

Ling Yue Services Group Limited
領悅服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

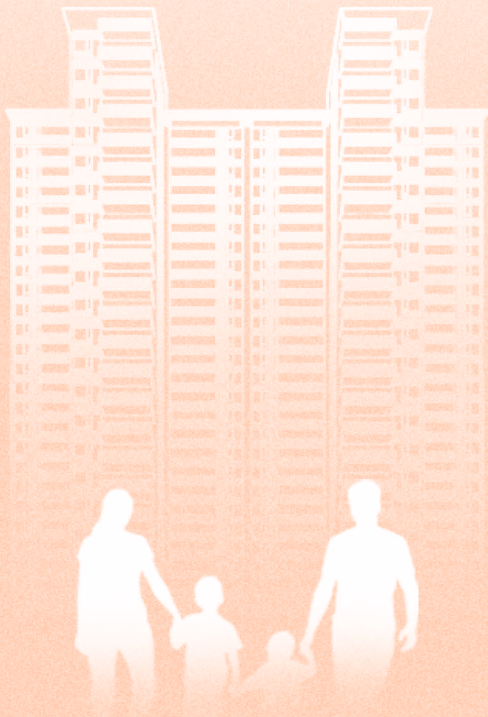
Stock Code : 2165

2025 ANNUAL REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yuqi (*Chairman*)
Ms. Luo Hongping

Non-executive Directors

Ms. Wang Tao
Ms. Hou Sanli

Independent Non-executive Directors

Ms. Luo Ying
Mr. Hu Ning
(appointed on 14 February 2025)
Ms. Zhang Qian
(resigned on 14 February 2025)
Ms. Zou Dan

COMPANY SECRETARY

Ms. Yan Hoi Ling Jovian
(resigned on 16 June 2025)
Ms. Ma Wing Yee
(appointed on 16 June 2025)

AUTHORIZED REPRESENTATIVES

Mr. Liu Yuqi
Ms. Yan Hoi Ling Jovian
(resigned on 16 June 2025)
Ms. Ma Wing Yee
(appointed on 16 June 2025)

AUDIT COMMITTEE

Ms. Zou Dan (*Chairlady*)
Ms. Luo Ying
Mr. Hu Ning
(appointed on 14 February 2025)
Ms. Zhang Qian
(resigned on 14 February 2025)

REMUNERATION COMMITTEE

Mr. Hu Ning (*Chairman*)
(appointed on 14 February 2025)
Ms. Zhang Qian
(resigned on 14 February 2025)
Mr. Liu Yuqi
Ms. Luo Ying

NOMINATION COMMITTEE

Mr. Liu Yuqi (*Chairman*)
Ms. Luo Ying
Mr. Hu Ning
(appointed on 14 February 2025)
Ms. Zhang Qian
(resigned on 14 February 2025)

AUDITOR

SHINEWING (HK) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISOR AS TO HONG KONG LAW

DLA Piper Hong Kong

PRINCIPAL BANK

Agricultural Bank of China
Chengdu Zijin Branch

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

44/F, Tower A
Leading International Finance Center
No. 151, 2nd Tianfu Street
Gaoxin District
Chengdu, Sichuan Province
PRC

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services
Limited
Shops 1712-1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

02165

COMPANY'S WEBSITE

www.lingyue-service.com

Glossary and Definition

In this report, unless the context otherwise requires, the following words and expressions have the following meanings.

“Acting in Concert Deed”	the acting in concert deed dated 29 January 2021 and executed by the Ultimate Controlling Shareholders
“AGM”	the annual general meeting to be convened and held by the Company on 15 June 2026
“Articles” or “Articles of Association”	the articles of association of the Company (as amended from time to time)
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of Directors
“BVI”	the British Virgin Islands
“CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Ling Yue Services Group Limited (領悅服務集團有限公司) (formerly known as Ling Yue Group Limited (領悅集團有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 28 August 2020, the Shares of which are listed on the Stock Exchange (Stock Code: 2165)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fusheng Capital”	Fusheng Capital Holding Limited, a company incorporated in the BVI with limited liability on 27 July 2020, which is wholly owned by Ms. Long Yiqin and is one of the Company’s controlling shareholders
“GFA”	gross floor area
“Global Offering”	has the meaning ascribed to it in the Prospectus

“Group”, “we”, “our” or “us”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong
“independent third party(ies)”	an individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company or its subsidiaries, or any of their respective associates (within the meaning of the Listing Rules)
“Jin Sha Jiang”	Jin Sha Jiang Holding Limited, a company incorporated in the BVI with limited liability on 5 June 2019, which is wholly owned by Mr. Liu Yuhui and is one of the Company’s controlling shareholders
“Leading Group”	Leading Group Co., Ltd. (領地集團有限公司) (formerly known as Meishan Baoma Real Estate Development Co., Ltd. (眉山地區寶馬房地產開發有限公司)), a company established in the PRC with limited liability on 19 April 1999 and an indirect wholly-owned subsidiary of Leading Holdings
“Leading Holdings”	Leading Holdings Group Limited (領地控股集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 15 July 2019 and the shares of which are listed on the Stock Exchange (stock code: 6999)
“Leading Holdings Group”	Leading Holdings and its subsidiaries
“Linghui Capital”	Linghui Capital Limited, a company incorporated in the BVI with limited liability on 23 July 2020, which is wholly owned by Ms. Hou Sanli and is one of the Company’s controlling shareholders
“Linghui Holding”	Linghui Holding Limited, a company incorporated in the BVI with limited liability on 23 July 2020, which is wholly owned by Mr. Liu Ce and is one of the Company’s controlling shareholders
“Lingyue Property Services”	Lingyue Property Services Group Co., Ltd. (領悅物業服務集團有限公司) (formerly known as Sichuan Huifeng Property Service Co., Ltd. (四川滙豐物業服務有限公司)), a company established in the PRC with limited liability on 21 January 2002 and an indirect wholly-owned subsidiary of our Company
“Listing”	the listing of the Shares on the Stock Exchange
“Listing Date”	12 July 2021, the date on which dealings in the Shares on the Stock Exchange first commence

Glossary and Definition

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“Over-allotment Option”	the option granted by the Company to allot and issue up to an aggregate of 10,500,000 additional Shares in connection with the Global Offering of the Company as disclosed in the Prospectus
“Prospectus”	the prospectus of the Company dated 29 June 2021
“Remuneration Committee”	the remuneration committee of the Company
“RMB” or “Renminbi”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tianyue Capital”	Tianyue Capital Limited, a company incorporated in the BVI with limited liability on 23 July 2020, which is wholly owned by Ms. Wang Tao and is one of the Company’s controlling shareholders
“Tianyue Holding”	Tianyue Holding Limited, a company incorporated in the BVI with limited liability on 23 July 2020, which is wholly owned by Mr. Liu Haowei and is one of the Company’s controlling shareholders
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“Ultimate Controlling Shareholders”	Mr. Liu Haowei, Mr. Liu Ce, Mr. Liu Yuhui, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli

“Year”	For the year ended 31 December 2025
“%”	per cent

Chairman's Statement

As the Group stands at a new juncture in the development of the industry, we look back on the extraordinary journey of the property management industry over the past year and look forward to a future full of opportunities and challenges. The past year was a crucial year for the property management industry, as it sought breakthroughs amidst a changing landscape and pursued upgrades in its transformation. After undergoing a profound reshuffle, the industry as a whole has gradually reduced its reliance on related property developers. The levels of market orientation, professionalisation and intelligence have continued to improve, and its value in areas such as serving people's livelihood and participating in grassroots governance has become increasingly prominent.

The Group prioritised party building to facilitate the integrated development of grassroots governance. We have always prioritised party building, proactively enhanced the organisational and institutional competence of community governance at the grassroots level, and continued to explore and address the most pressing difficulties and problems of greatest concern to the people. With special attention to the needs of property owners, we constructed a multi-party grassroots governance model comprised of the residents' committee, party committee, property management company and property owners' association of the community, and constantly reinforced the "Premium Star (星悦)" community brand. Many projects have achieved efficient co-governance and sharing of the community, mobilised grassroots activities, and advanced the delivery of the Group's high-quality services through the multi-party mechanism.

The Group remained fully committed to quality services. Upholding the core value of "Friendship, Companionship and Warmheartedness", the Group continued to refine its service standards, and enhanced its customer service capabilities by putting customers first. The Group safeguarded the bottom line of quality, and set an example of urban qualities. By maximising the advantages of community environment, we developed more than a hundred projects into "garden-style apartment complexes", and kept optimising the residential environment and living experience of property owners. During the Year, we also launched the "Spring Dawn Campaign (春曉行動)" and "Orange Storm (橙色風暴)" programs to enhance quality. Centred on these programs, we have established a long-term quality management mechanism. We increased in-depth presence in existing markets and maintained industry-leading service quality by further strengthening the implementation of the quality assurance system and upgrading our advantages over basic services.

The Group created an innovative value-added service ecosystem. Based on two growth poles of "property management and life services", we continue to explore innovative value-added services, and keep deepening the innovative value-added service ecosystem to truly realise the coverage of the full lifecycle of community residents. In line with the diversified needs of owners, we have upgraded the four traditional operations, focusing on the development of in-home services. We have also established property owners' life service centres, meeting the needs of residents for express courier stations, interior decoration and turnkey move-ins, housing agency and community retail. We have introduced quality suppliers for community commercial services, offering Lingyue's Premium Choice of products, making breakthroughs in the sales of product portfolio. We also pay special attention to elderly residents by actively developing elderly-friendly products and various value-added services so as to elevate property owners' sense of happiness and security.

The Group explored customer needs and enhanced customer experience. Adhering to the customer-centric principle, the Company aims to promote customer-driven organisational change by constructing a housekeeping network that solves customer demands and protects property owners' rights and interests. The Company has proactively upgraded its service system and renewed the quality of customer touchpoints. We listen to the voices of customers in the creation of service scenes, the perception of customer touchpoints, and the organisation of social and cultural activities. Our goal is to comprehensively enhance the perception and experience of customers of property services and to create a "good property" service system for Lingyue.

The Group promoted technology-enabled and digital management. During the Year under Review, we fully promoted the "Technology + Service" integration strategy, while constructing a digitalised operation system covering all aspects of property management. Driven by both Lingyue's big data screen and mobile platform, the Company has realised visual monitoring and intelligent decision-making for core business processes such as equipment operation and maintenance, customer service, and energy consumption management, significantly improving the level of refine management. Synchronised iteration and upgrading of the intelligent property management platform effectively optimise the service response mechanism and user experience. In view of future development, we will continue to deepen the application of the Internet of Things and digital technology, while strengthening the digital base of the smart community service ecology.

The Group refined its talent training system to build a strong talent pool. We continued to deepen the optimisation and reform of our organisational structure to support further regional exploration. Besides, we were committed to stimulating organisational vitality to focus on major business priorities and support key positions. We enhanced internal talent incubation through special talent training programs, namely the "Induction Program (登悅計劃)", "Pioneering Talent Program (領辰計劃)", and "Leading Management Talent Program (領將計劃)". We continued to strengthen staff's work capabilities via innovative micro-courses and internal training platforms, providing talents with expansive career development space. We refined the talent training system from multiple dimensions, further inspiring our teams to unleash dynamics and create excellent results.

The Group actively undertook its social responsibility through pro bono activities. We have been carrying out "City Care" public welfare activities and building "Happy Courier Stations (幸福驛站)" in communities for many years following the philosophy of wholehearted contribution to public welfare activities and caring for front line city builders. We have also created more employment and development opportunities for migrant workers and local employees, and actively fulfilled our tax obligations to contribute to the harmony and stability of society.

Management Discussion and Analysis

BUSINESS REVIEW

In 2025, against the backdrop of the impacts of sluggish economic performance, and fluctuations of the property management industry, the Group proactively responded to the complicated environment through comprehensive and systematic planning of the corporate vision and a clearer strategic direction, and attained steadfast and great progress in various businesses as well as satisfactory results. We are convinced that people's desire for a better life has not changed.

Under the guidance of “pragmatic, professional and long-term” philosophy, the Group has continued to consolidate the fundamental property management business, reshaped its standardised system and formulated the development strategy of Ling Yue Services 3.0. During the Year, the Group's revenue amounted to RMB664.5 million, representing an increase of 1.8% as compared to the same period in 2024, and gross profit amounted to approximately RMB203.5 million, representing an increase of 10.9% year-on-year. Net profit for the Year was approximately RMB77.9 million, representing a decrease of 9.6% over the same period in 2024.

Throughout the Year, the Group stuck to its development strategy of “deep cultivation in Southwest China, establishing a strong presence in Xinjiang, and pursuing nationwide development”, and focused on two growth poles of “Sichuan and Xinjiang”. As a result, the management scale achieved steady growth. Furthermore, the Group expanded its operations in sectors such as schools, parks, and public buildings, gradually advancing towards a comprehensive and diversified market.

Outlook

In the face of the opportunities and challenges brought about by the rapid development of the industry, the Group will firmly uphold the service philosophy of “Friendship, Companionship, and Warmheartedness”. With quality as the Group's foundation and warm services as its core, the Group will strengthen its operational fundamentals, prioritise value creation for customers, expand its service coverage, and persistently pursue long-term, high-quality corporate development.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Model of the Group

The Group has three business lines, namely, (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services, forming an integrated service offering to its customers that cover the entire value chain of property management.

- Property management services. The Group offers a wide range of property management services to property owners, residents and property developers, as well as tenants in non-residential properties under our management. The Group's services typically include security services, cleaning and greening services, and repair and maintenance services. The Group manages a diverse portfolio of properties, including residential properties, commercial properties and public and other properties.
- Value-added services to non-property owners. The Group offers value-added services to non-property owners, including (i) preliminary planning and design consultancy services; (ii) sales office management services; (iii) pre-delivery services; (iv) repair and maintenance services; (v) property transaction assistance services; and (vi) security support services.

