFRS accounting standards

Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 January 2026

The interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with the accounting policies adopted in the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the following amended HKFRS Accounting Standards which are effective as at 1 January 2026.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The adoption of these amended HKFRS Accounting Standards had no material impact on the Group’s interim condensed consolidated financial statements.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. Adoption of new and amended HKFRS accounting standards (CONTINUED)

Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these interim condensed consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ¹
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendments ¹
HKFRS 20	Regulatory Assets and Regulatory Liabilities ²
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ¹

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 date not yet determined

The directors anticipate that the Group will adopt these new and amended HKFRS Accounting Standards in the period in which they become effective. The Group is in the process of assessing the impact of the adoption of these new and amended HKFRS Accounting Standards. Except as described below in relation to HKFRS 18 and the related amendments, the directors do not expect the adoption of these new and amended HKFRS Accounting Standards to have a material impact on the Group's consolidated financial statements.

HKFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments to Hong Kong Interpretation 5
HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements". It retains many of the existing requirements of HKAS 1 with limited amendments, while certain requirements previously included in HKAS 1 have been relocated to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" ("HKAS 8") and HKFRS 7 "Financial Instruments: Disclosures" ("HKFRS 7").

HKFRS 18 does not affect the recognition and measurement of financial statement items but introduces significant changes to presentation and disclosure requirements. In particular, HKFRS 18 introduces:

- newly defined subtotals, including "operating profit" and "profit before financing and income tax", and requires items in the statement of profit or loss to be classified into five categories, namely "operating", "investing", "financing", "income tax" and "discontinued operation", based on the nature of the entity's activities;
- disclosure of management-defined performance measures ("MPMs") in a single note to the financial statements; and
- enhanced requirements and guidance on the aggregation and disaggregation of information in the financial statements.

In addition, narrow-scope amendments to HKAS 7 "Statement of Cash Flows":

- require "operating profit or loss" to be used as the starting point when presenting cash flows from operating activities using the indirect method; and
- remove the accounting policy choice to classify interest and dividend cash flows as operating activities.

Consequential amendments have also been made to a number of other HKFRS Accounting Standards.

HKFRS 18, and the related amendments are effective for annual periods beginning on or after 1 January 2027 and are required to be applied retrospectively, subject to specific transitional provisions.

The Group is currently assessing the impact of HKFRS 18 and the related amendments on the presentation and disclosure of its consolidated financial statements, including the structure of the Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, the additional disclosures required for MPMs, and the aggregation and disaggregation of information, including items currently presented as "other". The Group has not yet completed its assessment of the full impact of the adoption of HKFRS 18 and the related amendments.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

4. Estimates

The preparation of the Interim Condensed Consolidated Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

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 described in the Group's annual financial statements for the year ended 31 December 2025.

5. Financial risk management objectives and policies**5.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk.

The interim condensed consolidated financial statements does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

There have been no significant changes in any risk management policies since the year end.

5.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for capital management since the year end.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total debt less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the interim condensed consolidated statement of financial position plus net debt.

The Group is at a net cash position and there is no gearing as of 30 June 2026 (31 December 2025: Same).

5.3 Fair value estimation**(i) Financial instruments not measured at fair value**

Except for the below, the directors of the Company consider that the carrying amounts of the Group's financial assets and financial liabilities carried at amortised cost in the interim condensed consolidated statement of financial position approximate to their fair values.

(ii) Financial instruments measured at fair value

Financial assets measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

5. Financial risk management objectives and policies (CONTINUED)

5.3 Fair value estimation (continued)

(ii) Financial instruments measured at fair value (continued)

The financial assets measured at fair value in the interim condensed consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2026 (Unaudited)				
Financial assets				
Financial assets at FVPL (Note 18)				
– Contingent consideration receivables arising from acquisition of subsidiaries	–	–	1,297	1,297
– Wealth management products	–	45,000	–	45,000
– Unlisted equity investments	–	582,120	–	582,120
	–	627,120	1,297	628,417
As at 31 December 2025 (Audited)				
Financial assets				
Financial assets at FVPL (Note 18)				
– Contingent consideration receivables arising from acquisition of subsidiaries	–	–	5,877	5,877
– Wealth management products	–	110,000	–	110,000
– Unlisted equity investments	–	582,120	–	582,120
	–	692,120	5,877	697,997

The following table presents the changes in Level 3 instruments for the reporting period.

	Financial assets at FVPL RMB'000
As at 1 January 2025	144,322
Non-cash transaction	(167,028)
Change in fair value recognised in the profit or loss	28,583
As at 31 December 2025 (Audited) and 1 January 2026	5,877
Non-cash transaction	(4,580)
As at 30 June 2026 (Unaudited)	1,297

There were no transfers between the three levels during the reporting periods. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The Group manages the valuation of Level 3 instruments for financial reporting purpose on a case-by-case basis. At least once every reporting year, the Group would assess the fair value of the Group's Level 3 instruments by using valuation techniques.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

6. Segment information

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

The CODM considers business from a product perspective and has identified the following two operating segments:

- Property management and related services, which include property management services, community value-added services, and value-added services to non-property owners; and
- City services, which includes sanitation, cleaning and sewage and waste treatment business.

