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**濱江服務**

BINJIANG SERVICE

**Binjiang Service Group Co. Ltd.**

**濱江服務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3316)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Binjiang Service Group Co. Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the six months ended 30 June 2024. The interim results of the Group for the Reporting Period have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and approved by the Board on 21 August 2025.

The following interim financial information are unaudited, but have been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the forthcoming interim report.

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

## HIGHLIGHTS

	As of 30 June		Year-on-year
	2025	2024	change
	<i>(RMB'000, unless otherwise indicated)</i>		
Revenue	<b>2,025,041</b>	1,650,407	22.7%
— Property management services	<b>1,158,370</b>	905,335	27.9%
— Value-added services to non-property owners	<b>214,129</b>	250,748	-14.6%
— 5S value-added services	<b>652,542</b>	494,324	32.0%
Gross profit	<b>455,076</b>	421,745	7.9%
Gross profit margin	<b>22.5%</b>	25.6%	
Profit for the period	<b>305,562</b>	272,347	12.2%
Profit for the period attributable to equity shareholders of the Company	<b>297,707</b>	265,315	12.2%
Net profit margin	<b>15.1%</b>	16.5%	

	At 30 June	At 30 June	Year-on-year
	2025	2024	change
	<i>(RMB'000, unless otherwise indicated)</i>		
Deposits and bank wealth management <sup>(1)</sup>	<b>3,627,162</b>	2,936,151	23.5%
Trade receivables	<b>624,822</b>	508,509	22.9%
Net cash generated from operating activities	<b>398,947</b>	171,070	133.2%
Earnings per share (RMB)	<b>1.08</b>	0.96	12.5%
GFA <sup>(2)</sup> under management ('000 sq.m.)	<b>75,083</b>	63,119	19.0%
Contracted GFA ('000 sq.m.)	<b>96,355</b>	89,996	7.1%

After considering, the Group's positive business development and the returns to the Shareholders, the Board resolved to declare an interim dividend for the six months ended 30 June 2025 of HK\$0.826 per share. The dividend ratio of its net profit attributable to equity shareholders of the Company is approximately 70%.

(1) Total of cash and cash equivalents, time deposits and financial assets at fair value through profit or loss ("FVPL")

(2) Gross Floor Area

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi Yuan (“RMB”))

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
<b>Revenue</b>	3(a)	<b>2,025,041</b>	1,650,407
Cost of sales		<u>(1,569,965)</u>	<u>(1,228,662)</u>
<b>Gross profit</b>		<b>455,076</b>	421,745
Other revenue	4	<b>5,579</b>	2,755
Other net gain/(loss)	4	<b>2,985</b>	(27)
Selling and marketing expenses		<b>(11,287)</b>	(10,707)
Administrative expenses		<b>(46,551)</b>	(49,918)
Impairment losses on trade receivables		<b>(26,350)</b>	(12,721)
Other expenses		<u><b>(1,074)</b></u>	<u>(459)</u>
<b>Profit from operations</b>		<b>378,378</b>	350,668
Finance income		<b>35,440</b>	40,530
Finance costs		<u><b>(65)</b></u>	<u>(62)</u>
<b>Net finance income</b>	5(a)	<b>35,375</b>	40,468
Share of profits less losses of associates		<b>957</b>	839
Share of profits less losses of joint ventures		<u><b>(471)</b></u>	<u>(294)</u>
<b>Profit before taxation</b>	5	<b>414,239</b>	391,681
Income tax	6	<u><b>(108,677)</b></u>	<u>(119,334)</u>
<b>Profit for the period</b>		<u><b>305,562</b></u>	<u>272,347</u>

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>297,707</b>	265,315
Non-controlling interests		<b>7,855</b>	7,032
		<u><b>305,562</b></u>	<u>272,347</u>
<b>Profit for the period</b>		<b>305,562</b>	272,347
<b>Other comprehensive income for the period</b>			
<b>(after tax and reclassification adjustments)</b>			
Items that will not be reclassified to profit or loss:			
Exchange differences on translation of financial statements of the Company		<b>(12,514)</b>	(8,345)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		<b>134</b>	(61)
<b>Total comprehensive income for the period</b>		<u><b>293,182</b></u>	<u>263,941</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>285,327</b>	256,909
Non-controlling interests		<b>7,855</b>	7,032
<b>Total comprehensive income for the period</b>		<u><b>293,182</b></u>	<u>263,941</u>
<b>Earnings per share</b>	7		
Basic and diluted ( <i>RMB</i> )		<u><b>1.08</b></u>	<u>0.96</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 — unaudited

(Expressed in RMB)

		At 30 June 2025	At 31 December 2024
	Note	RMB'000	RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		47,296	43,405
Intangible assets		3,410	3,212
Investment in associates		7,263	6,306
Investment in joint ventures		2,505	2,976
Deferred tax assets		43,775	35,782
Time deposits		429,104	1,081,425
Prepayments		3,283	3,543
		<u>536,636</u>	<u>1,176,649</u>
<b>Current assets</b>			
Inventories		317,795	290,053
Trade and other receivables	8	857,887	590,221
Financial assets measured at fair value through profit or loss (“FVPL”)		501,716	301,623
Time deposits		1,515,511	941,074
Restricted bank balances		74,448	68,329
Cash and cash equivalents		1,180,831	890,658
		<u>4,448,188</u>	<u>3,081,958</u>
<b>Current liabilities</b>			
Contract liabilities	9	1,840,012	1,555,366
Trade and other payables	10	1,152,441	1,008,995
Lease liabilities		1,145	1,564
Current taxation		74,979	86,626
Dividends payable	11	221,818	—
		<u>3,290,395</u>	<u>2,652,551</u>
<b>Net current assets</b>		<u>1,157,793</u>	<u>429,407</u>
<b>Total assets less current liabilities</b>		<u>1,694,429</u>	<u>1,606,056</u>

		At <b>30 June 2025</b> <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
	<i>Note</i>		
<b>Non-current liability</b>			
Lease liabilities		<b>1,169</b>	1,082
Deferred tax liabilities	6	<b>31,300</b>	13,100
		<u><b>32,469</b></u>	<u>14,182</u>
<b>NET ASSETS</b>		<u><b>1,661,960</b></u>	<u>1,591,874</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>181</b>	181
Reserves		<b>1,592,853</b>	1,528,779
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,593,034</b>	1,528,960
<b>Non-controlling interests</b>		<b>68,926</b>	62,914
<b>TOTAL EQUITY</b>		<u><b>1,661,960</b></u>	<u>1,591,874</u>

## NOTES

*(Expressed in RMB, unless otherwise indicated)*

### 1 Basis of preparation

The interim financial information of Binjiang Service Group Co. Ltd. (the “**Company**”) as at and for the six months ended 30 June 2025 comprises the Company and its subsidiaries (together referred to as the “**Group**”). The interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“**IAS**”) 34 “*Interim Financial Reporting*” adopted by the International Accounting Standards Board (“**IASB**”).

The Company was incorporated in the Cayman Islands on 6 July 2017 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares were listed on the Main Board on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 March 2019 (the “**Listing**”).

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of the interim financial information in conformity with IAS 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.