- Community value-added services. The Group offers community value-added services primarily to property owners and residents to make their lives more convenient, such as (i) community space management services; (ii) decoration and turnkey furnishing services; (iii) convenient living services; and (iv) community retail services.

The Group offers comprehensive portfolio of property management services in order to diversify the Group's sources of revenue and achieve rapid growth. In recent years, the Group has been strengthening its community value-added service offerings. Leveraging its in-depth understanding of the needs of residents, the Group endeavors to further diversify its community value-added services. Community value-added services have been enhancing the Group's financial performance, as they typically generate higher profit margins, as compared to other types of property management services. The Group will continue to gain greater market shares and expand business presence in Chinese Mainland.

Property Management Services

The Group has been providing property management services since its establishment in 2002. As at 31 December 2025, the Group's aggregate contracted GFA amounted to approximately 34.1 million sq.m., representing a decrease of 7.5% as compared with the same period last year. As at 31 December 2025, the Group managed 235 properties with an aggregate GFA under management of approximately 31.6 million sq.m., representing an increase of 0.2% as compared with the same period last year.

The following table sets forth the number of properties and GFA under the Group's management, as well as the number of properties the Group was contracted to manage and corresponding contracted GFA as at the dates indicated.

	As at 31 December	
	2025	2024
Number of properties under management ⁽¹⁾	235	272
Number of properties we were contracted to manage ⁽²⁾	238	280
GFA under management (sq.m. in thousands)	31,626	31,565
Contracted GFA (sq.m. in thousands)	34,062	36,838
Undelivered GFA (sq.m. in thousands) ⁽³⁾	2,436	5,273

Notes:

- (1) Refers to properties that have been delivered to the Group for property management purposes.
- (2) Refers to all properties for which the Group has entered into the relevant property management service agreements, which may include properties that have not been delivered to the Group for property management purposes in addition to properties under management.
- (3) Undelivered GFA is calculated as the difference between contracted GFA and GFA under management as of the dates indicated. The estimated time of delivery and revenue generation of the undelivered projects as at 31 December 2025 ranges from January 2026 to August 2031.

Management Discussion and Analysis

Geographic Presence of the Group

As at 31 December 2025, the Group has expanded its geographic presence to 29 cities, across 8 provinces, 1 autonomous region and 1 municipality. The following table sets forth a breakdown of total number of projects under management and GFA under management by geographic region as at the dates indicated, and revenue from property management services by geographic region for the years indicated below.

	As at/For the year ended 31 December							
	2025		2024		2025		2024	
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Sichuan Province ⁽¹⁾	199	25,213	493,667	79.7	234	25,280	454,508	78.5
Xinjiang Uygur Autonomous Region ⁽²⁾	12	2,903	47,959	7.7	13	2,616	46,540	8.0
Guangdong Province ⁽³⁾	8	1,029	28,799	4.7	8	1,028	25,735	4.4
Jilin Province ⁽⁴⁾	4	674	20,511	3.3	4	674	21,496	3.7
Hebei Province ⁽⁵⁾	4	258	3,134	0.5	2	114	3,841	0.7
Henan Province ⁽⁶⁾	2	403	6,966	1.1	3	484	8,785	1.5
Hubei Province ⁽⁷⁾	1	396	7,814	1.3	1	396	7,012	1.2
Jiangsu Province ⁽⁸⁾	2	226	1,645	0.3	2	255	1,948	0.3
Guizhou Province ⁽⁹⁾	1	381	6,161	1.0	1	348	5,271	0.9
Chongqing Municipality	2	143	2,472	0.4	2	188	3,834	0.7
Fujian Province	—	—	—	—	2	182	718	0.1
Total	235	31,626	619,128	100	272	31,565	579,688	100.0

Notes:

- (1) The Group provided property management services to properties located in Chengdu, Emeishan, Guangyuan, Leshan, Luzhou, Meishan, Mianyang, Nanchong, Panzhihua, Xichang, Ya'an, Huili, Ziyang, Dujiangyan, Zigong and Chongzhou.
- (2) The Group provided property management services to properties located in Kashgar, Urumqi and Korla.
- (3) The Group provided property management services to properties located in Foshan, Shanwei and Huizhou.
- (4) The Group provided property management services to properties located in Changchun.
- (5) The Group provided property management services to properties located in Chengde.
- (6) The Group provided property management services to properties located in Luohe and Zhumadian.
- (7) The Group provided property management services to properties located in Jingzhou.
- (8) The Group provided property management services to properties located in Wuxi.
- (9) The Group provided property management services to properties located in Kaili.

The following table sets forth a breakdown of the Group's total number of contracted projects, contracted GFA and undelivered GFA by geographic region as at the dates indicated.

	As at 31 December					
	Number of contracted projects	2025		Number of contracted projects	2024	
		Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)		Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)
Sichuan Province ⁽¹⁾	201	25,553	341	239	27,473	2,193
Xinjiang Uygur Autonomous Region ⁽²⁾	13	3,951	1,047	15	4,529	1,913
Guangdong Province ⁽³⁾	8	1,181	153	8	1,181	153
Jilin Province ⁽⁴⁾	4	674	—	4	674	—
Hebei Province ⁽⁵⁾	4	258	—	3	200	86
Henan Province ⁽⁶⁾	2	738	334	3	818	334
Hubei Province ⁽⁷⁾	1	396	—	1	396	—
Jiangsu Province ⁽⁸⁾	2	226	—	2	255	—
Guizhou Province ⁽⁹⁾	1	942	561	1	942	594
Chongqing Municipality	2	143	—	2	188	—
Fujian Province ⁽¹⁰⁾	—	—	—	2	182	—
Total	238	34,062	2,436	280	36,838	5,273

Notes:

- (1) The Group was contracted to provide property management services to properties located in Chengdu, Emeishan, Guangyuan, Leshan, Luzhou, Meishan, Mianyang, Nanchong, Panzhihua, Xichang, Ya'an, Huili, Ziyang, Dujiangyan, Zigong and Chongzhou.
- (2) The Group was contracted to provide property management services to properties located in Kashgar, Korla and Urumqi.
- (3) The Group was contracted to provide property management services to properties located in Foshan, Shanwei and Huizhou.
- (4) The Group was contracted to provide property management services to properties located in Changchun.
- (5) The Group was contracted to provide property management services to properties located in Chengde.
- (6) The Group was contracted to provide property management services to properties located in Luohe and Zhumadian.
- (7) The Group was contracted to provide property management services to properties located in Jingzhou.
- (8) The Group was contracted to provide property management services to properties located in Wuxi.
- (9) The Group was contracted to provide property management services to properties located in Kaili.

Management Discussion and Analysis

Source of Properties under Management

The Group primarily offers property management services to properties developed by Leading Holdings Group Limited and its subsidiaries (“**Leading Holdings Group**”). The following tables set forth a breakdown by developer type as at the dates indicated or the periods indicated of the Group’s (i) total number of projects under management and GFA under management, as well as revenue from property management services; and (ii) total number of contracted projects, contracted GFA and undelivered GFA.

Breakdown of the Group’s Total Number of Projects under Management, GFA under Management and Revenue from Property Management Services by Developer Type

	As at/For the year ended 31 December							
	2025				2024			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Leading Holdings Group ⁽¹⁾	90	18,511	516,840	83.4	88	17,110	403,707	69.7
Joint ventures of Leading Holdings Group ⁽²⁾	6	571	12,721	2.1	4	390	7,802	1.3
Non-Leading Holdings Group and non-joint ventures of Leading Holdings Group ⁽³⁾	139	12,544	89,567	14.5	180	14,065	168,179	29.0
Total	235	31,626	619,128	100	272	31,565	579,688	100.0

Breakdown of the Group’s Total Number of Contracted Projects, Contracted GFA and Undelivered GFA by Developer Type

	As at 31 December					
	2025			2024		
	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)	Number of contracted projects	Contracted GFA (sq.m.'000)	Undelivered GFA (sq.m.'000)
Leading Holdings Group ⁽¹⁾	92	19,900	1,389	94	19,452	2,342
Joint ventures of Leading Holdings Group ⁽²⁾	6	571	—	4	427	37
Non-Leading Holdings Group and non-joint ventures of Leading Holdings Group ⁽³⁾	140	13,591	1,047	182	16,959	2,894
Total	238	34,062	2,436	280	36,838	5,273

Notes:

- (1) Refer to properties solely developed by Leading Holdings Group or jointly developed by Leading Holdings Group and third-party property developers in which Leading Holdings Group held a controlling interest.
- (2) Refer to properties jointly developed by Leading Holdings Group and third-party property developers in which Leading Holdings Group did not hold a controlling interest.
- (3) Refer to properties developed solely by third-party property developers independent from Leading Holdings Group.

Type of Properties under Management

The Group primarily managed residential properties. The Group also managed other types of properties such as commercial properties and public and other properties. The following table sets forth a breakdown of the Group's total GFA under management by property type as at the dates indicated, and revenue from property management services by property type and stage of projects for the years indicated:

	As at/For the year ended 31 December							
	2025				2024			
	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%	Number of projects under management	GFA under management (sq.m.'000)	Revenue RMB'000	%
Residential properties	136	26,066	480,236	77.6	134	24,159	434,101	74.9
Preliminary stage ⁽¹⁾	104	19,284	379,018	61.3	111	19,400	355,906	61.4
Property owners' association stage ⁽²⁾	32	6,782	101,218	16.3	23	4,759	78,195	13.5
Commercial properties	9	1,572	69,448	11.2	9	1,391	77,962	13.4
Public and other properties	90	3,988	69,444	11.2	129	6,015	67,625	11.7
Total	235	31,626	619,128	100	272	31,565	579,688	100.0

Notes:

- (1) Refers to residential property projects for which property owners' associations were not established as at the dates indicated.
- (2) Refers to residential property projects for which property owners' associations were established as at the dates indicated.

Management Discussion and Analysis

Value-added Services to Non-property Owners

The Group's value-added services to non-property owners include (i) preliminary planning and design consultancy services; (ii) sales office management services; (iii) pre-delivery services; (iv) repair and maintenance services; (v) property transaction assistance services; and (vi) security support services.

During the Year, revenue from value-added services to non-property owners decreased by 33.6% to approximately RMB14.9 million compared to approximately RMB22.4 million for the corresponding period of 2024, mainly due to a decrease in revenue from sales office management services. During the Year, the revenue from value-added services to non-property owners accounted for 2.2% of the total revenue. The following table sets forth a breakdown of the Group's revenue from value-added services to non-property owners for the years indicated.

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Preliminary planning and design consultancy services	3,944	26.5	4,012	17.9
Sales office management services	5,565	37.5	11,776	52.7
Pre-delivery services	42	0.3	299	1.3
Repair and maintenance services	5,275	35.5	5,684	25.4
Property transaction assistance services	33	0.2	603	2.7
Total	14,859	100.0	22,374	100.0

Community Value-added Services

The Group offers community value-added services to property owners and residents, including (i) community space management services; (ii) decoration and turnkey furnishing services; (iii) convenient living services; and (iv) community retail services.

During the Year, the revenue from community value-added services decreased by 40.1% to approximately RMB30.5 million compared to approximately RMB50.9 million for the corresponding period of 2024, mainly due to a decrease in revenue from decoration and turnkey furnishing services and convenient living services. During the Year, revenue from community value-added services accounted for 4.6% of total revenue.

The following table sets forth a breakdown of the Group's revenue from community value-added services for the years indicated.

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Community space management services	9,366	30.7	10,861	21.4
Decoration and turnkey furnishing services	9,710	31.8	25,374	49.8
Convenient living services	6,982	22.9	11,678	23.0
Community retail services	4,426	14.5	2,954	5.8
Total	30,484	100.0	50,867	100.0

FINANCIAL REVIEW

Revenue

The Group's revenue is mainly derived from three major businesses: (i) property management services; (ii) value-added services to non-property owners; and (iii) community value-added services. During the Year, the Group's revenue amounted to approximately RMB664.5 million, representing an increase of approximately 1.8% compared with RMB652.9 million in the same period of 2024. The following table sets out the revenue contribution of each business line for the years indicated:

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Property management services	619,128	93.2	579,688	88.8
Value-added services to non-property owners	14,859	2.2	22,374	3.4
Community value-added services	30,484	4.6	50,867	7.8
Total	664,471	100.0	652,929	100.0

Management Discussion and Analysis

Property management services is still the largest source of revenue for the Group. For the Year, revenue from property management services reached approximately RMB619.1 million, accounting for 93.2% of the total revenue of the Group. Such revenue growth was attributable to an increase in GFA under management. The decrease in revenue from value-added services to non-property owners was mainly due to a decrease in revenue from sales office management services. The decrease in revenue from community value-added services was mainly due to a decrease in revenue from decoration and turnkey furnishing services and convenient living services.

Cost of Sales

The cost of sales of the Group mainly includes (i) staff costs; (ii) subcontracting costs; (iii) costs of consumables; (iv) utilities costs; (v) office expenses; and (vi) repair and maintenance costs.

During the Year, the cost of sales of the Group was approximately RMB460.9 million, representing a decrease of approximately 1.8% compared with approximately RMB469.4 million for the corresponding period of 2024 and remained relatively stable.

Gross Profit and Gross Profit Margin

During the Year, the Group's gross profit increased by approximately 10.9% from approximately RMB183.5 million for the corresponding period in 2024 to approximately RMB203.5 million.

During the Year, the gross profit margin of the Group increased by approximately 2.5 percentage points to 30.6% from 28.1% for the same period in 2024, mainly due to the Company's cost-saving measure during the Year, which reduced costs while revenue grew, resulting in an increase in gross profit margin.

The gross profit margin of the Group by business line is as follows:

	For the year ended 31 December		
	2025 gross profit margin %	2024 gross profit margin %	Changes in gross profit margin %
Property management services	30.0	27.2	2.8
Value-added services to non-property owners	32.1	28.4	3.7
Community value-added services	42.8	38.3	4.6
Total	30.6	28.1	2.5

Administrative Expenses

During the Year, the administrative expenses of the Group decreased by approximately 7.2% from approximately RMB60.6 million for the same period in 2024 to approximately RMB56.3 million, mainly due to the decrease in labor cost.