The CODM assesses the performance of the operating segments based on a measure of operating results, adjusted by excluding finance income, finance costs, other gains and losses – net, shares of results of associates and certain unallocated expenses.

All assets are allocated to operating segment assets other than deferred tax assets, interests in associates and other corporate assets. All liabilities are allocated to operating segment liabilities other than deferred tax liabilities and income tax liabilities.

Sales between segments are carried out on terms agreed upon by the respective segments' management.

The principal operating entity of the Group is domiciled in the PRC. For the purpose of segment information disclosure under HKFRS 8, the Group regarded the PRC as its place of domicile. The Group's revenue from external customers is classified based on the geographical locations of the customers. Accordingly, all of the Group's revenue were derived in the PRC during the six months ended 30 June 2026 and 2025.

As at 30 June 2026 and 31 December 2025, all of the non-current assets of the Group were located in the PRC.

The segment revenue and results are as follows:

	Property management services RMB'000	City services RMB'000	Total RMB'000
Six months ended 30 June 2026 (Unaudited)			
Reportable segment revenue	3,141,351	208,924	3,350,275
Reportable segment results	(98,031)	865	(97,166)
Amounts included in the measure of segment results:			
Impairment losses on financial assets – net	(148,112)	(8,813)	(156,925)
Impairment losses on intangible assets	(8,000)	–	(8,000)
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(85,621)	(12,374)	(97,995)
Amortisation of intangible assets	(88,741)	(5,129)	(93,870)
Six months ended 30 June 2025 (Unaudited)			
Reportable segment revenue	3,412,372	207,441	3,619,813
Reportable segment results	47,611	1,047	48,658
Amounts included in the measure of segment results:			
Impairment losses on financial assets – net	(233,218)	(2,720)	(235,938)
Impairment losses on intangible assets	(34,742)	–	(34,742)
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(63,750)	(10,622)	(74,372)
Amortisation of intangible assets	(72,030)	(57)	(72,087)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

6. Segment information (CONTINUED)

A reconciliation of segment results to profit before income tax is provided as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Segment results	(97,166)	48,658
Other gains and losses – net	(9,775)	(4,581)
Share of results of associates	2,650	(8,632)
Finance costs	(1,287)	(14,772)
Finance income	9,581	12,720
Unallocated expenses	(1,774)	(3,883)
(Loss)/Profit before income tax	(97,771)	29,510

The segment assets and liabilities are as follows:

	Property management services RMB'000	City services RMB'000	Total RMB'000
As at 30 June 2026 (Unaudited)			
Segment assets	10,632,179	335,485	10,967,664
Segment liabilities	4,809,611	199,214	5,008,825
As at 31 December 2025 (Audited)			
Segment assets	10,183,770	271,619	10,455,389
Segment liabilities	4,216,262	133,845	4,350,107

Reconciliation of segment assets to total assets and segment liabilities to total liabilities provided as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Segment assets	10,967,664	10,455,389
Deferred tax assets	356,126	399,777
Interests in associates	620,191	590,442
Unallocated financial assets at fair value through profit or loss	627,120	692,120
Other corporate assets	835,644	811,621
Total assets	13,406,745	12,949,349
Segment liabilities	5,008,825	4,350,107
Deferred tax liabilities	80,576	92,487
Income tax liabilities	455,787	532,380
Borrowings	2,500	4,495
Total liabilities	5,547,688	4,979,469

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

7. Revenue and cost of sales and services

Revenue mainly comprises of proceeds from property management services, value-added services and city services rendered to customers, net of value added tax and surcharges, and allowances for discounts. An analysis of the Group's revenue and cost of sales and services by category for the reporting period is as follows:

	For the six months ended 30 June			
	2026		2025	
	Revenue RMB'000 (Unaudited)	Cost of sales and services RMB'000 (Unaudited)	Revenue RMB'000 (Unaudited)	Cost of sales and services RMB'000 (Unaudited)
Revenue from customer and recognised over time:				
Property management services	2,559,223	2,221,875	2,812,286	2,249,644
Community value-added services	239,819	176,012	212,233	145,852
Value-added services to non-property owners	31,255	27,279	61,232	52,036
City services	208,924	185,401	207,441	186,921
	3,039,221	2,610,567	3,293,192	2,634,453
Revenue from customer and recognised at a point in time:				
Community value-added services	311,054	287,408	326,621	276,366
	3,350,275	2,897,975	3,619,813	2,910,819
Gross basis	3,226,555	2,808,719	3,513,064	2,845,426
Net basis	123,720	89,256	106,749	65,393
	3,350,275	2,897,975	3,619,813	2,910,819

For the six months ended 30 June 2026, revenue from entities controlled by the Ultimate Controlling Shareholder and joint ventures and associates of the Ultimate Controlling Shareholder contributed to approximately 1.22% (six months ended 30 June 2025: 3.67%) of the Group's revenue. Other than entities controlled by the Ultimate Controlling Shareholder and joint ventures and associates of the Ultimate Controlling Shareholder, the Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue during the six months ended 30 June 2026 and 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