## **2 Changes in accounting policies**

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the IASB to this interim financial information for the current accounting period. The amendments do not have a material impact on this interim information as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## **3 Revenue and segment reporting**

### **(a) Revenue**

The principal activities of the Group are property management services, value-added services to non-property owners and 5S value-added services.

Revenue represents income from property management services, value-added services to non-property owners and 5S value-added services.



The amount of each significant category of revenue are as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
<b>Revenue recognised over time:</b>		
Property management services	<b>1,158,370</b>	905,335
Value-added services to non-property owners	<b>214,129</b>	250,748
5S value-added services	<b>592,355</b>	439,423
	<b>1,964,854</b>	1,595,506
<b>Revenue recognised at point in time:</b>		
5S value-added services ( <i>note</i> )	<b>60,187</b>	54,901
	<b>2,025,041</b>	1,650,407

*Note:* For 5S value-added services that involve sale of goods, including sales of furniture, car parking spaces and storage rooms, and brokerage services for property sales and leasing, the Group recognises revenues at point in time when the property owners take possession of and accept the goods and services.

No revenue from transactions with single external customer amounts to 10% or more of the Group's total revenue for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

**(b) Segment reporting**

The Group manages its businesses by divisions, which are organised by a mixture of business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three operating and reportable segments:

- Property management services: this segment provides property management services to property owners, including security, cleaning, gardening, repair, maintenance, land management and ancillary services.
- Value-added services to non-property owners: this segment provides value-added services to non-property owners, including pre-delivery services, consulting services and community space services.
- 5S value-added services: this segment provides 5S value-added services to property owners, including housekeeping services, brokerages services, home decoration services, sales of furniture, car parking spaces and storage rooms and other community value-added services to property owners.

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment. Segment results represent the profit earned by each segment without allocation of central corporate expenses. Revenue and expenses are allocated to each segment with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is gross profit.

No analysis of segment assets and segment liabilities is presented as these information is not regularly provided to the Group's most senior executive management for review.

The following is an analysis of the Group's revenue and results by operating and reportable segment:

	<b>Property management services</b>	<b>Value-added services to non-property owners</b>	<b>5S value- added services</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Six months ended 30 June 2025:</b>				
Segment revenue	1,158,370	214,129	652,542	2,025,041
Segment gross profits	210,413	74,219	170,444	455,076
Unallocated corporate expenses				(40,837)
Profit before taxation				<u><u>414,239</u></u>
<b>Six months ended 30 June 2024:</b>				
Segment revenue	905,335	250,748	494,324	1,650,407
Segment gross profits	178,432	107,771	135,542	421,745
Unallocated corporate expenses				(30,064)
Profit before taxation				<u><u>391,681</u></u>

No geographical segment analysis is shown as all of the Group's revenue are derived from activities in, and from customers located in the PRC and almost all of carrying values of the Group's non-current assets are situated in the PRC.

#### 4 Other revenue and other net gain/(loss)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<b>Other revenue</b>		
Government grants ( <i>note (i)</i> )	2,901	1,732
Others	2,678	1,023
	<u>5,579</u>	<u>2,755</u>

- (i) Government grants mainly represent unconditional discretionary financial support from local municipal government authorities.

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<b>Other net gain/(loss)</b>		
Net loss on disposal of property, plant and equipment	(155)	(131)
Net realised and unrealised gains on FVPL	3,140	104
	<u>2,985</u>	<u>(27)</u>

#### 5 Profit before taxation

Profit before taxation is arrived at after (crediting)/charging:

##### (a) Net finance income

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest income on bank deposits	(35,440)	(40,530)
Interest on lease liabilities	65	62
	<u>(35,375)</u>	<u>(40,468)</u>

**(b) Staff costs**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Salaries and other benefits	<b>644,914</b>	515,504
Contributions to defined contribution scheme (note (i))	<b>58,282</b>	42,913
	<b><u>703,196</u></b>	<b><u>558,417</u></b>

- (i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution scheme administered and operated by the local municipal governments. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

**(c) Other items**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Depreciation		
— property, plant and equipment	<b>8,594</b>	6,987
— right-of-use assets	<b>1,065</b>	898
Expenses related to short-term leases	<b>8,916</b>	7,711
Cost of inventories	<b>26,721</b>	22,417

## 6 Income tax

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current tax</b>		
PRC corporate income tax	<b>99,812</b>	105,116
(Over)/under-provision in respect of prior years	<b>(1,342)</b>	1,803
	<u><b>98,470</b></u>	<u>106,919</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>(7,993)</b>	(1,085)
Withholding tax on the profits of the Group's PRC subsidiaries ( <i>note (iv)</i> )	<b>18,200</b>	13,500
	<u><b>10,207</b></u>	<u>12,415</u>
	<u><b>108,677</b></u>	<u>119,334</u>

- (i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands (“**the BVI**”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) The income tax rate applicable to the Group's subsidiary incorporated in Hong Kong for the income subject to Hong Kong Profits Tax during the Reporting Period is 16.5%. No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the Reporting Period (six months ended 30 June 2024: Nil).
- (iii) The Group's PRC subsidiaries are subject to PRC income tax at 25%. For certain subsidiaries recognised as a small profit enterprise in 2025, the portion of annual taxable income amount, which does not exceed RMB3 million, shall be computed at a reduced rate of 25% (six months ended 30 June 2024: 25%) as taxable income amount, and be subject to enterprise income tax at 20% (six months ended 30 June 2024: 20%).

- (iv) According to the PRC corporate income tax laws and its implementation rules, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008.

In 2023, the Company's Hong Kong subsidiary received the certificate of Hong Kong resident status. Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income ("**Tax Treaties**") and the Announcement of the State Taxation Administration in relation to "Beneficial Owner" in Tax Treaties ("**Announcement No. 9**"), the Hong Kong subsidiary meets the requirement for enjoying the preferential rate and is subject to withholding tax at a rate of 5% for dividends received from PRC subsidiaries since 2023.

As at 30 June 2025, deferred tax liabilities of RMB31,300,000 were recognised in respect of the 5% PRC dividend withholding tax that would be payable on the distribution of the retained profits of the Group's PRC subsidiaries (31 December 2024: RMB13,100,000).

## **7 Earnings per share**

The calculation of basic and diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB297,707,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB265,315,000) and the weighted average number of 276,407,000 shares in issue during the period (six months ended 30 June 2024: weighted average number of 276,407,000 shares).

There were no dilutive potential shares outstanding for the six months ended 30 June 2025 and 2024 and therefore the diluted earnings per share are same as the basic earnings per share.

## 8 Trade and other receivables

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Trade receivables		
— third parties	<b>677,118</b>	350,324
— related parties	<b>49,012</b>	71,342
	<u><b>726,130</b></u>	<u>421,666</u>
Less: allowance for impairment of trade receivables		
— third parties	<b>(99,380)</b>	(73,300)
— related parties	<b>(1,928)</b>	(4,428)
	<u><b>(101,308)</b></u>	<u>(77,728)</u>
Trade receivables, net of loss allowance	<u><b>624,822</b></u>	<u>343,938</u>
Other receivables from related parties	<b>1,818</b>	1,802
Deposits and prepayments	<b>119,654</b>	137,134
Payments on behalf of property owners	<b>69,855</b>	57,450
Advances to employees	<b>7,886</b>	4,549
Other receivables	<b>33,852</b>	45,348
	<u><b>857,887</b></u>	<u>590,221</u>

Trade receivables are primarily related to revenue recognised from the provision of property management services, value-added services to non-property owners and provision of home decoration services.