Income Tax Expenses

During the Year, the income tax expenses of the Group increased by approximately 11.3% from approximately RMB18.1 million for the same period in 2024 to approximately RMB20.1 million. The trend was consistent with the increase of profit of the Group during the Year. The increase was mainly due to the increase in operating profit resulting from higher revenue and cost savings.

Profit Attributable to Owners of the Company

During the Year, total comprehensive income attributable to owners of the Company for the period was approximately RMB80.6 million, representing a decrease of approximately 0.3% as compared with RMB80.8 million for the same period in 2024.

Trade Receivables

The Group's trade receivables mainly relate to income from property management services, value added services to non-property owners and community value-added services provided to independent third parties. As at 31 December 2025, the Group's trade receivables amounted to approximately RMB114.4 million, representing a decrease of approximately RMB21.2 million or 15.7% as compared with RMB135.6 million as at 31 December 2024. The decrease was due to the Group's provision for bad debts on trade receivables.

Prepayments and Other Receivables

As at 31 December 2025, the Group's prepayments and other receivables amounted to approximately RMB43.1 million, representing a decrease of 18.4% compared with RMB52.8 million as at 31 December 2024.

Trade Payables

As at 31 December 2025, the Group's trade payables amounted to approximately RMB41.8 million, representing an increase of approximately 1.8% from approximately RMB41.1 million as at 31 December 2024. Such increase was mainly due to the increasing cost for the increased GFA under management of the Group.

Liquidity and Financial Resources

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet the funding requirements of the Group in the foreseeable future.

During the Year, the Group's principal use of cash was investment, information construction and working capital, which was mainly funded by proceeds from the Company's operations.

Management Discussion and Analysis

Cash Position

As at 31 December 2025, the Group had cash and bank balances of approximately RMB823.8 million (31 December 2024: RMB712.9 million).

Current Ratio and Gearing Ratio

As at 31 December 2025, the Group's current ratio (current assets to current liabilities) is approximately 3 (31 December 2024: 2.8). Gearing ratio is calculated based on the sum of interest-bearing borrowings as at the respective dates divided by total equity as at the same dates and multiplied by 100%. Gearing ratio of the Group as at 31 December 2025 is not meaningful because the Group's interest-bearing borrowings as at the same date was nil (as at 31 December 2024: nil).

Foreign Exchange Risk

The Group primarily operates its business in China. The currency in which the Group denominates and settles its transactions is mainly RMB. Any depreciation of RMB would adversely affect the value of any dividends the Group pays to Shareholders outside of the PRC. As at 31 December 2025, certain bank balances and cash were denominated in Hong Kong dollar, United States dollar and Australian dollar. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk as it is expected that there will be no material foreign exchange exposure.

Interest Rate Risk

As the Group had no significant interest-bearing borrowings, the Group is not exposed to material risk directly relating to changes in market interest rate.

Pledge of Assets

As at 31 December 2025, the pledge deposit of the Group was RMB0.1 million (31 December 2024: RMB0.1 million).

Contingent Liabilities

As at 31 December 2025, the Group had no contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

There were no material acquisitions and disposals of subsidiaries, associated companies and joint ventures by the Group during the Year.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Year, there were no significant investments held by the Group.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section “Future Plans and Use of Proceeds” in the prospectus of the Company dated 29 June 2021, the Group had no plan for material investments and capital assets.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 4,763 employees (31 December 2024: 5,786 employees). For the Year, the total staff costs were approximately RMB281.3 million (2024: approximately RMB313.1 million).

The Group will further enhance its employee training program with internal and external resources. The employee training programs primarily cover key areas in the Group’s business operations, which provide continuous training to its existing employees at different levels to specialize and strengthen their skill sets.

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to its staff is fixed by reference to the duties and the prevailing market rates in the region. Discretionary performance bonus after assessments is paid to employees to reward their contributions. The Group is subject to social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees, a monthly social insurance funds covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, and the housing provident fund, or to contribute regularly to mandatory provident fund schemes on behalf of its employees. In determining the remuneration and compensation packages of the Directors and senior management, the Group will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

SUBSEQUENT EVENTS AFTER THE YEAR

No material events were undertaken by the Group subsequent to 31 December 2025 and up to the date of this report.

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

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares as defined in the Listing Rules during the Year). As at 31 December 2025, no treasury shares (as defined in the Listing Rules) were held by the Company.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the Year (31 December 2024: nil).

ANNUAL GENERAL MEETING

The AGM is scheduled to be convened and held on Monday, 15 June 2026. A notice convening the AGM will be published on the websites of the Hong Kong Exchanges and Clearing Limited and the Company in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of the eligibility of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 10 June 2026 to Monday, 15 June 2026 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 9 June 2026.

Biographies of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Liu Yuqi (劉玉奇), aged 58, was appointed as our executive Director, the chairman of the Board, the authorised representative, a member of the Remuneration Committee and the chairman of the Nomination Committee on 12 January 2024. Mr. Liu has served as a director of Lingyue Property Services Group Co., Ltd.* (領悅物業服務集團有限公司), an indirect wholly-owned subsidiary of the Company since January 2002, and he is primarily responsible for the overall business operation and development strategy. Since March 2004, Mr. Liu served as a director of Leading Group Co., Ltd.* (領地集團有限公司), an indirect wholly-owned subsidiary of Leading Holdings Group Limited (stock code: 6999), a company listed on the Stock Exchange and 30%-controlled company (as defined in the Listing Rules) of the Ultimate Controlling Shareholders. From April 2000 to March 2004, Mr. Liu served as the chairman of the board of Sichuan Huifeng Real Estate Development Co., Ltd.* (四川滙豐房地產開發有限公司). From September 1999 to April 2000, Mr. Liu served as the chairman of the board of Meishan Yuanda Real Estate Development Co., Ltd.* (眉山遠大房地產開發有限公司). Since April 1999 to September 1999, Mr. Liu served as the chairman of the board of Meishan Baoma Real Estate Development Co., Ltd.* (眉山寶馬房地產開發有限公司).

Mr. Liu Yuqi is currently an EMBA candidate of Tsinghua University PBC School of Finance since June 2021. From May 2018 to December 2019, Mr. Liu participated in the thirteenth term of course of Cheung Kong Graduate School of Business. Mr. Liu has been the chairman of the Association of Chengdu Meishan Entrepreneurs* (成都眉山商會) since February 2014.

Mr. Liu Yuqi is the spouse of Ms. Hou Sanli (our non-executive Director and one of the Ultimate Controlling Shareholders), the father of Mr. Liu Ce (one of the Ultimate Controlling Shareholders), the brother of Mr. Liu Shan (the spouse of Ms. Wang Tao (our non-executive Director and one of the Ultimate Controlling Shareholders)) and Mr. Liu Yuhui (one of the Ultimate Controlling Shareholders), and the uncle of Mr. Liu Haowei (one of the Ultimate Controlling Shareholders).

Ms. Luo Hongping (羅紅萍), aged 49, was appointed as our executive Director on 26 January 2021. Ms. Luo Hongping joined our Group in January 2017 as a chief financial officer and has been responsible for the overall financial management of our Group.

From January 2005 to December 2010, she worked as a financial manager in Zhongya Jianye Jianshe Construction Co., Ltd. (中亞建業建設工程有限公司), a construction company, where she was primarily responsible for its overall financial management. From January 2012 to December 2020, she worked as a general manager of finance department in Leading Holdings, where she was primarily responsible for the overall financial management of such company.

Ms. Luo Hongping obtained a diploma's degree in accounting from Leshan Normal College (樂山師範學院) in the PRC in June 2011, respectively. She obtained the accounting qualification certificate (會計從業資格證書) granted by Leshan Finance Bureau (樂山市財政局) in April 1998. She also obtained the qualification of intermediate accountant (中級會計師證) from the Ministry of Finance in May 2004.

* for identification purpose only

Biographies of Directors and Senior Management

Non-executive Directors

Ms. Wang Tao (王濤), aged 53, was appointed as our non-executive Director on 26 January 2021 and is responsible for providing guidance and formulation of business strategies for the overall development of our Group. Ms. Wang Tao joined our Group in January 2003 and had been a director of Lingyue Property Services until December 2013.

From April 1994 to March 2003, Ms. Wang Tao worked in Sichuan Jianye Construction Engineering Co., Ltd. (四川建業建築工程有限公司) with her last position as a manager of its material equipment department. Since March 2003, she has been a supervisor of Leading Group, an indirect wholly-owned subsidiary of Leading Holdings. Since January 2016, she has been a general manager of the supervision and auditing department of Lingyue Property Services.

Ms. Wang Tao obtained a college's degree in psychology from Institute of Psychology in University of Chinese Academy of Sciences (中國科學院心理研究所) through long distance learning in the PRC in August 2003.

Ms. Wang Tao is the sister-in-law of Mr. Liu Yuqi, our executive Director, and Ms. Hou Sanli, our non-executive Director. Ms. Wang Tao has entered into the Acting in Concert Deed with Mr. Liu Ce, Mr. Liu Haowei, Mr. Liu Yuhui, Ms. Long Yiqin and Ms. Hou Sanli, the controlling shareholders of the Company.

Ms. Wang Tao has also entered into an acting in concert deed dated 29 January 2021 regarding the interest in Leading Holdings with Mr. Liu Ce, Mr. Liu Haowei, Mr. Liu Yuhui, Ms. Long Yiqin and Ms. Hou Sanli.

Ms. Hou Sanli (侯三利), aged 56, was appointed as our non-executive Director on 26 January 2021 and is responsible for providing guidance and formulation of business strategies for the overall development of our Group. Ms. Hou Sanli joined our Group in December 2002 and had been a supervisor of Lingyue Property Services until December 2013.

Since November 2011, she has been a supervisor of Leading Group. Ms. Hou Sanli obtained a college's degree in psychology from Institute of Psychology in University of Chinese Academy of Sciences (中國科學院心理研究所) through long distance learning in the PRC in August 2003.

Ms. Hou Sanli is the spouse of Mr. Liu Yuqi, our executive Director, and the sister-in-law of Ms. Wang Tao, our non-executive Director. Ms. Hou Sanli has entered into the Acting in Concert Deed with Mr. Liu Ce, Mr. Liu Haowei, Mr. Liu Yuhui, Ms. Wang Tao and Ms. Long Yiqin, the controlling shareholders of the Company.

Ms. Hou Sanli has also entered into an acting in concert deed dated 29 January 2021 regarding the interest in Leading Holdings with Mr. Liu Ce, Mr. Liu Haowei, Mr. Liu Yuhui, Ms. Wang Tao and Ms. Long Yiqin.

Independent non-executive Directors

Ms. Luo Ying (羅瑩), aged 43, was appointed as our independent non-executive Director on 22 June 2021 and is responsible for providing independent advice on the operations and management of our Group. Ms. Luo Ying is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Ms. Luo Ying has extensive experience in investment and financial management. From October 2014 to December 2015, she worked as a financial director in Sichuan Development Financial Consulting Co., Ltd. (四川發展財務諮詢有限公司), a financial consulting company. From January 2016 to August 2016, she worked as a senior investment manager in the industry investment department in Sichuan Development Holding Co., Ltd. (四川發展控股有限公司), where she was primarily responsible for the investment and cooperation with other companies. From September 2016 to October 2017, she worked as a vice president of the financial department in Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司), whose shares are listed on Main Board of the Stock Exchange (stock code: 6833), where she was primarily responsible for market value management, refinancing, and daily management of investor relations of such company. From November 2017 to August 2020, she worked as a general manager assistant in Sichuan Zhichuan Culture Co., Ltd. (四川知川文化有限公司), a platform company of The General Association of Sichuan Entrepreneurs. and a director of innovation center in The General Association of Sichuan Entrepreneurs (四川省川商總會), where she was primarily responsible for providing professional services in project investment, project management to global Sichuan entrepreneurs, as well as the daily operation and financial management of Sichuan Zhichuan Culture Co., Ltd. Since September 2020, she has been a deputy director in Sichuan Sky Software Co., Ltd. (四川四凱電腦軟體有限公司). Since 17 November 2023, she has been an independent non-executive Director of Leading Holdings Group Limited (領地控股集團有限公司), whose shares are listed on Main Board of the Stock Exchange (stock code: 6999). Leading Holdings Group Limited is 30%-controlled company (as defined in the Listing Rules) of the Ultimate Controlling Shareholders. Since May 2024, she has been the deputy general manager of Funding Investment Management Co., Ltd (富鼎投資管理有限公司), responsible for the company's investment business.

Ms. Luo Ying obtained a diploma's degree in law from Nanjing University of Finance and Economics (南京財經大學) in the PRC in June 2006. She also obtained a master's degree in international business from the University of Sydney in Australia in August 2008. Ms. Luo obtained the qualification of intermediate economist (中級經濟師) granted by Ministry of Human Resources and Social Security in November 2010. She also obtained the qualification of Board Secretaries of Listed Companies on the Shenzhen Stock Exchange (深圳交易所上市公司董事會秘書資格) granted by the Shenzhen Stock Exchange in July 2011. She also obtained the Securities Practice Qualification Certificate (基金從業資格證) granted by Asset Management Association of China (中國證券投資基金業協會) in November 2017.

Biographies of Directors and Senior Management

Mr. Hu Ning (胡寧), aged 36, was appointed as our independent non-executive Director, a member of the Audit Committee, the chairman of the Remuneration Committee and a member of the Nomination Committee on 14 February 2025. He has extensive experience in accounting and finance. From July 2019 to present, Mr. Hu successively worked as assistant professor, deputy professor and professor at Faculty of Accounting of Southwestern University of Finance and Economics (西南財經大學). Mr. Hu has also served as director at several public companies in the past three years which are summarized below: from June 2024 to present, he served as independent non-executive director at Chengdu Leejun Industrial Co., Ltd. (stock code: 002651), a company listed on the Shenzhen Stock Exchange; from May 2024 to present, he served as independent non-executive director at Sichuan Newsnet Media (Group) Co., Ltd. (stock code: 300987), a company listed on the Shenzhen Stock Exchange. He is currently the Director of the Modern Auditing Research Institute of the School of Accounting at Southwestern University of Finance and Economics, a Guanghua Top-notch Accounting Talent, and concurrently serves as the Deputy Secretary-General of the Accounting Society of China and the Vice Chairman of the Talent Committee of the Sichuan Institute of CPA.