8. (Loss)/Profit before income tax

The Group's (loss)/profit before income tax is calculated after deducting the following expenses:

	Notes	For the six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Employee benefit expenses (excluding directors' and chief executive's remuneration)		1,369,654	1,517,663
Equity-settled share-based payment			
– Employees other than directors		–	369
– Directors		–	117
	27	–	486
Impairment losses on financial assets – net:			
– Third parties			
Impairment losses on trade receivables	19	184,158	262,216
Reversal of impairment losses on other financial assets included in deposits and other receivables	20	(1,260)	(66,890)
– Related parties			
Impairment losses on trade receivables	19	15,059	35,225
(Reversal of)/Provision for impairment losses on other financial assets included in deposits and other receivables	20	(41,032)	5,387
Total impairment losses on financial assets – net		156,925	235,938
Depreciation and amortisation:			
Depreciation of property, plant and equipment	16	91,806	59,310
Depreciation of right-of-use assets, included in administrative expenses		5,722	14,633
Depreciation of investment properties	16	467	429
Amortisation of intangible assets	17	93,870	72,087
		191,865	146,459
Auditor's remuneration			
– Non-audit services		500	500
Cost of inventories sold		76,222	108,671
Cost of selling parking lots		2,783	14,968
Raw materials used in catering services		44,635	51,401

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

9. Other income

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Government grants (Note)	7,088	5,497

Note:

Government grants consisted mainly of financial subsidies granted by the local government. There are no unfulfilled conditions or other conditions attached to the government grant recognised during the six months ended 30 June 2026 and 2025.

10. Other gains and losses – net

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net (loss)/gain on disposal of property, plant and equipment	(421)	348
Net foreign exchange loss	(22)	(52)
Others	(9,332)	(4,877)
	(9,775)	(4,581)

11. Other operating expenses

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Depreciation of investment properties (Note 16)	467	429
Compensation expenses	2,419	2,460
Others	–	81
	2,886	2,970

12. Finance income/(cost) – net

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Finance income		
Interest income on bank deposits	9,581	12,720
Finance costs		
Interest and finance charges paid/payable for lease liabilities and others	(1,287)	(14,772)
Finance income/(cost) – net	8,294	(2,052)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

13. Income tax expense

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current income tax – PRC – Corporate income tax	(28,521)	(53,499)
Deferred income tax credit – PRC corporate income tax	22,503	46,246
	(6,018)	(7,253)

(a) Cayman Islands income tax

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

(b) BVI income tax

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI.

(c) Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the year. No provision for Hong Kong profits tax was made as the Group did not derive any income subject to Hong Kong profits tax for the six months ended 30 June 2026 and 2025.

(d) PRC enterprise income tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 25% for the six months ended 30 June 2026 and 2025.

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Group located in the western region of the PRC are engaged in the encouraged businesses. Also, certain PRC subsidiaries of the Group obtained the High and New Technology Enterprises qualification. Accordingly, they enjoyed a preferential income tax rate of 15% for the six months ended 30 June 2026 and 2025.

The corporate income tax rate applicable to the entities located in Mainland China out of Tibet Autonomous Region is 25% according to the Enterprise Income Tax Law of the PRC (2025: 25%).

(e) PRC withholding income tax

According to the new Enterprise Income Tax Law of the PRC, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

Gain on disposal of an investment in the PRC by overseas holding companies and intra-group charges to the PRC subsidiaries by overseas subsidiaries may also be subject to withholding tax of 10%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

14. (Loss)/Earnings per share

Basic (loss)/earnings per share

	For the six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
(Loss)/Profit attributable to equity holders of the Company (RMB'000)	(106,164)	8,519
Weighted average number of equity shares (in thousands)	2,468,173	2,456,741
Basic (loss)/earnings per share (expressed in RMB per share)	(0.043)	0.003

Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has potential ordinary shares arising from the share award schemes.

Diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share for the six months ended 30 June 2026 and 2025 as the potential shares arising from the share award scheme had anti-dilutive effect to the Group.

15. Interests in associates

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
At the beginning of the period/year	590,442	502,204
Addition	40,599	99,810
Share of results	2,650	1,755
Dividends	(13,500)	(13,327)
At the end of the period/year	620,191	590,442

The following list contains only the particulars of associates, all of which are unlisted corporate entities whose quoted market prices are not available, which in the opinion of the directors principally affected the results or net assets of the Group as at 30 June 2026 and 31 December 2025.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group		Principal activities
		As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)	
Zhejiang Xinyu Commercial Group Co., Ltd.	The PRC	40%	40%	School supermarket operation
Suzhou Maoyou Charge New Energy Technology Co. Ltd.	The PRC	49%	49%	Operation of electric vehicles charging stations and related businesses in the PRC
Hunan Lingmei Network Technology Co., Ltd.	The PRC	40%	40%	Development and sales of property management systems
Hunan Public Construction Urban Services Co., Ltd.	The PRC	49%	49%	Property management services
Hangzhou Renrenkan Network Technology Co., Ltd.	The PRC	49.6%	49.6%	Development and sales of property management systems