Trade and other receivables from related parties are unsecured and interest-free.



## Ageing analysis

As at the end of each Reporting Period, the ageing analysis of trade receivables from third parties and related parties based on the date of revenue recognition and net of allowance for impairment of trade receivables, is as follows:

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 1 year	<b>589,270</b>	304,799
1 to 2 years	<b>35,552</b>	39,139
	<b><u>624,822</u></b>	<b><u>343,938</u></b>

## 9 Contract liabilities

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
<b>Contract liabilities</b>		
Property management services	<b>576,000</b>	264,851
Value-added services to non-property owners	<b>3,263</b>	826
5S value-added services	<b>1,260,749</b>	1,289,689
	<b><u>1,840,012</u></b>	<b><u>1,555,366</u></b>

## 10 Trade and other payables

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Trade payables	405,330	275,054
— third parties	400,372	272,349
— related parties	4,958	2,705
Other payables due to related parties	35,086	41,901
Refundable deposits	94,635	76,279
Other taxes and charges payable	101,092	93,322
Accrued payroll and other benefits	215,848	248,221
Cash collected on behalf of the property owners' associations	63,728	61,503
Temporary receipts from property owners/ buyers	169,536	148,039
Other payables and accruals	67,186	64,676
	<u>1,152,441</u>	<u>1,008,995</u>

As at the end of the Reporting Period, the ageing analysis of trade payables due to related parties and third parties, based on invoice date is as follows:

	<b>At 30 June 2025 RMB'000</b>	<b>At 31 December 2024 RMB'000</b>
Within 3 months	<b>163,784</b>	97,552
After 3 months but within 1 year	<b>155,966</b>	167,033
Over 1 year	<b>85,580</b>	10,469
	<b><u>405,330</u></b>	<b><u>275,054</u></b>

## 11 Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the interim period:

	<b>Six months ended 30 June</b>	
	<b>2025 RMB'000</b>	<b>2024 RMB'000</b>
Interim dividend of HKD0.826 per share proposed after the interim period (six months ended 30 June 2024: HKD0.630 per share)	<b><u>208,328</u></b>	<b><u>159,089</u></b>

The interim dividend declared after the end of the Reporting Period has not been recognised as a liability at the end of the Reporting Period.

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period:

During the six months ended 30 June 2025, a final dividend of HKD0.876 per share in respect of the year ended 31 December 2024 (six months ended 30 June 2024: final dividend of HKD1.178 per share in respect of the year ended 31 December 2023 and special dividend of HKD0.196 per share) were approved. The aggregate amount of the final dividend approved during the six months ended 30 June 2025 amounted to HKD242,132,532 (RMB equivalent 221,818,000) (six months ended 30 June 2024: the aggregate amount of the final dividend and special dividend amounted to HKD379,783,218 (RMB equivalent 345,743,000)).

The final dividend approved during the six months ended 30 June 2025 were not yet paid as at 30 June 2025 (six months ended 30 June 2024: the final dividend and special dividend were paid in June 2024).

## CHAIRMAN’S STATEMENT

To all shareholders of the Company (the “**Shareholder(s)**”),

Thank you for your trust in and support to the Group. On behalf of the Board, I am pleased to present the Group’s unaudited consolidated results for the six months ended 30 June 2025.

In the first half of 2025, China’s economy gained steady and upward growth momentum against headwinds amid structural adjustments. In this context, Hangzhou, as a core city standing in the Yangtze River Delta, has blossomed into a key growth driver for the high-quality development of the property management industry, fueled by its leadership in the digital economy, accelerated industrial upgrading, and innovations in urban governance. Seizing the opportunities presented by Hangzhou’s economic resilience, the Group continued its work on the strategy of “Focusing on Hangzhou, cultivating the Yangtze River Delta and radiating to the whole country”. Guided by the strategy, we achieved synergistic improvements in both scale and efficiency, further solidifying our position as an industry benchmark by cementing our foundation with quality services and driving growth through innovative operations.

### **QUALITY-DRIVEN EXPANSION TO FORTIFY BRAND MOAT**

**The Group Achieved High-Quality Expansion in Property Services Through A Dual-Drive Approach of “Regional Focus + Brand Expansion”:**

**Quality Service Benchmark Continues to Lead:** In the first half of 2025, we continued our work on the service supervision and feedback system, with quality, safety, and satisfaction as the core. Furthermore, we optimized the three-tier supervision and management mechanism and established a closed-loop quality management process by collecting homeowner feedback through multiple channels, including supervision, corrective actions, follow-up reviews, and satisfaction surveys.

During the Reporting Period, the renewal rate for mature projects such as THE ONE and Lake Villa reached 100%. Driven by service upgrades, the average property management fee for 10 projects increased by 14.1%.

**Remarkable Results in Premium Brand Expansion:** The Company continued to increase its market share through brand expansion, securing multiple premium projects in the first half of 2025, such as THE MANSION and PALACE OF LIGHT, with saturated revenue exceeding RMB10 million. As of the end of the Reporting Period, 55.5% of the GFA under management by the Group came from independent third parties, with third-party revenue contribution growing 26.8% year-on-year, demonstrating the brand’s strong competitiveness in the open market.

**High Concentration in Regional Cultivation:** Leveraging its outstanding brand reputation and premium services, the Group excelled in its regional focus. As of 30 June 2025, Hangzhou accounted for approximately 63.6% of the total GFA under management of the Group. The top five cities in terms of area under management reached 66.8 million sq.m., representing 88.9% of the total, representing a year-on-year growth rate of 18.2%, maintaining high market concentration.

Benefiting from Hangzhou’s steady economic development and rising urban prominence, the Group further highlighted its core market competitiveness. As of 30 June 2025, the GFA under management reached 75.1 million sq.m., representing a year-on-year increase of 19.0%; the contracted GFA under management exceeded 96.4 million sq.m., representing a year-on-year increase of 7.1%. The GFA under management in Hangzhou increased by 18.8% year-on-year to 47.8 million sq.m., with revenue of RMB818.1 million, contributing 70.6% of the total property management revenue, demonstrating the brand moat in the “Hangzhou Headquarters Base (杭州大本营)”.

## **REPUTATION FOREMOST TO ACTIVATE VALUE-ADDED SERVICE ECOSYSTEM**

In the first half of 2025, the Group’s 5S value-added service system achieved revenue of RMB652.5 million, representing a year-on-year growth of 32.0%. By listening attentively to customers’ diversified needs, we are committed to building an all-round, high-quality and high-value-added service ecosystem for property owners, covering both living services and housing asset management.