Mr. Hu obtained bachelor degree in accounting and master degree in accounting from Shenzhen University (深圳大學) in 2013 and 2015 respectively and obtained the Doctor of Philosophy in accounting from Shanghai University of Finance and Economics (上海財經大學) in 2019.

Ms. Zou Dan (鄒丹), aged 52, was appointed as our independent non-executive Director on 22 June 2021 and is responsible for providing independent advice on the operations and managements of our Group. Ms. Zou Dan is the chairlady of the Audit Committee.

Ms. Zou Dan has over 15 years of experience in financial management. From August 1997 to January 2002, Ms. Zou Dan worked in Ernst & Young (安永華明會計師事務所), an accounting firm, with her last position as a senior auditor, where she was primarily responsible for the annual auditing of foreign-invested companies and auditing of proposed listing companies. From February 2002 to December 2013, she worked in Yonyou Network Technology Co. Ltd. (用友網路科技股份有限公司), a management solution provider, whose shares are listed on the Shanghai Stock Exchange (stock code: 600588) (“**Yonyou Network**”), with her last position as a general manager in the financial department. From January 2014 to May 2018, she worked as a senior vice president and chief financial officer in Chanjet Information Technology Company Limited (暢捷通信息技術股份有限公司), a company providing enterprise software and services in the PRC, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1588), where she was primarily responsible for its overall financial management. From October 2018 to June 2019, she worked as a deputy general manager in Shanghai Yonyou Industry Investment Management Co., Ltd. (上海用友產業投資管理有限公司), a subsidiary of Yonyou Network and an investment and asset management company, where she was primarily responsible for its risk control and financial management. Since July 2019, she has been working as a co-founder and chief financial officer in Beijing Qiqi Technology Co., Ltd. (北京企企科技有限公司), a company providing enterprise software and services, where she was primarily responsible for its financial management, human resources, legal affairs and business operation support.

Ms. Zou Dan obtained a diploma's degree in economics from Renmin University of China (中國人民大學) in the PRC in July 1995. Ms. Zou Dan obtained the qualification of Certified Public Accountant (註冊會計師) granted by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in May 1997. She also obtained the fellowship of Chartered Institute of Management Accountants Chartered Global Management Accountant granted by the Chartered Institute of Management Accountants.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there was no information relating to the Directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules or any other matters concerning any Director that needs to be brought to the attention of the Shareholders as of the date of this annual report.

SENIOR MANAGEMENT

Mr. Luo Ziqin (羅自欽), aged 49, was appointed as the chief executive officer and vice president of our Group in March 2020. Mr. Luo Ziqin joined our Group as an assistant to the general manager of Lingyue Property Services on 1 March 2008 and was promoted as the vice general manager of our Group in November 2019.

Mr. Luo Ziqin obtained a college diploma's degree in law from China Central Radio TV University (中央廣播電視大學) in the PRC in July 2002. He also obtained a diploma's degree in administration management in University of Electronic Science and Technology of China (電子科技大學) in the PRC in June 2014. He obtained the qualification of Certified Property Manager (物業管理師) granted by Ministry of Housing and Urban-Rural Development and Ministry of Human Resources and Social Security in the PRC in May 2011. He was awarded as TOP 100 Property Manager (百強物業經理人) from Leju Financial (樂居財經) and China Property Management Research Institution (中物研協). In July 2021, he completed the MBA in Property Management at Chongqing University of Technology (重慶理工大學); and in May 2024, he was appointed as an expert by the Sichuan Provincial Department of Housing and Urban-Rural Development (四川省住房和城鄉廳).

COMPANY SECRETARY

Ms. Ma Wing Yee was appointed as the company secretary of the Company on 16 June 2025. She is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 10 years of experience in corporate governance and company secretarial practice in listed companies on the Stock Exchange. She is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Corporate Governance Report

CORPORATE GOVERNANCE CULTURE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

CORPORATE GOVERNANCE PRACTICES

Compliance with the Model Code for securities transactions

The Company has adopted the Model Code as its own code of conduct for securities transactions conducted by Directors and relevant employees of the Company. After making specific enquiries to all the Directors and relevant employees of the Company, each of them has confirmed that they have complied with the required standards set out in the Model Code during the Year and up to the date of this report.

The Company is not aware of any incident of non-compliance of the Model Code committed by any Directors, or relevant employees during the Year and up to the date of this report.

Compliance with the corporate governance code

The Company recognizes the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has adopted the principles and applicable code provisions stated in the CG Code. So far as the Directors are aware, the Company has complied with all the applicable principles and code provisions set out in the CG Code during the Year.

The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

Trainings of the directors

To ensure that each Director's better understanding in respect of the Company's conduct and business activities to perform their responsibilities as a Director, the Company will arrange appropriate training, including arranging and funding suitable training and professional development programme for the Directors. For newly appointed Directors, the Company shall also arrange for suitable induction training, so as to ensure that they have an appropriate understanding of the business and operations of the Group and that they are fully aware of their responsibilities and obligations under the Listing Rules and relevant regulatory requirements upon commencement of their directorship in the Company. During year ended 31 December 2025 and up to the date of this annual report, all the Directors, together with the relevant senior management of the Company, have attended suitable induction and/or trainings arranged by the Company. The summary of training received by the Directors is as follows:

Directors	Type of Training (Note 1)
Executive Directors	
Mr. Liu Yuqi (<i>Chairman</i>)	A
Ms. Luo Hongping	A
Non-executive Directors	
Ms. Wang Tao	A
Ms. Hou Sanli	A
Independent Non-executive Directors	
Ms. Luo Ying	A
Ms. Zhang Qian (<i>resigned on 14 February 2025</i>)	A
Mr. Hu Ning (<i>appointed on 14 February 2025</i>)	A
Ms. Zou Dan	A

Note 1: A. regulatory (duties and responsibilities of directors (online training provided by external lawyer))

THE BOARD

The Board currently consists of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors. The powers and duties of the Board include convening general meetings and reporting the Board's work at the Shareholders' meetings, determining the Group's business and investment plans, preparing annual financial budgets and final reports of the Group, formulating proposals for profit distributions and exercising other powers, functions and duties as conferred by the Articles of Association. The Board assumes the responsibility of leadership and control of the Company, supervises and approves strategic development objectives, significant decisions of operations and financial performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them. Senior management of the Company is responsible for the day-to-day operations and management of the Group's business. Executive Directors and senior management of the Company meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

The Board has established various Board committees and has delegated various duties to the Board committees, including the Audit Committee, the Remuneration Committee, and the Nomination Committee (collectively, the "**Board Committees**"). All the Board Committees perform their distinct roles in accordance with their respective terms of reference.

BOARD COMPOSITION

Executive Directors

Mr. Liu Yuqi (*Chairman*)
Ms. Luo Hongping

Non-executive Directors

Ms. Wang Tao
Ms. Hou Sanli

Independent non-executive Directors

Ms. Luo Ying
Mr. Hu Ning
(*appointed on 14 February 2025*)
Ms. Zhang Qian
(*resigned on 14 February 2025*)
Ms. Zou Dan

Mr. Hu Ning has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 12 February 2025 and he has confirmed he understood his obligations as a director of the Company.

The Company has entered into service agreements with each of the executive Directors, and letters of appointment with each of the non-executive Directors and independent non-executive Directors. Further details of the term of appointment of the Directors are set out in the section headed “Report of the Directors — Directors’ service Agreements and Letters of Appointment” on page 49 of this annual report.

The Directors’ respective biographical information is set out on pages 23 to 27 of this annual report. Save as disclosed, there is no relationship (including financial, business, family or other material relationship) between members of the Board.

During the Year, the Board had complied with Rule 3.10 and Rule 3.10A of the Listing Rules relating to the appointment of (i) at least three independent non-executive Directors; (ii) independent non-executive Directors representing one-third of the Board; and (iii) at least one independent non-executive Director possessing appropriate qualification, or accounting or related financial management expertise.

The Company has received from each independent non-executive Director an annual written confirmation of his/her independence in accordance with Rule 3.13 of the Listing Rules. The Company considers each of the independent non-executive Directors to be independent.

Chairman and chief executive officer

During the Year, the roles of chairman and chief executive officer of the Company were separately performed by Mr. Liu Yuqi and Mr. Luo Ziqin respectively.

Board meetings, committee meetings and annual general meeting

The Board meets regularly to discuss and formulate the overall strategy, operations and financial performance of the Group. Board meetings are held at least four times a year and notices of Board meetings are given to the Directors 14 days before the convening of the meeting, in order to give all Directors the opportunity to attend.

Corporate Governance Report

During the Year, the Board held 7 Board meetings and 1 general meeting and the Directors made positive contributions to the affairs of the Group. The attendance record of each Director at the Board meetings, Audit Committee meetings, Remuneration Committee meetings, Nomination Committee meetings and general meetings held during the Year is set out below:

Name of Director	Number of Board meetings attended/number of Board meetings entitled to attend	Number of Audit Committee meetings attended/number of Audit Committee meetings entitled to attend	Number of Remuneration Committee meetings attended/number of Remuneration Committee meetings entitled to attend	Number of Nomination Committee meetings attended/number of Nomination Committee meetings entitled to attend	Number of general meetings attended/number of general meetings entitled to attend
Executive Directors					
Mr. Liu Yuqi (<i>Chairman</i>)	4/4	0/0	1/1	1/1	1/1
Ms. Luo Hongping	4/4	0/0	0/0	0/0	1/1
Non-executive Directors					
Ms. Wang Tao	4/4	0/0	0/0	0/0	1/1
Ms. Hou Sanli	4/4	0/0	0/0	0/0	1/1
Independent non-executive Directors					
Ms. Luo Ying	4/4	4/4	1/1	1/1	1/1
Ms. Zhang Qian (<i>Note</i>)	0/0	0/0	0/0	0/0	0/0
Mr. Hu Ning (<i>Note</i>)	4/4	2/2	1/1	1/1	1/1
Ms. Zou Dan	4/4	2/2	0/0	0/0	1/1

Note: Mr. Hu Ning was appointed as an independent non-executive Director on 14 February 2025 and Ms. Zhang Qian resigned as an independent non-executive Director on 14 February 2025.

BOARD COMMITTEES

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee and delegated various responsibilities to these committees, which assist the Board in discharging its duties and overseeing particular aspects of the Group's activities. Each of the Board Committees has specific written terms of reference which clearly specify their authority and duties. The chairpersons of the Board Committees will report their findings and recommendations to the Board after each meeting of the Board Committees.

Audit Committee

The Company established the Audit Committee in compliance with Rules 3.21 to 3.23 of the Listing Rules with written terms of reference in compliance with the code provision D.3 of the CG Code on 22 June 2021. The Audit Committee currently consists of three independent non-executive Directors, namely Ms. Zou Dan (being the chairlady of the Audit Committee), Ms. Luo Ying and Mr. Hu Ning. In compliance with Rule 3.21 of the Listing Rules, the chairlady of the audit committee possesses the appropriate professional and accounting qualifications.

The primary duties of the Audit Committee include, but are not limited to (i) reviewing and supervising our financial reporting process and internal control system of our Group, risk management and internal audit; (ii) providing advice and comments to our Board; and (iii) performing other duties and responsibilities as may be assigned by our Board.

During the Year, 2 meetings of the Audit Committee were held to (i) review 2024 annual results, 2024 annual report, 2025 interim results and 2025 interim report for submission to the Board for approval; (ii) review the internal control and risk management systems of the Group; (iii) review and monitor the effectiveness of internal audit function and oversee the audit process; (iv) review the resources of accounting and financial reporting functions of the Group; and (v) review and discuss matters on change of external auditor.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters including the review of the audited annual consolidated financial statements of the Company for the Year. The Audit Committee is of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules on 22 June 2021 and the code provision E.1 of the CG Code. The Remuneration Committee currently consists of three members, namely Mr. Hu Ning (independent non-executive Director, being the chairman of the Remuneration Committee), Mr. Liu Yuqi (executive Director) and Ms. Luo Ying (independent non-executive Director).

The primary duties of the Remuneration Committee include, but not limited to (i) establishing, reviewing and providing advices to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determining the terms of the specific remuneration package of each executive Director and senior management member; (iii) reviewing the remuneration of non-executive Directors and recommending to the Board for approval; (iv) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time; and (v) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. Each of the Directors will abstain from recommending or approving his/her own Director's remuneration.

During the Year, 1 meeting of the Remuneration Committee was held to (i) discuss and determine the remuneration of individual executive Directors and senior management for 2025; (ii) review the remuneration adjustments of non-executive Directors for 2025 and recommend to the Board for approval; and (iii) recommend the remuneration of the newly appointed Director to the Board for approval.

Nomination Committee

The Company established the Nomination Committee on 22 June 2021 with written terms of reference in compliance with the code provision B.3 of the CG Code as set out in Appendix C1 to the Listing Rules. The Nomination Committee currently consists of three members, namely Mr. Liu Yuqi (executive Director, being the chairman of the Nomination Committee), Ms. Luo Ying (independent non-executive Director) and Mr. Hu Ning (independent non-executive Director).

The primary duties of the Nomination Committee include, but not limited to (i) review the structure, size and composition of our Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of our Board; (ii) identify, select or make recommendations to our Board on the selection of individuals nominated for directorship, and ensure the diversity of our Board members; (iii) assess the independence of our independent non-executive Directors; (iv) make recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors; (v) review the policy on Board diversity; and (vi) support the Company's regular evaluation of the Board's performance.