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

16. Property, plant and equipment and investment properties

	Property, plant and equipment RMB'000	Investment properties RMB'000	Total RMB'000
As at 1 January 2025 (Audited)			
Cost	835,498	22,131	857,629
Accumulated depreciation	(482,278)	(4,794)	(487,072)
Impairment loss	(14,627)	–	(14,627)
Carrying amounts	338,593	17,337	355,930
Six months ended 30 June 2025			
Opening carrying amounts	338,593	17,337	355,930
Additions	207,000	–	207,000
Depreciation charge (Note 8)	(59,310)	(429)	(59,739)
Disposals	(2,145)	–	(2,145)
Closing carrying amounts	484,138	16,908	501,046
As at 30 June 2025 (Unaudited)			
Cost	1,040,353	22,131	1,062,484
Accumulated depreciation	(541,588)	(5,223)	(546,811)
Impairment loss	(14,627)	–	(14,627)
Carrying amounts	484,138	16,908	501,046
As at 1 January 2026 (Audited)			
Cost	1,107,766	22,131	1,129,897
Accumulated depreciation	(621,948)	(5,728)	(627,676)
Impairment loss	(14,627)	–	(14,627)
Carrying amounts	471,191	16,403	487,594
Six months ended 30 June 2026			
Opening carrying amounts	471,191	16,403	487,594
Additions	84,802	–	84,802
Depreciation charge (Note 8)	(91,806)	(467)	(92,273)
Disposals	(2,301)	–	(2,301)
Closing carrying amounts	461,886	15,936	477,822
As at 30 June 2026 (Unaudited)			
Cost	1,190,267	22,131	1,212,398
Accumulated depreciation	(713,754)	(6,195)	(719,949)
Impairment loss	(14,627)	–	(14,627)
Carrying amounts	461,886	15,936	477,822

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

16. Property, plant and equipment and investment properties (CONTINUED)

As at 30 June 2026 and 31 December 2025, no buildings and investment properties were pledged to secure borrowings granted to the Group.

Depreciation expenses were charged to the following categories in the interim condensed consolidated statement of profit or loss and other comprehensive income:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of sales and services	83,984	54,314
Administrative expenses	7,822	4,996
Other operating expenses (Note 11)	467	429
	92,273	59,739



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

17. Intangible assets

	Computer software RMB'000	Goodwill RMB'000	Customer relationship RMB'000	Brand name RMB'000	Total RMB'000
As at 1 January 2025 (Audited)					
Cost	449,958	2,071,049	1,038,800	16,000	3,575,807
Impairment loss on intangible assets	–	(763,261)	(126,464)	–	(889,725)
Accumulated amortisation	(127,158)	–	(451,095)	(6,667)	(584,920)
Carrying amounts	322,800	1,307,788	461,241	9,333	2,101,162
Six months ended 30 June 2025					
Opening carrying amount	322,800	1,307,788	461,241	9,333	2,101,162
Additions	159,840	–	–	–	159,840
Impairment loss	–	(34,742)	–	–	(34,742)
Amortisation charge (Note 8)	(21,812)	–	(49,275)	(1,000)	(72,087)
Closing carrying amounts	460,828	1,273,046	411,966	8,333	2,154,173
As at 30 June 2025 (Unaudited)					
Cost	609,798	2,071,049	1,038,800	16,000	3,735,647
Impairment loss on intangible assets	–	(798,003)	(126,464)	–	(924,467)
Accumulated amortisation	(148,970)	–	(500,370)	(7,667)	(657,007)
Carrying amounts	460,828	1,273,046	411,966	8,333	2,154,173
As at 1 January 2026 (Audited)					
Cost	721,582	2,071,049	1,038,800	16,000	3,847,431
Impairment loss on intangible assets	–	(828,288)	(126,464)	–	(954,752)
Accumulated amortisation	(180,433)	–	(549,645)	(8,667)	(738,745)
Carrying amounts	541,149	1,242,761	362,691	7,333	2,153,934
Six months ended 30 June 2026					
Opening carrying amount	541,149	1,242,761	362,691	7,333	2,153,934
Additions	188,771	–	–	–	188,771
Impairment loss	–	(8,000)	–	–	(8,000)
Amortisation charge (Note 8)	(43,595)	–	(49,275)	(1,000)	(93,870)
Closing carrying amounts	686,325	1,234,761	313,416	6,333	2,240,835
As at 30 June 2026 (Unaudited)					
Cost	910,353	2,071,049	1,038,800	16,000	4,036,202
Impairment loss on intangible assets	–	(836,288)	(126,464)	–	(962,752)
Accumulated amortisation	(224,028)	–	(598,920)	(9,667)	(832,615)
Carrying amounts	686,325	1,234,761	313,416	6,333	2,240,835

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

17. Intangible assets (CONTINUED)

Amortisation of intangible assets has been charged to the interim condensed consolidated statement of profit or loss and other comprehensive income as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of sales and services	11,845	4,580
Administrative expenses	82,025	67,507
	93,870	72,087

Goodwill

Management performed an impairment assessment on the goodwill as at 30 June 2026, with the recoverable amounts of certain subsidiaries' cash-generating units (CGUs) determined based on value-in-use calculations. The value-in-use represents the present value of future cash flows expected from the CGUs, projected over five years using financial budgets approved by management, discounted at a pre-tax rate of +15% to +18% (31 December 2025: +15% to +18%). As at 30 June 2026, management reassessed key assumptions for the goodwill allocated to the property management services segment, noting delays in planned business expansion and lower-than-expected gross profit margins, primarily due to the failure of project renewals and market intensive competition influenced by macroeconomic challenges. This resulted in an impairment loss of RMB8,000,000 recognized in the property management services segment for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB34,742,000).