- **Youjia’s Agency:** Relying on caring and thoughtful star services, the Youjia second-hand house agency team continues to deepen its presence in Hangzhou’s high-end improvement property sector. It has created a professional, efficient, and trustworthy transaction service experience while continuously growing its market share. In the first half of 2025, the contracted sales amount was approximately RMB853 million, representing a year-on-year growth of 20.1% in the contracted sales amount and 102.0% in the number of units sold, respectively, showing remarkable growth momentum.
- **Youju Services:** In terms of the furnishing service, benefiting from market recognition of quality services, the business scale has maintained steady growth. In the first half of 2025, it continued to steadily advance the construction and delivery of centralized decoration projects, and launched specialized businesses such as high-end low-density residential design and home decoration, as well as community decoration upgrades, with revenue increasing by 34.4% year-on-year. It has also expanded into interior design customization and supporting services for “Living Home” needs, further enriching its service matrix. As a result, the interior design revenue in the first half of 2025 surged by 502.8% year-on-year.

- **Youxiang Living Services:** Continuing to optimize the allocation of the Group’s high-end service resources, it provides high-quality, caring, and thoughtful home living services centered on homeowners’ daily life scenario needs. This has effectively enhanced customer stickiness, comprehensively improved service experience and satisfaction, and promoted the sustainable development of reputation. The revenue growth rate reached 41.8% in the first half of 2025, outpacing the growth indicators of the property service area and revenue for the first time.

## **EMBRACING REFORMS TO SHAPE EFFICIENT ORGANIZATIONAL MANAGEMENT**

Through the systematic advancement of three key initiatives, which are organizational flattening, talent development, and smart empowerment, the Group has achieved notable phased results in management optimization. In the first half of 2025, the Group’s management expense ratio dropped to 2.3%, representing a year-on-year decrease of 0.7 percentage points. This fully reflects the substantial progress we have made in organizational efficiency improvement, process optimization, and service enhancement.

- **Organizational Flattening:** In the first half of 2025, the Group continued to advance organizational flattening reforms. By breaking down internal management barriers, compressing management levels, and further decentralizing management decision-making, we have reduced information transmission losses, accelerated decision response, and achieved precise cost control, efficient communication, and optimal allocation of resources. This ensures that all services maintain high standards, strong continuity, and consistency in offering services. Through the appropriate delegation of management focus, the autonomy and execution capabilities of front-line teams have been significantly enhanced, service touchpoints have become more precise, and the perception and satisfaction of customers and property owners have continued to improve.
- **Talent Development:** The Group has always adhered to the talent development philosophy of “employee-oriented” and regards talents as a key resource sustaining the long-term and stable development of business. We continue to strengthen our efforts in team capability and stimulate organizational vitality. We have independently developed a systematic training system that aligns with actual business needs, providing employees with an empowerment platform from onboarding to growth, and from professional skills to management capabilities, based on job competency models and career development paths. We strive to build a full-cycle talent development chain. Through a scientific talent introduction mechanism, systematic training plans, clear development channels, and a competitive incentive system, we continuously expand the reserve of professional teams, optimize the talent structure, and enhance the overall organizational combat effectiveness.

- **Smart Empowerment:** Riding the wave of digitalization and intelligentization, the Group will take “AI Smart Empowerment” as a key driver for management upgrading, continuously increasing investment in information system construction and promoting the online transformation, standardization, and intelligentization of business processes. In the first half of 2025, we launched a series of digital tools covering multiple core business modules such as enterprise operation internal control and property owner services, enabling refined management and efficient collaboration in key business scenarios. Through the in-depth application of digital means, we have gradually built an efficient, safe, and controllable smart management system, providing strong technical support for the efficient operation and refined management of the Group’s business.

## **STARTING FROM THE HEART TO BUILD A HARMONIOUS AND INCLUSIVE COMMUNITY**

The Group is committed to building harmonious and inclusive communities. Through a variety of activities, we convey social benefits and humanistic values, and enhance homeowners’ sense of belonging and happiness. We have long been caring for the “Elderly and Children” groups. For the elderly, we launched the “Ginkgo Service” companion, which provides diversified services such as regular visits, health care, and interest activities to accurately meet the needs of elderly residents and create a warm community environment. For children, we have held the “I am a Little Swimming Talent” swimming competition for the 13th consecutive years, and innovatively organized parent-child activities such as the “Binjiang Fashionable Carnival (濱江潮動嘉年華)”. These activities integrate traditional culture, interesting interactions, sports and health, strengthening family bonds and community vitality. Meanwhile, we provide multi-age convenient services covering people-benefiting facilities, interest development, and festival gatherings. By listening to the personalized needs of homeowners, we strive to make the community a spiritual home and a beautiful harbor for residents. In the first half of 2025, the Group was awarded the titles of “National-level Smart Park Pilot (國家級智慧園區試點)” and “High-standard Household Waste Classification Demonstration Community in Zhejiang Province (浙江省高標準生活垃圾分類示範小區)” as well as multiple municipal-level honors, including outstanding project and star-rated residential community in recognition of its exceptional service quality.

Distinguished Shareholders, the Group will continue to take quality and brand as the foundation, activate growth momentum through service innovation, repay social trust with a sense of responsibility, and seize the opportunities brought by the integration of the Yangtze River Delta to create long-term value for the Shareholders!

**Yu Zhongxiang**

*Chairman*

Hong Kong, the PRC, 21 August 2025



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

Looking back to the first half of 2025, the Group continued to maintain steady growth, persistently cultivating and further expanding its business scope within the Yangtze River Delta. The Group has a total of 184 subsidiaries and branches in 21 cities in Zhejiang Province, Jiangsu Province, Jiangxi Province, Shanghai Municipality, Hainan Province and Guangdong Province in China, providing high-quality property services for over 340,000 property owners. As of 30 June 2025, the GFA under management of the Group was approximately 75.1 million sq.m., representing a year-on-year increase of 19.0%. The contracted GFA was approximately 96.4 million sq.m., representing a year-on-year increase of 7.1%, which will strongly sustain the business growth of the Group.

As of 30 June 2025, the Group's revenue increased by 22.7% to RMB2,025.0 million. The Group's gross profit increased by 7.9% from the corresponding period of 2024 to RMB455.1 million. The Group's gross profit margin was 22.5%, representing a decrease of 3.1 percentage points from the corresponding period of 2024. Among them, revenue generated from property management services, value-added services to non-property owners and 5S value-added services amounted to RMB1,158.4 million, RMB214.1 million and RMB652.5 million, respectively. In the first half of 2025, the average monthly property management fee of the Group was approximately RMB4.20 per sq.m. (the corresponding period of 2024: RMB4.17 per sq.m.), calculated by dividing the property management fee income for the Reporting Period by the average chargeable GFA at the beginning and the end of the Reporting Period. Leveraging its brand recognition and industry influence, the Group was able to charge relatively higher property management fees for its quality property management services. In the first half of 2025, the Group reached an upward adjustment of property management fees in ten projects by its high-quality services, solidifying the advantageous route of brand development.

The Group provided high-quality property management services that are tailored to its customers' needs and maintained its brand recognition and awareness in terms of property services. As the Group's quality services were highly recognized within the region, Hangzhou Binjiang Investment Holdings Co., Ltd.\* (杭州濱江投資控股有限公司) and its subsidiaries (collectively, the “**Binjiang Group**”) have established a close business relationship with the Group and continuously provided a large number of premium projects to the Group. In the first half of 2025, the full-scale cumulative sales of Binjiang Group amounted to RMB52.75 billion, ranking 10th in the full-scale cumulative sales list of national real estate enterprises of CRIC, and acquired 16 pieces of quality land in total in Hangzhou.