During the Year, 1 meetings of the Nomination Committee were held to (i) review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board; (ii) assess the independence of independent non-executive Directors; (iii) review the Board Diversity Policy and the policy on nomination of Directors (the "**Nomination Policy**"); (iv) review the re-appointment of Directors who are subject to retire by rotation at the annual general meeting; (v) review the policy on Board diversity; and (vi) make recommendations to the Board on the appointment of new Director.

Nomination policy

The Company has adopted a Nomination Policy which sets out the selection criteria and procedures to nominate board candidates. The Nomination Committee aims to nominate suitable candidates to the Board and advise the Board on the appointment of directors and make recommendation to the Board, after assessing a number of factors of a candidate as set out in the nomination policy.

Pursuant to the Nomination Policy, the Nomination Committee shall identify suitable board candidates and make recommendation to the Board, after assessing a number of factors of a candidate, including, but not limited to:

- reputation for integrity
- accomplishment and experience
- compliance with legal and regulatory requirements
- commitment in respect of available time and relevant interest

- diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

The Nomination Committee may also consider such other factors as it may deem are in the best interests of the Company and the Shareholders as a whole.

The Nomination Committee will review the nomination policy, as appropriate, and recommend revision to the Board for consideration and approval from time to time.

The nomination process set out in the Nomination Policy is as follows:

Appointment of New Director

- The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.
- The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

Re-election of Director at General Meeting

- The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

Board diversity policy

To enhance the effectiveness of the Board and to maintain the high standard of corporate governance, the Board has adopted a board diversity policy which sets out the approach to achieve diversity on our Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

Our Board currently comprises seven members, including one female executive Director, two female non-executive Directors and two female independent non-executive Directors and one male executive Director and one male independent non-executive Director. The Directors also have a balanced mix of knowledge, skills and experience, including commercial property operation, overall business management, finance and investment. They have obtained tertiary degrees in various majors including accounting, psychology, law, computer science and economics. We have three independent non-executive Directors who have different industry backgrounds, representing over one-third of our Board members. Furthermore, the Board has a wide range of age, ranging from 36 years old to 58 years old. We have taken and will continue to take steps to promote gender diversity at all levels of the Company, including without limitation at the Board and senior management levels.

The Nomination Committee will review the board diversity policy and its implementation from time to time to ensure its implementation and monitor its continued effectiveness, and the same will be disclosed in our corporate governance report in accordance with the Listing Rules, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis. Our Directors recognize the particular importance of gender diversity. The Nomination Committee is of the view that the Company has achieved the diversity in respect of gender after considering the current composition of Board.

Nevertheless, with a view to developing a pipeline of potential successors to our Board that may keep the target gender diversity, our Group will (i) continue to apply the principle of appointments based on merits with reference to board diversity as a whole; (ii) take steps to promote gender diversity at all levels of our Group by recruiting staff at a mid to senior level with regard to the benefits of gender diversity; and (iii) engage more resources in training male staff who we consider having the suitable experience, skills and knowledge for our business to equip themselves with the attributes and competencies required to serve as members of our Board in light of our strategic needs and the industry in which we operate with the aim of promoting them to our Board in a few years' time.

Gender Diversity of Employees

As at 31 December 2025, the Group has a total of 4,763 employees, and the ratio of male to female employees (excluding senior management) is approximately 0.9:1 (as at 31 December 2024: 0.9:1). The ratio of male to female senior management is 2:5 (as at 31 December 2024: 1:6). The Nomination Committee considered that the current ratio of male and female employees is relatively balanced.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the CG Code.

During the Year, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

The Board has resolved to adopt a Board Independence Evaluation Mechanism, to ensure independent view and input are available to the Board. The Board Independence Evaluation Mechanism includes various measures to ensure independent views and input are available to the Board.

The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgment. Each independent non-executive Director is required to provide an annual confirmation of his/her independence to the Company and the nomination committee of the Company is responsible to assess the independence of each independent non-executive Director at least annually.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns. Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the Board Independence Evaluation Mechanism is effective in ensuring that independent views and input are provided to the Board during the Year.

ANNUAL REMUNERATION PAYABLE TO THE MEMBERS OF SENIOR MANAGEMENT

The annual remuneration of the members of the senior management by band for the Year is as follows:

Remuneration bands (RMB)	Number of individuals
Nil–1,000,000	5
1,000,001–2,000,000	–

DIRECTORS' REMUNERATION POLICY

The Group's emolument policy is designed to attract and retain individuals of the highest calibre by offering competitive remuneration packages. The Group also operates a Share Option Scheme as a long-term incentive, details of which are set out in the section headed "Share Option Scheme" in the Report of the Directors.

The basis of determining the emolument payable to the Directors is as follows:

Executive Directors: The remuneration packages of executive Directors are determined by the Remuneration Committee, with delegated authority from the Board, by reference to (i) salaries paid by comparable companies in the same or similar industries, (ii) time commitment and responsibilities of the relevant Director, (iii) the performance of the Group and the individual Director, and (iv) prevailing market conditions. The remuneration of executive Directors generally comprises basic salary, discretionary performance-based bonuses and contributions to pension schemes. Discretionary bonuses are determined by the Remuneration Committee based on assessments of the Group's financial performance and the Director's individual contribution during the year.

Non-executive Directors and independent non-executive Directors: The remuneration of non-executive Directors and independent non-executive Directors is reviewed by the Remuneration Committee and recommended to the Board for approval. The level of remuneration reflects the time commitment, duties and responsibilities of the relevant Director. Each Director abstains from recommending or approving his or her own remuneration.

Further details of the number and remuneration of employees and the Group's general remuneration policy are set out in the section headed "Management Discussion and Analysis — Employees and Remuneration Policy" on page 21 of this annual report.

AUDITOR'S REMUNERATION

The remuneration payable to SHINEWING (HK) CPA Limited for the audit service for the financial results of the Group for the Year is RMB800,000. The remuneration of non-audit service payable to ShineWing Certified Public Accountants is RMB32,500 for the preparation of environmental, social and governance report of the Group for the Year.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the consolidated financial statements of the Group for the Year, which give a true and fair view of the state of affairs of the Group and of the operating results and cash flow for the year. The Directors consider that the financial statements have been prepared in conformity with all applicable accounting standards and requirements and reflect amounts that are based on the best estimates, reasonable information and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements of the Group on a going concern basis.

The statements of the auditor of the Group about its reporting responsibility on the consolidated financial statements of the Group are set out in the Independent Auditor's Report on pages 62 to 66 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board confirms that it is responsible for maintaining adequate and effective risk management and internal control systems for the Group as a going concern and reviews annually the effectiveness of the Company's internal controls and risk management systems to ensure the adequacy of the internal controls and the risk management systems in place. These systems are designed to manage, not eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance that there will be no material misstatement or loss.

Risk management structure of the company

The Group believes that risk management is crucial to the success of the business of the Group in the PRC. Key operational risks facing the Group include changes in PRC political and economic conditions, changes in the PRC regulatory environment.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Listing, the Group has adopted or will adopt risk management and internal control measures which primarily include:

- The legal audit department has formulated the risk management strategies, which have been reviewed and approved by the board of directors. The legal audit department is responsible for implementing our risk management strategies into the company's internal policies and internal procedures, assisting various business departments in improving their operation policies and procedures, and inspecting and evaluating the implementation and effectiveness of the risk management strategies.
- The operation management center, the legal audit department and finance personnel conduct real-time monitoring on the implementation of the company's business plans and strategic plans, record, summarize, analyze and process various types of relevant information, and keep risk management records. Each department shall report the business risk situation of the department to the internal audit department.
- The existing risk management strategies, policies and procedures will be timely revised and adjusted in response to material changes in the internal and external circumstances, to maintain their feasibilities and effectiveness.
- Sensitive and efficient risk handling and emergency management mechanisms have been established to reduce risk losses. For emerging major risks for which we lack a risk emergency response plan, the legal audit department will immediately coordinate with relevant departments, organize relevant personnel to study and formulate a risk response plans, and obtain approval from the board of directors for approval before implementing such plans.
- When a risk arises, the person in charge of the relevant unit must immediately report to the legal audit department. After the legal audit department receives the risk report, they will promptly evaluate the risk and determine whether it is a general internal risk or a corporate crisis that causes significantly negative impact on the corporate reputation, business activities and internal management. The person in charge of the relevant unit or the relevant personnel will be instructed to handle general internal risks while corporate crises must be handled in accordance with risk crisis procedures.

Risk management and internal control procedure

The Company has established internal control measures led by the Board whereby the management is responsible for assisting the Board in completing the identification and evaluation of risk factors of the business systems, implementing the Company's policies and procedures and participating in the design and operation of such measures that meet the Company's management requirements, which provides reliable assurance for the Company to carry out its business to prevent the occurrence of significant operational risks and losses. The Group also has an internal audit and risk control function which primarily carries out analysis and independent appraisal of the adequacy and effectiveness of its risk management and internal control systems, and reports their findings to the Board on, at least, an annual basis.

Risk management and internal control review

The risk management and internal control systems are reviewed and assessed on an on-going basis by the Audit Committee and the executive Directors, and will be further reviewed and assessed at least once each year by the Board.

The annual review in respect of the year ended 31 December 2025 has considered, among others (i) adequacy of resources; (ii) staff qualifications and experience; (iii) training programmes for the staff; and (iv) budget of the Group's accounting, internal audit and financial reporting functions. The Board also conducted a comprehensive evaluation on the timeliness, effectiveness and normativity of the procedures for handling and releasing inside information of the Company, as well as the effectiveness of the Company's processes for financial reporting and Listing Rules compliance.

During the Year, these systems were reviewed, covering all material controls including financial, operational and compliance controls of the Group, and considered effective and adequate.

Dissemination of inside information

The Group has in place a framework for the disclosure of inside information by reference to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission of Hong Kong. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in an appropriate and timely manner, such as steps to ascertain sufficient details, conduct internal assessment of the matter and its likely impact on the Company, seek professional advice where required and verification of the facts. Before the information is fully disclosed to the public, any persons who possess the knowledge of such information must ensure strict confidentiality and must not deal in any of the Company's securities.

Whistle-blowing Policy

The Group has formulated internal policies and established an effective whistle-blowing system. On the one hand, the establishment of whistle-blowing policies and systems aims to strengthen internal integrity management and ensure a healthy and sustainable development for the Group; on the other hand, those who deal with the Group (e.g. customers and suppliers) can raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Group.

In order to effectively prevent fraud, the Group has set up a special whistle-blowing mailbox to encourage employees and others who deal with the Group to report disciplinary violations through e-mail and other means. The management of the Group will regularly inspect whether the whistle-blowing channel is effective, investigate and report the reported matters.

Anti-Corruption Policy

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal audit function, which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery. The Anti-Corruption Policy is available on the website of the Company.

During the Year, the Company held 1 anti-corruption training and briefing to all employees.

SHAREHOLDERS' RIGHT

Convening an extraordinary general meeting

Pursuant to article 58 of the Company's Articles of Association, extraordinary general meetings shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting forward proposals at Shareholders' meetings

There are no specific provisions in the Articles of Association for the Shareholders to put forward proposals at general meetings. Shareholders who wish to put forward proposals may request the Company to convene an extraordinary general meeting in accordance with the procedures set out in the above paragraph headed "Convening an extraordinary general meeting".

Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 44/F, Tower A, Leading International Finance Center, No. 151, 2nd Tianfu Street,
Gaoxin District, Chengdu, Sichuan Province, PRC
E-mail address: lingyue@lingyue-service.com

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the forthcoming AGM, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board has reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions, etc.) and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.lingyue-service.com). Other corporate information about the Company's business developments, goals and strategies, corporate governance and risk management will also be available on the Company's website.

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

(e) Shareholders' Enquiries*Enquiries about Shareholdings*

Shareholders should direct their enquiries about their shareholdings to the Company's share registrar, Computershare Hong Kong Investor Services Limited, via its online holding enquiry service at www.computershare.com/hk/contact or call its hotline at (852) 2862 8555, or go in person to its public counter at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: lingyue@lingyue-service.com or by post to 44/F, Tower A, Leading International Finance Center, No. 151, 2nd Tianfu Street, Gaoxin District, Chengdu, Sichuan Province, PRC.

(f) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a required basis.

The Company has reviewed the shareholders' communication policy and considers that the Company has provided various channels for investors to understand the business and operations of the Group as well as channels for investors to express their opinions and comments. The Company believes that the shareholders' communication policy implemented during the Year is adequate and effective.

COMPANY SECRETARY

With effect from 16 June 2025, Ms. Yan Hoi Ling Jovian resigned as the company secretary of the Company and Ms. Ma Wing Yee was appointed as the company secretary of the Company. Ms. Luo Hongping is the principal contact person of Ms. Ma Wing Yee in the Company. Ms. Ma Wing Yee has confirmed that for the Year, she has taken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules. The biography of Ms. Ma Wing Yee is set out in the “Biographies of Directors and Senior Management” section on page 27 of this report.

CONSTITUTIONAL DOCUMENTS

The Company’s Articles of Association have been amended and restated with effect from the Listing Date, and are available on the respective website of the Stock Exchange and the Company.

During the Year, the Company did not make any significant changes to its constitutional documents.

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services for residential and non-residential properties in the PRC.

RESULTS

The results of the Group for the Year are set out in the “Management Discussion and Analysis” section of this report and the consolidated statement of profit or loss and other comprehensive income of the Group on pages 67 to 68 of this report.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the past five financial years is set out on page 136 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Year are set out in note 12 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 25 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the Year, and reserves available for distribution to Shareholders by the Company as at 31 December 2025 are set out on pages 71 to 72 and page 136 of this report.