18. Financial assets at FVPL

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Contingent consideration receivables arising from acquisitions of subsidiaries	1,297	5,877
Wealth management products (note (a))	45,000	110,000
Unlisted equity investments (note (b))	582,120	582,120
	628,417	697,997
Non-current	583,417	583,417
Current	45,000	114,580
	628,417	697,997

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

18. Financial assets at FVPL (CONTINUED)

Notes:

- (a) The amounts represented financial products with no predetermined return which are principal protected investments. The financial products are with expected yield rates, depending on the market prices of underlying financial instruments, including bonds and other financial assets. Hence their contractual cash do not qualify for solely payments of principal and interest. The expected yield rate was 1.71% per annum as at 30 June 2026 (31 December 2025: 1.62%).
- (b) During the year ended 31 December 2025, a wholly-owned subsidiary of the Company as a limited partner, and three independent third parties to the Group, being the general and executive partner, entered into limited partnership, namely Liaoning Province Qisheng Project Management Consulting Partnership (Limited Partnership) ("Liaoning Qisheng"), Nanjing Maoxing Project Management Partnership (Limited Partnership) ("Nanjing Maoxing") and Shanghai Tianji Xinghe Project Management Partnership (Limited Partnership) ("Shanghai Tianji"), respectively. Pursuant to the partnership agreements, the total capital contribution of Liaoning Qisheng, Nanjing Maoxing and Shanghai Tianji are RMB283,000,000, RMB240,000,000 and RMB65,000,000, respectively. As at 30 June 2026 and 31 December 2025, the Group contributed RMB280,170,000, RMB237,600,000 and RMB64,350,000, representing equity interest of 99%, into Liaoning Qisheng, Nanjing Maoxing and Shanghai Tianji, respectively. For the formation of Liaoning Qisheng and Nanjing Maoxing, please refer to the Company's announcements dated 22 December 2025 and 19 June 2025 for further details.

Notwithstanding the Group has the equity interest of 99%, pursuant to partnership agreements, the executive partner of each partnership has the exclusive right to make all decisions on the financial and operating policies. In addition, the limited partner may only remove the general partner on the occurrence of an event that the executive partner causes losses to the partnership to the limited partner due to intentional act or gross negligence and therefore the removal right is not considered to have any substance. Based on the foregoing, the directors are of the opinion that the Group has no significant influence, joint control or control over Liaoning Qisheng, Nanjing Maoxing and Shanghai Tianji and therefore the investments are classified as financial assets measured at FVPL.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

19. Trade receivables

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables		
– Related parties (Note 29(c))	929,554	934,580
– Third parties	4,742,667	4,450,182
	5,672,221	5,384,762
Note receivables		
– Related parties (Note 29(c))	–	–
– Third parties	895	692
	895	692
Less: Allowance for impairment of trade receivables	(1,414,390)	(1,473,691)
	4,258,726	3,911,763

For trade receivables from property management services, the Group charges property management fees on a monthly or quarterly basis and the payment is generally due upon the issuance of demand notes. No credit period is granted.

Trade receivables from value-added services and city services are due for payments in accordance with the terms of the relevant services agreements with property developers and government bodies, which is normally within 30 to 90 days (31 December 2025: 30 to 90 days) from the issue of demand note.

The amounts due from related parties are repayable on credit terms similar to those offered to other major customers of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the recognition date and before impairment, is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	2,650,067	2,568,097
1 to 2 years	1,409,088	1,317,495
2 to 3 years	727,690	457,492
3 to 4 years	415,295	536,608
4 to 5 years	279,435	385,124
Over 5 years	190,646	119,946
	5,672,221	5,384,762

As at 30 June 2026 and 31 December 2025, the trade receivables were denominated in RMB.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

19. Trade receivables (CONTINUED)

As at 30 June 2026, total note receivables (before impairment) amounting to RMB895,000 (31 December 2025: RMB692,000) are held by the Group for future settlement of trade receivables. All note receivables received by the Group are with a maturity period of less than one year.

The movements in lifetime ECL that has been recognised for trade receivables are as follows:

	Third parties		Total	Related parties		Total
	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000		Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	
As at 1 January 2025 (Audited)	288,659	292,712	581,371	–	429,458	429,458
Transfer to	(73,913)	73,913	–	–	–	–
Written off	–	(12,875)	(12,875)	–	(43,892)	(43,892)
Charge for the year	197,163	203,801	400,964	–	118,665	118,665
As at 31 December 2025 and 1 January 2026 (Audited)	411,909	557,551	969,460	–	504,231	504,231
Transfer to	(59,391)	59,391	–	–	–	–
Written off	–	(240,747)	(240,747)	–	(17,771)	(17,771)
Charge for the period	169,696	14,462	184,158	–	15,059	15,059
As at 30 June 2026 (Unaudited)	522,214	390,657	912,871	–	501,519	501,519

As at 30 June 2026 and 31 December 2025, no pledged to secure borrowings granted to the Group.