With brand quality remaining as its core competitiveness, the Group will build a stronger talent team, continuously improve the Company's high-end property management model, and raise the standard of specialized services. The Group will promote the construction of informatization and intelligence, improve the efficiency of the management regime, system and process, improve the quality assurance system, and continuously improve its operational capabilities. With these efforts, it aims to achieve sustainable and high-quality development.

### **Business models of the Group**

The management of the Group classified business segments into property management services, value-added services to non-property owners and 5S value-added services, forming an entire value chain of comprehensive services within property management.

- **Property management services:** The Group provides a series of high-quality property management services, including security, cleaning, gardening, repair, maintenance and ancillary services to its property owners, and charges service fees from residents and property owners or real estate developers of such properties under its management for property management services. In addition, the Group provides land reserve management services, primarily including land management and maintenance, green planting and maintenance, wall and fence painting works, muck removal and transportation, installation and management of monitoring devices, and others.
- **Value-added services to non-property owners:** The Group provides value-added services to non-property owners, mainly to property developers. These services refer to pre-delivery services, consulting services and community space services.

Pre-delivery services include cleaning, assisting with quality check and security services for completed properties and display units and providing property sales venue management services to property developers during the pre-delivery stage of property sales.

Consulting services include advising property developers at the early and construction stages on project planning, design management and construction management to enhance functionality, comfort and convenience.

Community space services include (i) assisting advertisement companies with regards to advertisement placements in the community spaces in the Group's managed properties, and (ii) managing community venues in the Group's managed properties.

- **5S value-added services:** The Group also provides 5S value-added services to property owners, including three major businesses, namely Youjia services, Youju services and Youxiang living services.

Youjia services include the primary and secondary property sales, leasing agent services and car parking space and storage room services. The Group is committed to providing attentive services for customers with its resources.

Youju services include home decoration services. It adheres to its “Living Home” interior services concept to provide elegant, stylish, modern and customized furnishing services, interior design services, home decoration services as well as facility upgrade services and maintenance for its customers.

Youxiang living services include home living services. In view of the different functions in residential and non-residential properties, the Group provides additional services that are tailored to its customers’ needs.

It has been the strategic objective of the Group to expand its managed area with stability and quality. The Group seeks to maintain a steady increase in contracted GFA and GFA under management through various channels.

The table below sets out the changes in the contracted GFA and the GFA under management of the Group for the Reporting Period and the corresponding period of 2024:

	<b>For the six months ended 30 June</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Contracted GFA</b>	<b>GFA under management</b>	<b>Contracted GFA</b>	<b>GFA under management</b>
	<b>(’000 sq.m.)</b>	<b>(’000 sq.m.)</b>	<b>(’000 sq.m.)</b>	<b>(’000 sq.m.)</b>
At the beginning of the Reporting Period	<b>92,866</b>	<b>67,945</b>	82,168	54,847
Addition	<b>4,179</b>	<b>7,664</b>	9,046	9,199
Termination	<b>(690)</b>	<b>(526)</b>	(1,218)	(927)
At the end of the Reporting Period	<b><u>96,355</u></b>	<b><u>75,083</u></b>	<b><u>89,996</u></b>	<b><u>63,119</u></b>

*Note:* As of 30 June 2025, the Group had a GFA under management of 75.1 million sq.m. and a contracted GFA of 96.4 million sq.m., with a ratio of the contracted GFA to the GFA under management of approximately 1.28:1. Contracted GFA refers to the GFA managed currently or to be managed by the Group under signed property management contracts.

The table below sets forth the breakdown of the Group's total property management services revenue, GFA under management and number of projects by type of properties during the Reporting Period and the corresponding period of 2024:

	For the six months ended 30 June					
	2025 Revenue (RMB'000)	2025 GFA under management ( '000 sq.m.)	Number of projects	2024 Revenue (RMB'000)	2024 GFA under management ( '000 sq.m.)	Number of projects
Residential	914,866	64,238	360	689,428	51,589	287
Non-residential	241,858	10,846	110	212,829	11,530	111
Land management	1,646	—	—	3,078	—	—
<b>Total</b>	<b>1,158,370</b>	<b>75,083</b>	<b>470</b>	<b>905,335</b>	<b>63,119</b>	<b>398</b>

The table below sets forth the breakdown of the Group's total property management services revenue, GFA under management and number of projects by type of developers during the Reporting Period and the corresponding period of 2024:

	For the six months ended 30 June					
	2025 Revenue (RMB'000)	2025 GFA under management ( '000 sq.m.)	Number of projects	2024 Revenue (RMB'000)	2024 GFA under management ( '000 sq.m.)	Number of projects
Properties developed by Binjiang Group <sup>(1)</sup>	582,325	33,416	201	449,162	26,729	160
— early stage	281,865	16,122	108	222,838	14,230	92
— property owners' association stage/property management committee stage	300,460	17,293	93	226,324	12,499	68
Properties developed by independent property developers	574,399	41,667	269	453,095	36,390	238
— early stage	320,734	24,763	182	273,161	24,303	175
— property owners' association stage/property management committee stage	253,665	16,905	87	179,934	12,087	63
Land management	1,646	—	—	3,078	—	—
<b>Total</b>	<b>1,158,370</b>	<b>75,083</b>	<b>470</b>	<b>905,335</b>	<b>63,119</b>	<b>398</b>

Note:

- (1) Refers to properties developed solely or co-developed with other parties by subsidiaries or joint ventures or associates of Binjiang Group.

The table below sets forth the breakdown of the Group's total property management services revenue, GFA under management and number of projects by geographic region during the Reporting Period and the corresponding period of 2024:

	For the six months ended 30 June					
	2025			2024		
	Revenue (RMB'000)	GFA under management ( '000 sq.m.)	Number of projects	Revenue (RMB'000)	GFA under management ( '000 sq.m.)	Number of projects
Hangzhou	818,125	47,746	323	642,761	40,174	271
Zhejiang Province (excluding Hangzhou)	305,190	24,944	130	234,246	21,151	116
Outside Zhejiang	35,055	2,393	17	28,328	1,794	11
Total	<u>1,158,370</u>	<u>75,083</u>	<u>470</u>	<u>905,335</u>	<u>63,119</u>	<u>398</u>

## **FUTURE PROSPECTS**

### **Further promotion of quality brand building**

The Group will continue to strengthen its brand responsibility, and strive to become a brand leader in the property industry, and a high-end service quality standard setter. The Group will consolidate its service standardization system, improve the allocation standards of different business formats, regions and service contents, and build differentiated services by leveraging its own benchmarks and competitive products, and strive to achieve the phased goals of becoming “a top property management brand in China and a benchmark in Zhejiang”. Through providing effective and consistent service quality, the Group will gain higher brand value and sustainable market competitiveness.

The Group will optimize its customer service system, listen to the opinions of property owners and partners through multiple channels, continuously consolidate and improve its service capabilities, and continue to build brand reputation, so as to consolidate its own competitiveness and continuously promote the sound development of the enterprise.