USE OF NET PROCEEDS FROM THE LISTING

On 12 July 2021, the Shares were listed on the Stock Exchange and in connection with the Listing, 70,000,000 new Shares with a nominal value of HK\$0.01 each were issued at a price of HK\$4.19 per Share for a total cash consideration of HK\$293.3 million, before deducting underwriting fees, commissions and related expenses. On 9 August 2021, the Company allotted and issued further 5,685,000 Shares at a subscription price of HK\$4.19 per Share pursuant to the partial exercise of the Over-allotment Option. The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering (including the partial exercise of the Over-allotment Options) of approximately HK\$278.0 million.

Report of the Directors

As stated in the Prospectus and the announcement of the Company dated 5 August 2021, the Group intended to use the net proceeds as follows: (i) approximately 70.0% or HK\$194.6 million, will be used for strategic acquisitions and investments; (ii) approximately 20.0% or HK\$55.6 million, will be used to upgrade information system and equipment; and (iii) approximately 10.0% or HK\$27.8 million, will be used for working capital and general corporate purposes. As at the date of this report, approximately HK\$38.0 million of the net proceeds raised from the Listing were applied by the Company. The net proceeds would be allocated and used according to the purposes and timeframe set out in the Prospectus.

The following table sets forth details of the net proceeds as at the date of this report:

	Planned use of net proceeds as stated in the Prospectus and taking into account the net proceeds received from the partial exercise of the Over-allotment Option		Unutilised net proceeds as at 1 January 2025	Actual use of net proceeds for the Year	Unutilised net proceeds as at 31 December 2025	Expected utilising timeline for unutilised net proceeds	
	Approximate percentage	HK\$'million	HK\$'million	HK\$'million	HK\$'million	2026	2027
Strategic acquisition and investment							
— Acquire and invest in other property management companies	70.0%	194.6	193.3	—	193.3	96.0	97.3
Upgrade information system and equipment							
— Upgrade Lingyue Service Smart Property Management Platforms	10.0%	27.8	24.1	2.1	22.0	15.4	6.6
— Upgrade and improve equipment and facilities in the communities under our management	10.0%	27.8	13.4	3.2	10.2	9.1	1.1
Working capital	10.0%	27.8	—	—	—		
Total	100.0%	278.0	230.8	5.3	225.5		

As at the date of this report, the unutilised net proceeds were applied to short-term demand deposits with well-established and licensed commercial banks and authorized financial institutions. Further details of the breakdown and description of the use of proceeds are set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As affected by a downward cycle of the upstream real estate industry, revenue growth slowdown in the industry and the changing of external competition environment, the Company has invested more prudently in business expansion and the upgrade of information system and equipment and therefore the expected timeline of the intended use of proceeds from Listing was later than originally scheduled.

BORROWINGS

As at 31 December 2025, the Company did not have any borrowings (31 December 2024: Nil).

DEBENTURES

During the Year, the Company did not issue any debentures.

DIVIDEND POLICY AND FINAL DIVIDEND

Dividend policy

The Group has no fixed dividend policy and, subject to the compliance with the relevant laws of the Cayman Islands and Articles of Association, the Company may have the right to declare dividends in any currency to be paid to the shareholders in general meeting, but no dividend may be declared in excess of the amount recommended by our Board. The Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to Articles of Association and relevant laws of the Cayman Islands. In addition, the Directors may from time to time pay such interim dividends as the Board considers to be justified by the profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of the Group's profits, retained earnings or share premium, subject to a solvency test being satisfied. The future declarations of dividends will be at the absolute discretion of the Board. Any dividend distribution (other than interim dividend mentioned above) will also be subject to the approval of the Shareholders at the Shareholders' meeting.

Final dividend

The Board did not recommend the payment of a final dividend for the Year (31 December 2024: Nil).

As at 31 December 2025, there was no arrangement under which a Shareholder had waived or agreed to waive any dividends.

ANNUAL GENERAL MEETING

The AGM will be convened and held on Monday, 15 June 2026. A notice convening the AGM will be published on the Company's website and the website of Hong Kong Exchanges and Clearing Limited and provided to the Shareholders in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of the eligibility of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 10 June 2026 to Monday, 15 June 2026 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 9 June 2026.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, revenue attributable to the five largest customers in aggregate accounted for less than 30% of the Group's revenue for the Year.

During the Year, purchases attributable to the Group's five largest suppliers in aggregate accounted for less than 30% of the Group's total purchase for the Year.

None of the Directors, their close associates or any Shareholders, which to the knowledge of the Directors owned more than 5% of the Company's issued Shares, had an interest in the share capital of any of the five largest suppliers or customers.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the paragraph headed "Share Option Scheme" in this section, no equity-linked agreements were entered into by the Group, or existed during the Year.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) for the Year. As at 31 December 2025, no treasury shares were held by the Company.

BOARD OF DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Directors

Mr. Liu Yuqi (*Chairman*)
Ms. Luo Hongping

Non-executive Directors

Ms. Wang Tao
Ms. Hou Sanli

Independent non-executive Directors

Ms. Luo Ying
Mr. Hu Ning
(*appointed on 14 February 2025*)
Ms. Zhang Qian
(*resigned on 14 February 2025*)
Ms. Zou Dan

DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service agreement with the Company for a term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other.

Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing from the date of appointment, which may be terminated by not less than three months' notice in writing served by either party on the other.

All the Directors, including the independent non-executive Directors, are subject to retirement by rotation at the annual general meetings of the Company pursuant to the Articles of Association.

None of the Directors has entered into specific service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each independent non-executive Director an annual written confirmation of his/her independence in accordance with Rule 3.13 of the Listing Rules for the Year. The Company considers each of the independent non-executive Directors to be independent.

DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and chief executive and those of the five highest paid individuals of the Group for the Year are set out in note 7 and note 8 to the consolidated financial statements.

None of the Directors waived his/her emoluments or has agreed to waive his/her emoluments for the Year.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Continuing Connected Transactions" below and the related party transactions as set out in note 28 to the consolidated financial statements, there was no transaction, arrangement or contract of significance subsisting during or at the end of the year ended 31 December 2025, to which the Company, its holding company or subsidiary was a party, and in which the Directors or their respective connected entities were materially interested, either directly or indirectly.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Year, none of the Directors nor their respective associates (as defined in the Listing Rules) had any interest in a business that competed or might compete with the business of the Group.

MANAGEMENT CONTRACTS

During the Year, no contract concerning the management of the whole or substantial part of any business of the Company was entered into, or subsisted at the end of the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Scheme" below, none of the Company, its holding company, or any of its subsidiaries was a party to any arrangement enabling the Directors to acquire benefits by means of the acquisition of equity or debt securities, including the debentures of the Company or any other body corporate during the Year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions" below and the related party transactions as set out in note 28 to the consolidated financial statements, no contract of significance was entered into between the Company or any of its subsidiaries and the controlling shareholders of the Company or any of its subsidiaries, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries was entered into during the Year.

CONTINUING CONNECTED TRANSACTIONS

During the Year, the Company conducted the following transactions which constituted continuing connected transactions (as defined in the Listing Rules), which are subject to the reporting and annual review requirements under Chapter 14A of the Listing Rules:

1. Leading Holdings Group Property Management Services Framework Agreement

On 16 November 2020, Lingyue Property Services (for itself and on behalf of its subsidiaries) entered into a property management services framework agreement (the “**Leading Holdings Group Property Management Services Framework Agreement**”) with Leading Holdings Group (for itself and on behalf of its subsidiaries), pursuant to which we agreed to provide on-site management services for construction sites, display units and on-site sales offices (the “**On-site Management Services**”) and other property management services to Leading Holdings Group, including but not limited to, consultancy services prior to delivery of properties and property management services for properties and carparks owned by Leading Holdings Group (collectively, the “**Property Management Services**”). On 28 July 2023, the Company entered into a property management services framework agreement (the “**2023 Leading Holdings Group Property Management Services Framework Agreement**”) with Leading Holdings to renew the Leading Holdings Group Property Management Services Framework Agreement for a term commencing from 1 January 2023 to 31 December 2025 (both days inclusive), which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

The Directors estimated that the maximum transaction amounts under the 2023 Leading Holdings Group Property Management Services Framework Agreement for the Year would not exceed RMB182.0 million. The actual transaction amount was RMB73.4 million during the Year.

Leading Holdings is a 30%-controlled company (as defined in the Listing Rules) of the Ultimate Controlling Shareholders. As such, Leading Holdings and its subsidiaries are connected persons of the Company for the purpose of the Listing Rules.

2. Mr. Liu Property Management Services Framework Agreement

On 22 June 2021, Lingyue Property Services (for itself and on behalf of its subsidiaries) entered into a property management services framework agreement (the “**Mr. Liu Property Management Services Framework Agreement**”) with Mr. Liu Yuhui, pursuant to which we agreed to provide Property Management Services (as defined above) to Mr. Liu Yuhui’s associates (excluding Leading Holdings Group) (the “**Relevant Associates**”). On 28 July 2023, the Company entered into a property management services framework agreement (the “**2023 Mr. Liu Group Property Management Services Framework Agreement**”) with Mr. Liu Yuhui to renew the Mr. Liu Property Management Services Framework Agreement for a term commencing from 1 January 2023 to 31 December 2025 (both days inclusive), which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Report of the Directors

The Directors estimated that the maximum transaction amounts under the 2023 Mr. Liu Property Management Services Framework Agreement for the Year would not exceed RMB35.55 million. The actual transaction amount was RMB3.7 million during the Year.

Mr. Liu Yuhui is one of the Ultimate Controlling Shareholders. Therefore, the Relevant Associates are connected persons of the Company for the purpose of the Listing Rules.

The Group has extensive experience in on-site management of construction sites, display units and on-site sales offices and property management of properties and carparks. The Group has a long and stable cooperative relationship with Leading Holdings Group and the Relevant Associates. Through the provision of the Property Management Services to Leading Holdings Group and the Relevant Associates under the 2023 Leading Holdings Group Property Management Services Framework Agreement and 2023 Mr. Liu Property Management Services Framework Agreement (collectively, the **“2023 Property Management Services Framework Agreements”**), the Group can promote steady growth of its property management services business, thereby broadening the Group’s revenue base, enhancing the profitability and bringing valuable returns to the Shareholders.

For further details of the 2023 Property Management Services Framework Agreements, please refer to the Company’s announcements dated 28 July 2023, 29 September 2023, 31 October 2023, 5 December 2023 and 17 November 2025 and the Company’s circular dated 15 November 2023.

Confirmation from the independent non-executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, all the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that they have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the respective agreement governing the above continuing connected transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation from the auditor

In accordance with Rule 14A.56 of the Listing Rules, the Group has engaged its auditor to report on the Group’s continuing connected transactions. The auditor of the Group have issued a letter to the Board confirming that nothing has come to their attention that causes them to believe that the above continuing connected transactions (a) have not been approved by the Company’s board of directors; (b) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group; (c) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and (d) have exceeded the annual cap as set by the Company.

Related Party Transactions

Details of the related party transactions of the Group for the Year are disclosed in note 28 to the consolidated financial statements. None of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under the Listing Rules that is required to be disclosed, except for those described in the sub-section headed “Continuing Connected Transactions” above, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme through Shareholders’ written resolutions on 22 June 2021 (the “**Share Option Scheme**”).

Details of the Share Option Scheme

(1) Purpose

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph (2) below) had or may have made to our Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of our Group; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of our Group.

(2) Participants

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (6) below:

- (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (ii) any directors (including independent non-executive directors) of our Company or any of its subsidiaries; and
- (iii) any advisors, consultants, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to our Company or any of its subsidiaries.

(3) The maximum number of Shares available for issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represents 28,000,000 Shares, representing 9.80% of the total Shares in issue as at the date of this report.

(4) Maximum number of options to any one individual

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of our Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to approval of the Shareholders.

(5) Time of acceptance and exercise of option

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance or payment in favor of our Company of HK\$1.00 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such remittance or payment shall in no circumstances be refundable.

An option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

(6) Price of Shares

The subscription price for a Share under the Share Option Scheme shall be determined by the Board in its absolute discretion, but must be at least the highest of:

- (i) the official closing price of our Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of our Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(7) Time of exercise of option and the duration of the Share Option Scheme

An option may be vested and exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The Share Option Scheme does not specify any minimum holding period but the Board has the authority to determine for which a share option must be held before it can be exercised. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the Listing Date. Subject to earlier termination by our Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date. As at the date of this report, the remaining life of the Share Option Scheme is approximately five years and three months.

For details of the Share Option Scheme, please refer to the section headed “Appendix V — Statutory and General Information — D. SHARE OPTION SCHEME — 1. Share Option Scheme” in the Prospectus.

Since the date of the adoption of the Share Option Scheme and up to the date of this report, no options have been granted, exercised, cancelled or lapsed under the Share Option Scheme, and there were no outstanding options under the Share Option Scheme. The number of options and awards available for grant under the Share Option Scheme at the beginning and the end of the financial year of 2025 is 28,000,000 Shares.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS

As at 31 December 2025, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO, or as otherwise be notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

(i) Interests in Shares or underlying Shares of the Company

Name of Director	Nature of Interest	Number of Shares⁽¹⁾	Approximate percentage of interest in the Company⁽²⁾
Mr. Liu Yuqi ⁽³⁾	Interest of spouse	213,313,000 (L)	74.67%
Ms. Wang Tao ⁽⁴⁾⁽⁵⁾	Interest in controlled corporations	213,313,000 (L)	74.67%
Ms. Hou Sanli ⁽⁴⁾⁽⁶⁾	Interest in controlled corporations	213,313,000 (L)	74.67%

Report of the Directors

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Calculated on the basis of 285,685,000 Shares in issue as at 31 December 2025.
- (3) Mr. Liu Yuqi is the spouse of Ms. Hou Sanli. By virtue of SFO, Mr. Liu Yuqi is deemed to be interested in the shares held by Ms. Hou Sanli.
- (4) Pursuant to the Acting in Concert Deed, our Ultimate Controlling Shareholders have agreed and confirmed that from the date when they became the registered owners and/or beneficial owners of the equity interests in our Group until after Listing and to the date when any one of them cease to be our Controlling Shareholders: (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of our Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of our Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of our Group. By virtue of the SFO, each of our Ultimate Controlling Shareholders together with their respective investment holding companies are all deemed to be interested in the total Shares directly held by such investment holding companies. Therefore, each of Ms. Wang Tao and Ms. Hou Sanli is deemed to be interested in the Shares held by Tianyue Holding, Linghui Holding, Tianyue Capital, Fusheng Capital, Linghui Capital and Jin Sha Jiang for the purpose of Part XV of the SFO.
- (5) Tianyue Capital is wholly owned by Ms. Wang Tao. By virtue of SFO, Ms. Wang Tao is deemed to be interested in the Shares held by Tianyue Capital.
- (6) Linghui Capital is wholly owned by Ms. Hou Sanli. By virtue of SFO, Ms. Hou Sanli is deemed to be interested in the Shares held by Linghui Capital.