An ageing analysis of the trade receivables from third parties as at the end of the reporting period, based on the past due date and before impairment, is as follow:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Current/not past due	567,307	813,565
Past due less than one year	1,968,186	1,398,698
1 to 2 years past due	1,214,338	1,244,701
2 to 3 years past due	552,831	340,836
3 to 4 years past due	213,188	264,406
4 to 5 years past due	85,966	307,964
Over 5 years past due	140,851	80,012
	4,742,667	4,450,182

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

20. Prepayments, deposits and other receivables

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Prepayments		
Non-current prepayments		
– Prepayments to customers (note (a))	16,755	16,761
– Other prepayments (note (e))	256,391	400,265
	273,146	417,026
Current prepayments		
– Related Parties (Note 29(c))	47,036	71,834
– Utilities	61,100	100,997
– Raw materials for value added services	82,989	37,170
– Other prepayments	460,147	305,839
	651,272	515,840
Subtotal	924,418	932,866
Other receivables		
– Advance to related parties (notes (b) and 29(c))	77,912	161,500
– Advance to employees	25,592	20,547
– Payments on behalf of property owners	10,762	8,787
– Deposits (note (c))	177,415	146,920
– Deposits paid for an exclusive right in sales of parking spaces (note (d))	–	48,757
– Dividends receivables	3,330	4,380
– Others	353,294	338,614
Subtotal	648,305	729,505
Total	1,572,723	1,662,371
Less: Allowance for impairment of other receivables (note (f))	(53,535)	(99,893)
	1,519,188	1,562,478
Non-current	273,146	417,026
Current	1,246,042	1,145,452
	1,519,188	1,562,478

Notes:

- (a) Prepayments to customers is the initial consideration paid to schools to obtain the operation of the students' apartments.
- (b) Other receivables from related parties were unsecured, interest-free and repayable on demand. They mainly represent payment to Shimao Group for sale of the right of car parking spaces.
- (c) Balances mainly represented deposits paid for utilities and bidding of property management service.
- (d) Balances represent the deposit paid to a third party for an exclusive right in selling of parking spaces and earning commission fee.
- (e) Balances mainly represented prepayment for purchase of property, plant and equipment and outsourcing services to suppliers.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

20. Prepayments, deposits and other receivables (CONTINUED)

Notes: (continued)

(f) The movement in provision for impairment of other receivables are as follows:

	Third parties		Total	Related parties		Total
	12m ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000		12m ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	
As at 1 January 2025 (Audited)	79,676	73	79,749	–	172,166	172,166
Written off	(1,502)	–	(1,502)	–	(30,444)	(30,444)
Reversal for the year	(65,488)	–	(65,488)	–	(54,588)	(54,588)
As at 31 December 2025 and 1 January 2026 (Audited)	12,686	73	12,759	–	87,134	87,134
Written off	–	–	–	–	(4,066)	(4,066)
Reversal for the period	(1,260)	–	(1,260)	–	(41,032)	(41,032)
As at 30 June 2026 (Unaudited)	11,426	73	11,499	–	42,036	42,036

21. Cash and cash equivalents/Time deposits with maturity over three months/Restricted bank balances

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Cash on hand	908	1,341
Time deposits with maturity over three months	18,300	1,500,000
Cash at bank	3,230,445	1,591,026
	3,249,653	3,092,367
Time deposits with maturity over three months	(18,300)	(1,500,000)
Restricted bank balances	(118,807)	(101,094)
	3,112,546	1,491,273

Cash and cash equivalents include cash at bank and short term time deposits with a maturity of less than three months. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven days and a year depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

Restricted bank balances were cash deposit of performance security as at 30 June 2026 and 31 December 2025.

As at 30 June 2026, restricted bank balances, time deposits with maturity over three months and cash and cash equivalents of the Group which is denominated in Renminbi amounted to approximately RMB3,241,967,000 (31 December 2025: RMB3,058,202,000). The Renminbi is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Renminbi for other currencies through banks authorised to conduct foreign exchange business. The remaining cash and cash equivalents denominated in Hong Kong dollar, United States dollars and Great British Pounds amounted to approximately RMB6,749,000 (31 December 2025: RMB28,809,000) and RMB937,000 (31 December 2025: RMB5,273,000) and Nil (31 December 2025: RMB83,000) respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

22. Share capital

	Number of ordinary shares of HK\$0.01 each	Share capital HK\$	RMB
Authorised			
As at 1 January 2025, 31 December 2025 (Audited), 1 January 2026 and 30 June 2026 (Unaudited)	3,500,000,000	35,000,000	30,350,583
Issued and fully paid:			
As at 1 January 2025, 31 December 2025 (Audited), 1 January 2026 and 30 June 2026 (Unaudited)	2,468,173,000	24,681,730	21,357,812

23. Provisions for other liabilities and charges

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Claim provisions	22,234	22,234

As at 30 June 2026 and 31 December 2025, the Group has several unsettled legal claims and the management has assessed the possible provision amount of RMB22,234,000.