### **Further expansion of business scale and market share**

In the future, the Group will continue to expand its brand influence, leverage its success in the high-end market in the Yangtze River Delta and its existing service management systems and standards to expand its current market share. The Group utilizes a benchmark model where it takes root within the region once a benchmark property has been established. Focusing on Hangzhou and taking root in the Yangtze River Delta, the Group will focus on the operation in the existing markets and strategically expand its business coverage in eastern China. The Group will also explore opportunities in the Greater Bay Area and the Midwest China. The trend for the quality expansion and high-quality development of the Group has been basically formed. The Group will strive to initiate a project in one year, develop the project in three years and optimize it in five years. The expansion of the Jinhua region has already achieved initial results, and the Group will develop Shanghai and Zhejiang and other key regions in the future. In addition, the Group also actively expands its business into a wide range of urban services and other industries to strengthen its comprehensive service capabilities.

## **Expanding and providing diversified services**

The value-added service is provided to property owners with the life service scene where the Company's advantages are located. The Group strives to become a trustworthy property manager and caretaker for customers. It will develop value-added service systems focusing on 5S and form resource aggregation and mutually beneficial development model to diversify value-added services for property owners and customers. Binjiang Youjia's agency business will continue to be developed. With a dedicated, professional and exclusive service attitude, the sales team in the primary properties, the sales team of the secondary properties and the property service team collaborated in various aspects to gain customers' recognition with efficient and considerate services. Binjiang Youju will continue to focus on the actual needs of property owners. The one-stop fully furnished services include home interior design and home decoration services, decoration management, household cabinet customization, furniture customization, electrical appliances and equipment selection and addition. In terms of 5S service, the Group, adhering to the vision of "Creating Life through Furnishing the Home", will capitalize its advantages derived from the existing brands and platform to establish strategic partnerships through various channels. Meanwhile, the Group will continue to actively seek for additional partnership opportunities with well-known enterprises in the industry, promoting and replicating its successful partnership model.

## **Further improvement of management and operation systems**

The Group will continue to upgrade its internal management system and smart management platform, while adhering to its principles and maintaining a degree of flexibility to prepare for future enterprise development. The Group aims to boost its development through optimizing its management structure, setting up standardized operation procedures, and strengthening the procurement control to refine its internal control mechanism and improve multidimensional data coordination, analysis and benchmarking. Furthermore, the Group will leverage artificial intelligence (AI) technology to advance intelligent inspection and energy conservation (short-term), automated upgrades in common areas (medium-term), and personalized in-home robotic services (long-term) in a phased approach. While enhancing efficiency, we are more committed to delivering services with warmth and quality, striving to redefine corporate value and establishing a new paradigm for high-end smart property management.



## Strengthening the corporate governance and culture construction

The Group will continue the work on its corporate management level, and enhance its internal control and risk management. The Group will strengthen the construction of corporate culture, make employees more belonging and cohesive and the enterprise more standardized, transparent, stable, efficient, sound and sustainable development, so as to enhance the value of the enterprise and protect the rights and interests of the Shareholders.

## FINANCIAL REVIEW

The Group's revenue was generated from three main business lines: (i) property management services; (ii) value-added services to non-property owners; and (iii) 5S value-added services. During the Reporting Period, (i) the property management services were the largest source of revenue and profit for the Group, accounting for 57.2% of total revenue; and (ii) 5S value-added services were the second largest source of revenue for the Group, accounting for 32.2% of total revenue.

	For the six months ended 30 June				Year-on-year change %
	2025		2024		
	RMB'000	% of total revenue	RMB'000	% of total revenue	
<b>Property management services</b>	<b>1,158,370</b>	<b>57.2</b>	905,335	54.9	27.9
Property management services for residential properties	<b>914,866</b>	<b>45.2</b>	689,428	41.8	32.7
Property management services for non-residential properties	<b>241,858</b>	<b>11.9</b>	212,829	12.9	13.6
Land management	<b>1,646</b>	<b>0.1</b>	3,078	0.2	-46.5
<b>Value-added services to non-property owners</b>	<b>214,129</b>	<b>10.6</b>	250,748	15.2	-14.6
Pre-delivery services	<b>200,666</b>	<b>9.9</b>	228,951	13.9	-12.4
Consulting services	<b>8,121</b>	<b>0.4</b>	11,254	0.7	-27.8
Community space services	<b>5,342</b>	<b>0.3</b>	10,543	0.6	-49.3
<b>5S value-added services</b>	<b>652,542</b>	<b>32.2</b>	494,324	29.9	32.0
Youjia services	<b>47,932</b>	<b>2.4</b>	52,868	3.2	-9.3
Youju services	<b>573,788</b>	<b>28.3</b>	419,718	25.4	36.7
Youxiang living services	<b>30,822</b>	<b>1.5</b>	21,738	1.3	41.8
<b>Total</b>	<b><u>2,025,041</u></b>	<b><u>100.0</u></b>	<b><u>1,650,407</u></b>	<b><u>100.0</u></b>	<b><u>22.7</u></b>



**Property management services** consist of security, cleaning, gardening, repair, maintenance, land management and ancillary services. Revenue generated amounted to RMB1,158.4 million, representing an increase of 27.9% as compared with RMB905.3 million for the corresponding period of 2024. It was the Group's main source of revenue and accounted for 57.2% of total revenue for the six months ended 30 June 2025. The increase in revenue was mainly due to an increase in the number of projects as the Group expands its businesses. Revenue generated from the provision of property management services to properties developed by Binjiang Group was RMB582.3 million, representing a year-on-year increase of 29.6% compared with RMB449.2 million for the corresponding period of 2024, and accounted for 50.3% of revenue from property management services during the Reporting Period.

**Value-added services to non-property owners** mainly include pre-delivery services, consulting services and community space services. Revenue generated from the services amounted to RMB214.1 million, representing a decrease of 14.6% compared with RMB250.7 million for the corresponding period of 2024, and accounted for approximately 10.6% of the Group's total revenue. The decrease of revenue was mainly due to our key partner, Binjiang Group's acquisition of more premium project sites in the first half of 2025, which resulted in extended design and planning cycles. This led to delayed contract signing for the Group, consequently reducing the volume of value-added services to non-property owners in the first half of 2025.

**5S Value-added services** are mainly composed of Youjia services, Youju services and Youxiang living services. Revenue generated amounted to RMB652.5 million, representing an increase of 32.0% as compared with RMB494.3 million for the corresponding period of 2024, and accounted for approximately 32.2% of the Group's total revenue. Among them, revenue from Youju services was RMB573.8 million, representing an increase of 36.7% compared with the corresponding period of 2024, mainly due to the continued growth in the scale of Youju services.

## Gross profit and gross profit margin

Based on the above factors, during the Reporting Period, the Group's gross profit increased by 7.9% from RMB421.7 million for the six months ended 30 June 2024 to RMB455.1 million for the six months ended 30 June 2025. The Group's gross profit margin decreased by 3.1 percentage points from 25.6% for the six months ended 30 June 2024 to 22.5% for the six months ended 30 June 2025, mainly due to a decline in the service volume of value-added services to non-property owners with a higher gross profit margin.