(ii) Interests in shares or underlying shares of the Company's associated corporations (long position)

Name of Director	Name of associated corporation	Nature of Interest	Number of Shares	Percentage of shareholding interest
Mr. Liu Yuqi ⁽¹⁾	Interest of spouse	Beneficial owner	1	100%
Ms. Wang Tao	Tianyue Capital	Beneficial owner	1	100%
Ms. Hou Sanli	Linghui Capital	Beneficial owner	1	100%

Note:

- (1) Mr. Liu Yuqi is the spouse of Ms. Hou Sanli. By virtue of SFO, Mr. Liu Yuqi is deemed to be interested in the shares held by Ms. Hou Sanli.

Save as disclosed above, as at 31 December 2025, to the best knowledge of the Directors, none of the Directors and chief executives of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF PERSONS OTHER THAN THE DIRECTORS AND CHIEF EXECUTIVES

As at 31 December 2025, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest/Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of interest in the Company ⁽²⁾
Mr. Liu Haowei ⁽³⁾⁽⁴⁾	Interest in controlled corporation	213,313,000 (L)	74.67%
Tianyue Holding ⁽³⁾⁽⁴⁾	Beneficial owner	68,960,430 (L)	24.14%
Mr. Liu Ce ⁽³⁾⁽⁵⁾	Interest in controlled corporation	213,313,000 (L)	74.67%
Linghui Holding ⁽³⁾⁽⁵⁾	Beneficial owner	68,939,640 (L)	24.13%
Ms. Long Yiqin ⁽³⁾⁽⁶⁾	Interest in controlled corporation	213,313,000 (L)	74.67%
Ms. Chen Aoao ⁽⁸⁾	Interest of spouse	213,313,000 (L)	74.67%
Ms. Lan Tian ⁽⁹⁾	Interest of spouse	213,313,000 (L)	74.67%
Mr. Liu Yuhui ⁽³⁾⁽⁷⁾	Interest in controlled corporation	213,313,000 (L)	74.67%
Jin Sha Jiang ⁽³⁾⁽⁷⁾	Beneficial Owner	74,352,640 (L)	26.03%
Mr. Liu Shan ⁽¹⁰⁾	Interest of spouse	213,313,000 (L)	74.67%
Hai Yue Holding Limited	Beneficial owner	22,781,000 (L)	7.98%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Calculated on the basis of 285,685,000 Shares in issue as at 31 December 2025.
- (3) Pursuant to the Acting in Concert Deed, our Ultimate Controlling Shareholders have agreed and confirmed that from the date when they became the registered owners and/or beneficial owners of the equity interests in our Group until after Listing and to the date when any one of them cease to be our Controlling Shareholders: (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of our Group; (b) they had casted and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders' meetings and discussions of any member of our Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of our Group. By virtue of the SFO, each of our Ultimate Controlling Shareholders together with their respective investment holding companies are all deemed to be interested in the total Shares directly held by such investment holding companies.
- (4) Tianyue Holding is wholly owned by Mr. Liu Haowei. By virtue of SFO, Mr. Liu Haowei is deemed to be interested in the Shares held by Tianyue Holding.
- (5) Linghui Holding is wholly owned by Mr. Liu Ce. By virtue of SFO, Mr. Liu Ce is deemed to be interested in the Shares held by Linghui Holding.
- (6) Fusheng Capital is wholly owned by Ms. Long Yiqin. By virtue of SFO, Ms. Long Yiqin is deemed to be interested in the Shares held by Fusheng Capital.

Report of the Directors

- (7) Jin Sha Jiang is wholly owned by Mr. Liu Yuhui. By virtue of SFO, Mr. Liu Yuhui is deemed to be interested in the Shares held by Jin Sha Jiang.
- (8) Ms. Chen Aobao, the spouse of Mr. Liu Haowei, is deemed to be interested in all the Shares that Mr. Liu Haowei is interested in by virtue of the SFO.
- (9) Ms. Lan Tian, the spouse of Mr. Liu Ce, is deemed to be interested in all the Shares that Mr. Liu Ce is interested in by virtue of the SFO.
- (10) Mr. Liu Shan, the spouse of Ms. Wang Tao, is deemed to be interested in all the Shares that Ms. Wang Tao is interested in by virtue of the SFO.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any persons (other than a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the Shares of the Company.

PRE-EMPTIVE RIGHTS AND TAX RELIEF

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

BUSINESS REVIEW

A review of the business of the Group and a discussion on the Group's future business development during the Year are set out in the sections headed "Chairman's statement" and "Management Discussion and Analysis" on pages 8 to 9 and pages 10 to 22, respectively, of this report.

In addition, discussions on the Group's environmental protection policies, performance and relationships with employees, customers, suppliers and major stakeholders are set out below in this directors' report. An analysis of the Group's performance during the Year using financial key performance indicators is set out in the section headed "Management Discussion and Analysis" on pages 10 to 22 of this report.

ENVIRONMENTAL PROTECTION

It is the Group's corporate and social responsibility in promoting a sustainable and environmental friendly environment, and the Group strives to minimise its environmental impact and comply with the applicable environmental laws and regulations including the PRC Environmental Protection Law (《中華人民共和國環境保護法》), the PRC Prevention and Control of Noise Pollution Law (《中華人民共和國環境噪聲污染防治法》), the PRC Environmental Impact Assessment Law (《中華人民共和國環境影響評價法》).

The Group is committed to the long term sustainability of the environment and communities in which it operates. The Group operates its business in compliance with applicable environmental protection laws and regulations and has implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations. Further details of the Group's environmental policies and performance will be disclosed in the environmental, social and governance report of the Company for the Year to be published in due course in accordance with the Listing Rules.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, the Group had, in all material respects, complied with all the relevant and applicable PRC laws and regulations governing the business of the Group and the Group had obtained all licenses, permits and certificates for the purpose of operating its business.

LITIGATION

During the Year, the Company was not involved in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

RELATIONSHIP WITH STAKEHOLDERS

Relationship with Employees

The Group places emphasis on human capital and strives to create an environment that enables employees to develop their full potential and assists them in their personal and professional development. The Group provides a fair and safe workplace, promotes diversity among its employees, offers competitive remuneration and benefits and career development opportunities based on their achievements and performance, and makes continuous efforts to provide employees with comprehensive training and development resources to attract and retain skilled and talented employees from reputable universities of PRC.

Relationship with Suppliers

The Group is dedicated to develop good relationship with suppliers as long-term business partners to ensure stability of the Group's businesses. It reinforces business partnerships with suppliers by ongoing communication in a proactive and effective manner.

Relationship with Customers

The Group's customers are primarily property developers, property owners, property owners' associations and residents. Customer satisfaction with our services and products has a profound impact on our profitability. The Group values customer feedback on its products, its dedicated sales team is in constant communication with its customers and potential customers to identify customers' pain points alongside grasping the market trend, thus helping the Group to timely adjust our operating strategies to fit the market requirement.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations involve certain risks, some of which are beyond its control. These risks can be broadly categorized into: (i) risks relating to its business; (ii) risks relating to the industry; and (iii) risks relating to the PRC.

Principal risks and uncertainties the Group faces include (i) risks related to the performance of the economic conditions in the PRC; (ii) uncertainty as to secure new, or renew our existing, property management service contracts on favorable terms, or at all; (iii) uncertainty as to control our costs in rendering our property management services on a lump sum basis; (iv) risks related to the difficulties in integrating acquired operations with our existing businesses; and (v) risks related to the competition of the business and we may not be able to compete successfully against existing and new competitors.

The Group's financial risk management objectives and policies of the Group are set out in note 32 to the consolidated financial statements.

CHARITABLE DONATIONS

No donations were made by the Group during the Year.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association, all Directors or other key officers of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all of the Company losses or liabilities which they may sustain or incur arising from or incidental to the execution of their duties.

SUBSEQUENT EVENTS

As at the date of this report, the Group did not have any other significant event subsequent to 31 December 2025.

PUBLIC FLOAT

Pursuant to Rule 8.08(1) of the Listing Rules, at the time of Listing and at all time thereafter, the Company must maintain minimum public float of 25% of the total issued share capital of the Company taking into account the partial exercise of the Over-allotment Option. Based on the information that is publicly available to the Company and within the knowledge of the Directors, the number of Shares held by the public in the Company as at the date of this report has been in compliance with the minimum percentage of public float prescribed by the Stock Exchange.

AUDITOR

Ernst & Young resigned as the auditor of the Company with effect from 6 December 2024 and SHINEWING (HK) CPA Limited was appointed as the new auditor of the Company on the same date to fill the casual vacancy following the resignation of Ernst & Young. Save for the above, there has been no other change of the Company's auditor in the preceding three years.

The consolidated financial statements of the Group for the Year have been audited by SHINEWING (HK) CPA Limited, the auditor of the Company. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as the Company's auditor will be proposed at the forthcoming AGM of the Company.

By order of the Board

Ling Yue Services Group Limited

Mr. Liu Yuqi

Chairman

Independent Auditor's Report



SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF LING YUE SERVICES GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Ling Yue Services Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 67 to 135 which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), as applicable to audits of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessing expected credit losses on trade receivables

Key Audit Matter

Refer to note 2.4 of the material accounting policy and note 18 to the consolidated financial statements.

As at 31 December 2025, the Group had trade receivables of RMB114,351,000, net of loss allowance of RMB78,604,000.

Management assessed the expected credit losses on trade receivables based on assumptions about risk of default and expected credit loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, ageing profile of the receivables, existing market conditions as well as forward-looking estimates at the end of each reporting period.

We identified this area as a key audit matter because of the magnitude of the balance of trade receivables and the assessment of the expected credit losses on trade receivables involving significant judgements and estimates made by management.

The significant accounting estimates and disclosures about the provision for expected credit losses on trade receivables are included in note 18 to the consolidated financial statements.

How the matter was addressed in our audit

Our audit procedures to assess the provision for expected credit losses on trade receivables included the followings:

- (i) Obtaining an understanding of management's key controls in relation to the assessment of the expected credit losses on trade receivables;
- (ii) Assessing the methodology and assumptions adopted by management;
- (iii) Assessing the estimated credit loss rates by considering historical cash collection performance;
- (iv) Assessing the forward-looking factors by taking into account the market conditions;
- (v) Testing, on a sampling basis, the ageing analysis of trade receivables prepared by management; and
- (vi) Checking the mathematical accuracy of the calculation of the provision for loss allowance.

We also assessed the adequacy of the Group's disclosures of trade receivables in the consolidated financial statements.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Lau Kai Wong.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Lau Kai Wong
Practising Certificate Number: P06623

Hong Kong
30 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	4	664,471	652,929
Cost of sales		(460,928)	(469,397)
Gross profit		203,543	183,532
Other income	5	14,688	9,720
Administrative expenses		(56,298)	(60,642)
Impairment losses (recognised)/reversed on financial assets			
— trade receivables	18	(56,838)	(14,769)
— amounts due from related companies	28(b)	2,079	(1,069)
— other receivables	19	—	(1,062)
Impairment loss on goodwill	13	(2,565)	(11,988)
Other expenses		(6,925)	(406)
Share of profits of joint ventures	15	353	955
PROFIT BEFORE TAX	6	98,037	104,271
Income tax expense	9	(20,110)	(18,068)
PROFIT FOR THE YEAR		77,927	86,203
Attributable to:			
Owners of the parent		79,418	81,549
Non-controlling interests		(1,491)	4,654
		77,927	86,203
EARNINGS PER SHARE	11	RMB0.28	RMB0.29
Basic and diluted			

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2025

	2025 RMB'000	2024 RMB'000
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Items that will not be reclassified subsequently to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	1,347	(841)
Income tax effect	(202)	126
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX	1,145	(715)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	79,072	85,488
Attributable to:		
Owners of the parent	80,563	80,834
Non-controlling interests	(1,491)	4,654
	79,072	85,488

Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	3,416	5,262
Goodwill	13	3,917	6,482
Other intangible assets	14	5,399	8,520
Investments in joint ventures	15	2,653	3,200
Equity investments designated at fair value through other comprehensive income	16	4,588	3,241
Deferred tax assets	24	12,176	9,088
Total non-current assets		32,149	35,793
CURRENT ASSETS			
Inventories	17	6,214	2,970
Trade receivables	18	114,351	135,609
Due from related companies	28	28,836	29,930
Prepayments and other receivables	19	43,087	52,831
Cash and bank balances	20	823,786	712,885
Total current assets		1,016,274	934,225
CURRENT LIABILITIES			
Trade payables	21	41,824	41,087
Other payables and accruals	22	101,866	127,845
Contract liabilities	23	148,247	161,830
Due to related companies	28	31,383	1,655
Tax payable		14,573	5,786
Total current liabilities		337,893	338,203
NET CURRENT ASSETS		678,381	596,022
TOTAL ASSETS LESS CURRENT LIABILITIES		710,530	631,815

Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITY			
Deferred tax liabilities	24	732	936
Net assets		709,798	630,879
EQUITY			
Equity attributable to owners of the parent			
Share capital	25	2,382	2,382
Reserves	26	693,641	613,078
		696,023	615,460
Non-controlling interests		13,775	15,419
Total equity		709,798	630,879