24. Trade payables, deposits received, accruals and other payables

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables		
– Related parties (Note 29(c))	16,297	19,892
– Third parties	2,525,018	1,603,307
Trade payables	2,541,315	1,623,199
Deposits received, accruals and other payables		
– Payable to related parties (Note 29(c))	113,575	127,640
– Accrued expenses	364,859	362,394
– Amounts collected on behalf of property owners	187,918	244,232
– Consideration payable arising from non-controlling shareholders' put option	–	–
– Purchase consideration (note b)	145,821	160,927
– Deposits received	232,199	300,502
– Other payables	278,463	291,124
Deposits received, accruals and other payables	1,322,835	1,486,819
Non-current	2,033	6,629
Current	1,320,802	1,480,190
	1,322,835	1,486,819

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

24. Trade payables, deposits received, accruals and other payables (CONTINUED)

Notes:

- (a) The ageing analysis of the trade payables based on invoice date was as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	2,036,599	1,163,280
1 to 2 years	215,791	176,951
2 to 3 years	128,519	125,355
3 to 4 years	76,695	42,859
4 to 5 years	39,218	96,771
Over 5 years	44,493	17,983
	2,541,315	1,623,199

The trade payables have a normal credit term of 30 to 90 days. As at 30 June 2026 and 31 December 2025, the carrying amounts of trade payables approximated to their fair values. As at 30 June 2026 and 31 December 2025, trade payables were denominated in RMB.

- (b) As at 30 June 2026, the balance represented the purchase consideration for business combination, which is measured at amortised cost.

25. Borrowings

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Borrowings included in current liabilities		
Short-term bank borrowings		
– unsecured	2,500	4,495

As at 30 June 2026, the amount is unsecured, interest bearing at weighted average effective interest rate of 3.66% (31 December 2025:3.05%). The carrying amount of the bank borrowings is denominated in RMB.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

26. Dividends

The Company's board did not recommend the payment of an interim dividends for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

27. Share award schemes

(a) Shimao Group Share Award Scheme

Shimao Group operates a restricted share award scheme (the "Shimao Group Share Award Scheme") for the main purpose of recognising the contributions by the selected employees and providing them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The grantees of the scheme include the Company's directors, senior executives and employees. The scheme was adopted by the board of directors of Shimao Group (the "Group Board") on 3 May 2021 (the "Adoption Date I") and shall remain valid and effective for a period of three years from the Adoption Date I. The maximum number of shares of the Company can be awarded is 0.3% (i.e. 7,091,919 shares of the Company) of the issued share capital of the Company as at the Adoption Date I.

The Group Board may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit (including the basis of eligibility of each employee determined by the Group Board from time to time), select such employee(s) for participation in the scheme and determine the number of awarded shares.

At the Adoption Date I, a trust deed was entered into between Shimao Group and Best Cosmos whereby Shimao Group appointed Best Cosmos as trustee to hold the awarded shares. The shares of the Company granted by Shimao Group are treated as a capital contribution in equity (recorded in "Other reserves").

In 2021, a total of 4,866,137 shares were granted to 136 directors and employees of the Group (each, the "2021 Grantee"), and the aforesaid shares were granted to the 2021 Grantees at nil consideration. As of 30 June 2026, 4,075,309 shares and 790,828 shares out of the 4,866,137 shares granted in 2021 are vested and lapsed. As the Shimao Group Share Award Scheme was terminated on 3 May 2024, no further grant of the Company's shares shall be made.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

27. Share award schemes (CONTINUED)

(b) Shimao Services Share Award Scheme

A share award scheme of the Company (the "Shimao Services Share Award Scheme") was adopted by the Board on 28 June 2021 (the "Adoption Date II"). The purpose of the Shimao Services Share Award Scheme is to recognize the contributions by certain selected employees of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. The Shimao Services Share Award Scheme shall be valid and effective for a term of ten years commencing on the Adoption Date II. The maximum number of shares which can be awarded under the Shimao Services Share Award Scheme is 3% (i.e. 70,919,190 shares) of the total number of issued shares of the Company as at the Adoption Date II. In 2022, a total of 169 employees (including two directors) of the Group (each, the "2022 Grantee") were awarded a total of 4,017,105 shares under the Shimao Services Share Award Scheme. All the said shares were granted to the 2022 Grantees at nil consideration. Pursuant to the Shimao Services Share Award Scheme, after meeting the vesting criteria and conditions of the Share Award Scheme, 60% of the award shares will be vested 6 months from the grant date, and 40% of the award shares will be vested after 18 months from the grant date. During the six months ended 30 June 2026, nil (year ended 31 December 2025: nil) share and nil (year ended 31 December 2025: 96,945) shares were vested and lapsed, respectively. As at 30 June 2026, 1,247,511 (31 December 2025: 1,247,511) shares were unvested.