	For the six months ended 30 June					
	2025			2024		
	Gross profit	% of gross profit	Gross profit	Gross profit	% of gross profit	% of gross profit
	RMB'000	%	%	RMB'000	%	%
Property management services	210,413	18.2	46.2	178,432	19.7	42.3
Value-added services to non-property owners	74,219	34.7	16.3	107,771	43.0	25.6
5S value-added services	170,444	26.1	37.5	135,542	27.4	32.1
Total	<u>455,076</u>	22.5	<u>100.0</u>	<u>421,745</u>	25.6	<u>100.0</u>

Gross profit of property management services increased by 17.9% from RMB178.4 million for the six months ended 30 June 2024 to RMB210.4 million for the six months ended 30 June 2025. Gross profit margin decreased by 1.5 percentage points from 19.7% for the six months ended 30 June 2024 to 18.2% for the six months ended 30 June 2025, mainly because the Group attached great importance to service quality and increased investment in management.

Gross profit of value-added services to non-property owners decreased by 31.1% from RMB107.8 million for the six months ended 30 June 2024 to RMB74.2 million for the six months ended 30 June 2025. Gross profit margin decreased by 8.3 percentage points from 43.0% for the six months ended 30 June 2024 to 34.7% for the six months ended 30 June 2025. The decrease of gross profit margin was mainly due to a decline in the gross profit margin of value-added services to non-property owners, which was affected by the overall situation of the upstream real estate development industry.

Gross profit of 5S value-added services increased by 25.7% from RMB135.5 million for the six months ended 30 June 2024 to RMB170.4 million for the six months ended 30 June 2025. Gross profit margin decreased by 1.3 percentage points from 27.4% for the six months ended 30 June 2024 to 26.1% for the six months ended 30 June 2025. The decrease of gross profit margin was mainly due to the continued increase in the proportion of furnishing services within the Youju services, which has a relatively low gross profit margin.

### **Cost of sales**

During the Reporting Period, the Group's cost of sales increased by 27.8% from RMB1,228.7 million for the six months ended 30 June 2024 to RMB1,570.0 million for the six months ended 30 June 2025, mainly due to an increase in the cost of sales as a result of the growth of the Group's business scale.

### **Selling and marketing expenses**

During the Reporting Period, the Group's selling and marketing expenses increased by 5.6% from RMB10.7 million for the six months ended 30 June 2024 to RMB11.3 million for the six months ended 30 June 2025, mainly due to the increase in business expansion expenses.

### **Administrative expenses**

During the Reporting Period, the Group's administrative expenses decreased by 6.6% from RMB49.9 million for the six months ended 30 June 2024 to RMB46.6 million for the six months ended 30 June 2025, mainly due to the Group's commitments to improving management efficiency, optimizing management levels and controlling management costs.

### **Impairment losses on trade receivables**

During the Reporting Period, the Group's impairment losses on trade receivables increased by 107.9% from RMB12.7 million for the six months ended 30 June 2024 to RMB26.4 million for the six months ended 30 June 2025, mainly because we have implemented a more stringent bad debt provision policy for some third-party developers given their operation and capital conditions, resulting in an increase in provision for bad debts.

## **Net finance income**

During the Reporting Period, the Group's finance income represented interest income on bank deposits. The finance income decreased by 12.6% from RMB40.5 million for the six months ended 30 June 2024 to RMB35.4 million for the six months ended 30 June 2025, mainly due to the impact of an overall decrease in bank interest rates. The finance costs amounted to RMB0.1 million for the six months ended 30 June 2025, remaining stable compared with RMB0.1 million for the six months ended 30 June 2024. As a result, the net finance income decreased by 12.6% from RMB40.5 million for the six months ended 30 June 2024 to RMB35.4 million for the six months ended 30 June 2025.

## **Share of profits less losses of associates and share of profits less losses of joint ventures**

During the Reporting Period, the Group's share of profits less losses of associates and share of profits less losses of joint ventures was profit of RMB0.5 million, remaining stable with a profit of RMB0.5 million for the six months ended 30 June 2024.

## **Profit before taxation**

During the Reporting Period, the Group's profit before taxation was RMB414.2 million, representing an increase of 5.7% as compared with RMB391.7 million for the corresponding period of 2024, mainly due to the increase in the operation gross profit during the Reporting Period.

## **Income tax**

During the Reporting Period, the Group's income tax was RMB108.7 million, representing a decrease of 8.9% as compared with RMB119.3 million for the corresponding period of 2024, mainly due to the payment of the withholding tax in the prior period.

## **Profit for the Period**

During the Reporting Period, the Group's profit was RMB305.6 million, representing an increase of 12.2% as compared with RMB272.3 million for the corresponding period of 2024, mainly due to an increase of the Group's business volume. The profit for the period attributable to equity shareholders of the Company was RMB297.7 million, representing an increase of 12.2% as compared with RMB265.3 million for the corresponding period of 2024. Net profit margin was 15.1%, decreasing by 1.4 percentage points from 16.5% for the corresponding period of 2024.

## **Current assets, financial resources and current ratio**

The Group maintained a sound financial condition during the Reporting Period. As at 30 June 2025, current assets were RMB4,448.2 million, representing an increase of 44.3% as compared with RMB3,082.0 million as at 31 December 2024.

The Group's cash and cash equivalents as at 30 June 2025 were RMB1,180.8 million, representing an increase of 32.6% as compared with RMB890.7 million as at 31 December 2024. This was mainly due to the growth of the Group's business scale. As at 30 June 2025, the current ratio was 1.4, which remained largely unchanged as 1.2 as at 31 December 2024.

As at 30 June 2025, the Group had no loans or loans available (31 December 2024: Nil).

As at 30 June 2025, the total equity of the Group was RMB1,662.0 million, representing an increase of 4.4% as compared with RMB1,591.9 million as at 31 December 2024. This was mainly due to the increase in business scale and profit from operations.

## **Contract liabilities**

As at 30 June 2025, the contract liabilities of the Group were RMB1,840.0 million, representing an increase of 18.3% as compared with RMB1,555.4 million as at 31 December 2024. This was mainly due to the increase in the number of projects and an increase of RMB311.1 million in the prepayment of property fees.

## **Property, plant and equipment**

As at 30 June 2025, the property, plant and equipment of the Group was RMB47.3 million, representing an increase of 9.0% as compared with RMB43.4 million as at 31 December 2024. This was mainly due to a slight increase in assets driven by the growth of business scale.

## **Inventories**

As at 30 June 2025, the inventories of the Group were RMB317.8 million, representing an increase of 9.5% as compared with RMB290.1 million as at 31 December 2024. This was mainly because the Group has continuously purchased parking space right-of-use assets to build up inventory reserves for the parking space sales business.

## **Contingent liabilities**

The Group did not have any contingent liabilities as at 30 June 2025 and 31 December 2024.

## **Pledged assets**

The Group did not have any pledged assets as at 30 June 2025 and 31 December 2024.

## **Trade and other receivables**

As at 30 June 2025, trade and other receivables amounted to RMB857.9 million, representing an increase of RMB267.7 million and 45.4% as compared with RMB590.2 million as at 31 December 2024, mainly due to the increase in accounts receivable as a result of business scale expansion of the Group.

## **Trade and other payables**

As at 30 June 2025, trade and other payables amounted to RMB1,152.4 million, representing an increase of RMB143.4 million and 14.2% as compared with RMB1,009.0 million as at 31 December 2024, mainly due to the expansion of the Group's business scale.

## **Financial assets measured at fair value through profit or loss**

As at 30 June 2025, financial assets at FVPL represented treasury products (wealth management products of banks) issued by various financial institutions and purchased by the Group during the Reporting Period.

As at 30 June 2025, the wealth management product(s) newly purchased by the Group during the Reporting Period from the same financial institution accounted for less than 5% of the Group's total assets.

## **Human resources**

As at 30 June 2025, the Group employed a total of 15,091 employees (as at 31 December 2024: 14,022 employees). During the Reporting Period, the staff costs of the Group were RMB703.2 million (six months ended 30 June 2024: RMB558.4 million).

The Group's remuneration packages for employees are determined based on their duties, qualifications, individual performance and current market standards. The discretionary bonus paid to employees, based on the performance of individual employees, recognized and rewarded their contributions. The Group has implemented and will continue to implement various employee recognition initiatives and rewards. The Group also makes social security contributions (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing provident fund contributions for its employees or makes regular contributions to Mandatory Provident Fund schemes for its employees. During the Reporting Period, the Group also provided its staff with systematic and extensive training plans and promotion and rotation programs.

### **Significant investments**

The Company did not have any significant investments (including significant investments which accounted for 5% or more of the total assets of the Group) during the Reporting Period.

### **Details about material acquisitions and disposals of subsidiaries, associates and joint ventures**

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

### **Future plans for material investments or capital assets**

As of 30 June 2025, the Group had no plan for material investments or capital assets.

### **Treasury policies**

During the Reporting Period, the Group has adopted a prudent financial management approach towards its treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. The Board closely monitors the Group's liquidity positions, while surplus cash is invested appropriately with the consideration of the credit risks, liquidity risks and market risks of the financial instruments. For example, the Group placed a certain amount of cash as bank deposits with maturity over three months to increase interest income while securing liquidity mentioned above.



## **Capital structure**

During the Reporting Period, there was no change in the capital structure of the Company. The capital of the Company comprises ordinary shares and other reserves.

## **Exposure to foreign exchange risks**

The Group is exposed to foreign exchange risks primarily through sales and purchases that are denominated in a currency other than the respective functional currencies of the Group's entities.

The functional currency of the Company, the subsidiaries in the British Virgin Islands and the subsidiaries in Hong Kong is HK\$. Their businesses are principally conducted in HK\$. In addition, as the HK\$ is pegged to the US\$, the Group considers the risk of movements in exchange rates between the HK\$ and the US\$ to be insignificant.

The primary functional currency and primary operating currency of the Group are RMB. Therefore, the Group considers the exposure to foreign exchange risks to be insignificant. Currently, the Group did not entered into any hedging transaction agreements.

## **INTERIM DIVIDEND**

After considering the Group's positive business development and the returns to the Shareholders, the Board resolved to declare an interim dividend for the six months ended 30 June 2025 of HK\$0.826 per share and no withholding of any tax will be made by the Company. Shareholders are required to deal with the filing and payment of tax with the relevant tax authority. The dividend ratio of its net profit attributable to equity shareholders of the Company is approximately 70%, while the interim dividend amounted to approximately HK\$228.3 million in total. The interim dividend is expected to be paid to the Shareholders on Friday, 19 September 2025. The Company does not hold any treasury shares (including any treasury shares held or deposited with Central Clearing and Settlement System) and treasury shares, if any, would not receive the dividends or distributions.



For the purpose of determining the Shareholders who are entitled to the rights of the interim dividend, the register of members of the Company will be closed from Friday, 5 September 2025 to Friday, 12 September 2025 (both days inclusive). The record date for determining Shareholders' entitlement to interim dividends will be Friday, 12 September 2025. Shareholders whose names appear on the register of members of the Company on that date will be entitled to the rights of the interim dividend. To be eligible to receive the interim dividend, all completed transfer documents together with the relevant share certificates must be returned to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration, no later than 4:30 p.m. on Thursday, 4 September 2025.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability of the Company. During the six months ended 30 June 2025, the Company has adopted and complied with all applicable code provisions under the Corporate Governance Code (the “**CG Code**”) in Appendix C1 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), except for the following deviation:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and the responsibility of both chairman and chief executive officer vest in Mr. Yu Zhongxiang. The Board believes that vesting the responsibilities of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of eight Directors in the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and the Shareholders as a whole. In addition, all decisions of the Board shall be passed by a majority vote. Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure enables the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Save as disclosed above, the Company complied with the CG Code throughout the Reporting Period. The Company will continue to strictly abide by the corporate governance requirements under the CG Code and the Listing Rules.

## **AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS**

The Company has established the Audit Committee in compliance with the Listing Rules to perform the functions of reviewing and monitoring the financial reporting and internal control of the Company. The Audit Committee currently consists of three independent non-executive Directors, namely, Ms. Cai Haijing, Mr. Ding Jiangang and Mr. Li Kunjun. Ms. Cai Haijing is the chairperson of the Audit Committee.

The Audit Committee has reviewed with the management of the Company this interim result for the Reporting Period and the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial statements matters, including the review of the condensed consolidated financial statements of the Group for the six months ended 30 June 2025.

## **MODEL CODE FOR DIRECTOR'S SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Directors and employees (the “**Securities Transaction Code**”). The Company has made specific enquiry with all Directors whether they have complied with the required standards set out in the Model Code and all Directors confirmed that they have complied with the Model Code and the Securities Transaction Code for the six months ended 30 June 2025.

The Company's employees, who are likely to be in possession of inside information of the Company, must also comply with the Securities Transaction Code. During the six months ended 30 June 2025, no incident of non-compliance of the Securities Transaction Code by the Company's relevant employees was noted by the Company.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares (as defined under the Listing Rules)) for the six months ended 30 June 2025. As of the end of the Reporting Period, the Company did not hold any treasury share.

## **EVENTS AFTER THE REPORTING PERIOD**

On 21 August 2025, the Directors resolved to declare an interim dividend.

Save as disclosed above, subsequent to the Reporting Period and up to the date of this announcement, there are no matters that have a significant impact on the Group that need to be disclosed.

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

This interim results announcement has been published on the websites of the Stock Exchange at ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company at (<http://www.hzbjwy.com>), respectively. The interim report of the Company for the Reporting Period, which contains all information required by the Listing Rules, will be published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**Binjiang Service Group Co. Ltd.**  
**Yu Zhongxiang**  
*Chairman and Executive Director*

Hong Kong, the PRC  
21 August 2025

*As at the date of this announcement, the executive Directors are Mr. Yu Zhongxiang, Mr. Qi Jiaqi and Ms. Zhong Ruoqin; the non-executive Directors are Mr. Mo Jianhua and Mr. Cai Xin as non-executive Directors; and the independent non-executive Directors are Mr. Ding Jiangang, Mr. Li Kunjun and Ms. Cai Haijing.*