On 19 June 2023, a total of 125 employees (including three directors) of the Group (each, the "2023 Grantee") were awarded a total of 3,525,446 shares under the Shimao Services Share Award Scheme. All the said shares were granted to the 2023 Grantees at nil consideration. Subject to the satisfaction of the vesting criteria and conditions of the Shimao Services Share Award Scheme, 60% of the award shares will be vested after 12 months from the grant date, and 40% of the award shares will be vested after 24 months from the grant date. During the six months ended 30 June 2026, nil (year ended 31 December 2025: nil) share and nil (year ended 31 December 2025: 183,297) shares were vested and lapsed, respectively. As at 30 June 2026, 2,097,966 (31 December 2025: 2,097,966) shares were unvested.

The fair value of 2023 Grantee's services, 2022 Grantee's services and 2021 Grantee's services received in return for shares awarded of approximately HK\$5,923,000, HK\$10,645,000 and HK\$97,323,000 (equivalent to approximately RMB5,391,000, RMB9,566,000 and RMB79,571,000), respectively, was measured by reference to the market price of the shares of the Company at grant date. No other feature of the shares was incorporated into the measurement of the fair value.

No share-based payment expense relating to the shares granted pursuant to the share award scheme (six months ended 30 June 2025: RMB486,000) in profit or loss during the six months ended 30 June 2026.

The weighted average fair value of the unvested shares granted during the six months ended 30 June 2026 is HK\$1,439,000 equivalent to RMB1,244,000 (six months ended 30 June 2025: HK\$2,749,000 equivalent to RMB2,511,860).

28. Acquisition or disposal of subsidiaries and transaction with non-controlling interests

(a) Transaction with non-controlling interests

2026

No transaction with non-controlling interests during the six months ended 30 June 2026.

2025

During the six months ended 30 June 2025, the Group completed the acquisition of additional of the 33% equity interests in a non-wholly owned subsidiary. The Group recognised a decrease in non-controlling interests of RMB103,277,000 and a decrease in other reserves of RMB38,957,000.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

29. Related party transactions

(a) Names and relationships with related parties

The Group is controlled by Shimao Group Holdings Limited (incorporated in the Cayman Islands which owns approximately 54.95% of the Company's shares). The directors consider Gemfair Investments Limited as the ultimate holding company, and the ultimate controlling shareholder of the Group is Mr. Hui Wing Mau.

(b) Transactions with related parties

Continuing transactions

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Services provided to related parties		
– Shimao group	34,109	120,549
– Joint ventures and associates of Shimao Group	6,684	12,342
	40,793	132,891
Interest on lease liabilities to related parties		
– Shimao Group	241	505
Payment of lease liabilities in relation to leases with related parties		
– Shimao Group	1,895	3,166

The Group entered certain lease in respect of properties from related parties of the Group. The amount of rental payable by the Group under the leases are approximately RMB500,000 (as at 31 December 2025: RMB327,000) per month and the lease terms will be expired in 1 to 4 years.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

29. Related party transactions (CONTINUED)

(c) Balances with related parties – trade nature

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Receivables from related parties		
Trade and notes Receivables (Note 19)		
– Shimao Group	816,368	823,102
– Joint ventures and associates of Shimao Group	113,186	111,478
	929,554	934,580
Prepayments, deposits and other receivables (Note 20) (note)		
– Shimao Group	106,315	208,034
– Joint ventures and associates of Shimao Group	18,633	25,300
	124,948	233,334
Total receivables from related parties (before allowance for impairment losses)	1,054,502	1,167,914
Less: allowance for impairment losses	(543,555)	(591,365)
Total receivables from related parties (net allowance for impairment losses)	510,947	576,549
Payables to related parties		
Contract liabilities		
– Shimao Group	2,390	1,986
– Joint ventures and associates of Shimao Group	8,799	–
	11,189	1,986
Trade payables		
– Shimao Group	13,703	19,104
– Joint ventures and associates of Shimao Group	2,594	788
	16,297	19,892
Deposits received, accruals and other payables		
– Shimao Group	88,504	103,430
– Joint ventures and associates of Shimao Group	25,071	24,210
	113,575	127,640
Lease payable to related parties		
– Shimao Group	8,240	9,894
Total payables to related parties	149,301	159,412

Note:

Included in the amount, the deposit of approximately RMB57,503,000 (31 December 2025: RMB101,317,000) was paid by the Group to Shimao Group for the sales rights of car parking spaces. During the six months period ended 30 June 2026, such deposit paid together with the commission income of approximately RMB13,805,000 (2025: RMB13,611,000 generated from the sales of car parking spaces constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

29. Related party transactions (CONTINUED)

(d) Key management compensation

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Salaries and other short-term employee benefits	4,499	4,493

30. Contingencies

As at 30 June 2026 and 31 December 2025, the Group did not have any significant contingent liabilities or outstanding guarantees in respect of payment obligations to third parties.

31. Approval of the interim condensed consolidated financial information

The unaudited interim condensed consolidated financial information were approved and authorised for issue by the Board on 28 August 2026.



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