The consolidated financial statements on pages 67 to 135 were approved and authorised for issue by the board of directors on 30 March 2026 and are signed on its behalf by:

Liu Yuqi
Director

Luo Hongping
Director

Consolidated Statement of Changes in Equity

At 31 December 2025

	Attributable to owners of the parent									
	Share capital RMB'000 Note 25	Share premium RMB'000 Note 26(a)	Merger reserve RMB'000 Note 26(b)	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000 Note 26(c)	Capital reserve RMB'000 Note 26(d)	Statutory surplus reserves RMB'000 Note 26(e)	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2024	2,382	250,925	(3,216)	(5,710)	13	31,406	258,826	534,626	15,061	549,687
Profit for the year	—	—	—	—	—	—	81,549	81,549	4,654	86,203
Other comprehensive expense for the year:										
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	(715)	—	—	—	(715)	—	(715)
Total comprehensive (expense)/income for the year	—	—	—	(715)	—	—	81,549	80,834	4,654	85,488
Capital reduction by non-controlling interests	—	—	—	—	—	—	—	—	(150)	(150)
Transfer from retained profits	—	—	—	—	—	13,086	(13,086)	—	—	—
Dividends declared to non-controlling interests	—	—	—	—	—	—	—	—	(4,146)	(4,146)
As at 31 December 2024	2,382	250,925	(3,216)	(6,425)	13	44,492	327,289	615,460	15,419	630,879

Consolidated Statement of Changes in Equity

At 31 December 2025

	Attributable to owners of the parent									
	Share capital RMB'000 Note 25	Share premium RMB'000 Note 26(a)	Merger reserve RMB'000 Note 26(b)	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000 Note 26(c)	Capital reserve RMB'000 Note 26(d)	Statutory surplus reserves RMB'000 Note 26(e)	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2025	2,382	250,925	(3,216)	(6,425)	13	44,492	327,289	615,460	15,419	630,879
Profit/(loss) for the year	—	—	—	—	—	—	79,418	79,418	(1,491)	77,927
Other comprehensive income for the year:										
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	—	1,145	—	—	—	1,145	—	1,145
Total comprehensive income/(expense) for the year	—	—	—	1,145	—	—	79,418	80,563	(1,491)	79,072
Transfer from retained profits	—	—	—	—	—	6,904	(6,904)	—	—	—
Dividends declared to non-controlling interests	—	—	—	—	—	—	—	—	(153)	(153)
As at 31 December 2025	2,382	250,925	(3,216)	(5,280)	13	51,396	399,803	696,023	13,775	709,798

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax:	98,037	104,271
Adjustments for:		
Share of profits of joint ventures	(353)	(955)
Impairment of goodwill	2,565	11,988
Interest income	(10,882)	(7,403)
Government grants	(2,165)	(1,982)
Gain on disposal of joint ventures	(18)	—
Dividend income from equity investments at fair value through other comprehensive income	(387)	—
Depreciation of property, plant and equipment	2,510	1,721
Amortisation of other intangible assets	2,704	2,175
Write-off of items of property, plant and equipment	252	29
Loss on write-off of other intangible assets	2,190	—
Impairment loss on inventories	3,570	—
Impairment loss on trade receivables	56,838	14,769
(Reversal of)/impairment of amounts due from related companies	(2,079)	1,069
Impairment loss on other receivables	—	1,062
	152,782	126,744
Changes in working capital:		
Increase in inventories	(6,814)	(1,930)
Decrease in restricted cash	—	629
Increase in trade receivables	(35,580)	(29,346)
Decrease/(increase) in prepayments and other receivables	9,744	(5,261)
Increase in trade payables	737	9,683
(Decrease)/increase in other payables and accruals	(25,979)	8,488
(Decrease)/increase in contract liabilities	(13,583)	29,267
Decrease/(increase) in amounts due from related companies	3,173	(12,289)
Increase in amounts due to related companies	29,728	1,430
Cash generated from operations	114,208	127,415
Interest received	10,882	7,403
Tax paid	(14,817)	(18,064)
Net cash flows from operating activities	110,273	116,754

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from equity investment	387	—
Dividends received from a joint venture	—	361
Purchase of items of property, plant and equipment	(916)	(1,357)
Purchase of other intangible assets	(1,773)	(1,928)
Proceeds from disposal of a joint venture	918	—
Net cash flows used in investing activities	(1,384)	(2,924)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital reduction by non-controlling interests	—	(150)
Government grant received	2,165	1,982
Dividends paid to non-controlling interests	(153)	(5,072)
Net cash flows from/(used in) financing activities	2,012	(3,240)
NET INCREASE IN CASH AND CASH EQUIVALENTS	110,901	110,590
Cash and cash equivalents at beginning of year	712,783	602,193
CASH AND CASH EQUIVALENTS AT END OF YEAR	823,684	712,783

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION

Ling Yue Services Group Limited (the “**Company**”) is incorporated and registered as an exempted company with limited liability in the Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 12 July 2021. The registered address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the year, the Company and its subsidiaries (collectively referred to as, the “**Group**”) were mainly involved in the provision of property management services, value-added services to non-property owners and community value-added services.

The ultimate controlling shareholders of the Company are Mr. Liu Yuhui, Mr. Liu Ce, Mr. Liu Haowei, Ms. Wang Tao, Ms. Long Yiqin and Ms. Hou Sanli (the “**Controlling Shareholders**”).

In the opinion of the directors, the investment holding companies of the Company are Jin Sha Jiang Holding Limited, Linghui Holding Limited, Tianyue Holding Limited, Tianyue Capital Limited, Fusheng Capital Holding Limited and Linghui Capital Limited, which are incorporated in the British Virgin Islands with limited liability, and controlled by the Controlling Shareholders.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
Directly held:					
Ling Yue Investment Limited*	British Virgin Island	USD50,000	100%	100%	Investment holding
Duyue Investment Limited*	British Virgin Island	USD50,000	100%	100%	Investment holding
Indirectly held:					
Ling Yue Capital Limited**	Hong Kong	HKD10,000	100%	100%	Investment holding
Duyue Capital Limited**	Hong Kong	HKD10,000	100%	100%	Investment holding
領悅物業服務集團有限公司 Lingyue Property Service Group Co., Ltd.**	PRC/Chinese Mainland	RMB60,963,600	100%	100%	Property management
四川領匯企業管理有限公司 Sichuan Linghui Enterprise Management Co., Ltd.**	PRC/Chinese Mainland	RMB1,000,000	100%	100%	Property management
烏魯木齊領匯都能物業服務有限公司 Urumqi Linghui Duneng Property Service Co., Ltd.**	PRC/Chinese Mainland	RMB500,000	100%	100%	Property management

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
綿陽融匯領悅物業管理有限公司 Mianyang Ronghui Lingyue Property Management Co., Ltd.**	PRC/Chinese Mainland	RMB500,000	100%	100%	Property management
四川滙豐億景物業服務有限公司 Sichuan Huifeng Yijing Property Management Co., Ltd.**	PRC/Chinese Mainland	RMB1,000,000	50%	50%	Property management
吉林省君逸物業服務有限公司 Jilin Junyi Property Service Co., Ltd.**	PRC/Chinese Mainland	RMB500,000	55%	55%	Property management
眉山領匯延天物業服務有限公司 Meishan Linghui Yantian Property Service Co., Ltd.**	PRC/Chinese Mainland	RMB500,000	85%	85%	Property management
資陽市車城佳美物業有限公司 ZiyangChecheng Jiamei Property Service Co., Ltd.** ("Ziyang Jiamei")	PRC/Chinese Mainland	RMB5,101,000	53.69%	53.69%	Property management
資陽市佳美保安服務有限公司 Ziyang Jiamei Security Service Co., Ltd.**	PRC/Chinese Mainland	RMB5,060,000	53.69%	53.69%	Property management
資陽市好佳美電子商務有限公司 Ziyang Haojiamei E-Commerce Co., Ltd.**	PRC/Chinese Mainland	RMB360,000	53.69%	53.69%	Property management
新地(成都)物業服務有限公司 Xindi (Chengdu) Property Service Co., Ltd.** ("Chengdu Xindi")	PRC/Chinese Mainland	RMB3,210,000	100%	100%	Property management
巴州匯悅美湖物業服務有限公司 Bazhou Huiyue Meihu Property Service Co., Ltd.**	PRC/Chinese Mainland	RMB500,000	52%	52%	Property management
資陽市佳美清潔服務有限公司 Ziyang Jiamei Cleaning Service Co., Ltd.**	PRC/Chinese Mainland	RMB60,000	53.69%	53.69%	Property management
資陽市佳美物業服務管理有限公司 Ziyang Jiamei Property Service Management Co., Ltd.**	PRC/Chinese Mainland	RMB500,000	53.69%	53.69%	Property management
喀什合創匯悅物業服務有限公司 Kashi Hechuanghuiyue Property Service Co., Ltd.**	PRC/Chinese Mainland	RMB1,000,000	65%	65%	Property management

1. CORPORATE AND GROUP INFORMATION (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
成都誠悅佳樺物業管理有限公司 Chengdu Chengyue Jiahua Property Management Co., Ltd.**	PRC/Chinese Mainland	RMB1,000,000	100%	100%	Property management
四川領居智慧生活服務有限公司 Sichuan Lingju Smart Life Service Co., Ltd.**	PRC/Chinese Mainland	RMB500,000	100%	100%	Property management
西昌融悅物業服務有限公司 Xichang Rongyue Property Service Co., Ltd.**	PRC/Chinese Mainland	RMB500,000	100%	100%	Property management
四川鑫悅匯房地產代理有限公司 Sichuan Xinyuehui Real Estate Agency Co., Ltd.**	PRC/Chinese Mainland	RMB500,000	100%	100%	Property management
彭州領悅物業服務有限責任公司 Pengzhou Lingyue Property Service Co., Ltd	PRC/Chinese Mainland	RMB10,000	100%	100%	Property management
成都新都領悅悅居物業服務有限公司 Chengdu Xindu Lingyueyiju Property Services Co., Ltd	PRC/Chinese Mainland	RMB10,000	100%	100%	Property management

* These companies are wholly-owned subsidiaries of the Company.

** These companies are subsidiaries of wholly-owned subsidiaries of the Company and, accordingly, are accounted for as subsidiaries by virtue of the Company's control over them.

Note:

The English translations of the names are for reference only. The official names of these enterprises are in Chinese.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES**2.1 Basis of preparation**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) and the applicable disclosure requirements of the Rules Governing the Listing of securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures

The Group has adopted the following amendment to IFRS Accounting Standards which is effective for the Group's financial year beginning on 1 January 2025:

Amendments to IAS 21 *Lack of Exchangeability*

The application of the amendment to IFRS Accounting Standards in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.3 Issued but not yet effective IFRS accounting standards

The Group has not applied the following new and amended IFRS Accounting Standards that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS Accounting Standards IFRS 18	<i>Annual Improvements to IFRS Accounting Standards- Volume 11¹</i>
Amendments to IAS 21	<i>Presentation and Disclosure in Financial Statements²</i>
Amendments to IFRS 10 and IAS 28	<i>Translation to a Hyperinflationary Presentation Currency²</i> <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>

1 Effective for annual periods beginning on or after 1 January 2026

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

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

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective IFRS accounting standards (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

Except for the new IFRS Accounting Standards mentioned above, the directors of the Company anticipate that the application of the new and amendments to IFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

2.4 Material accounting policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of joint ventures is included as part of the Group's investments in joint ventures.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Business combinations and goodwill (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

Fair value measurement

The Group measures its financial assets at fair value through other comprehensive income at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Fair value measurements are those derived from quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Impairment of non-financial assets (Continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group; or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Machinery	20% to 33.3%
Electronic equipment	20% to 33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Other intangible assets (other than goodwill)

Other intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 3 years.

Customer relationship

Customer relationship acquired in business combinations is recognised at fair value at the acquisition date. The customer relationship has a finite useful life and is stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated using the straight-line method over the expected useful life which is 10 years, taking into account the prior experience of the renewal pattern of property management contracts.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (“**FVTOCI**”), and fair value through profit or loss (“**FVTPL**”).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial instruments (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial instruments (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

(i) Amortised cost and effective interest method (Continued)

Interest income is recognised in profit or loss and is included in the “Other income” line item (note 5).

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends from investments in equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the ‘other income’ line item in profit or loss.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group recognises a loss allowance for expected credit losses on the amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, and forward looking information that is available without undue cost or effort.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) the debt instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial instruments (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial instruments (Continued)

Measurement and recognition of expected credit losses (Continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss and other comprehensive income.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

(a) Property management services

For property management services, the Group bills a fixed amount for services provided on a regular basis and recognises revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of the performance completed.

The Group charges property management fees in respect of the property management services on a lump sum basis.

On a lump sum basis, the Group is entitled to retain the full amount of the received property management fees. From the property management fees, the Group shall bear expenses associated with, among others, staff, cleaning, garbage disposal, gardening and landscaping, security and general overheads covering the common areas. During the term of the contract, if the amount of the property management fees the Group collected is not sufficient to cover all the expenses incurred, the Group is not entitled to request the property owners to pay the shortfall.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Property management services (Continued)

Accordingly, on a lump sum basis, the Group recognises the full amount of the property management fees which the Group charged the property owners and property developers as revenue.

These services are performed by an indeterminate number of acts over a specified period of time. Accordingly, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other methods better represent the stage of completion, and the costs of services are recognised as incurred in connection with performing such services.

(b) Value-added services to non-property owners

Revenue from value-added services to non-property owners mainly includes revenue from preliminary planning and design consultancy services to property developers, revenue from cleaning, security, greening, repair and maintenance services to property developers at the pre-delivery stage, and revenue from security support services. The Group agrees the price for each service with the customers upfront and recognises as revenue in the amount to which the Group has the right to invoice and that corresponds directly with the value of performance completed. Revenue from these services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from value-added services to non-property owners also includes revenue from sales assistance services, additional tailored services customised to non-property owners, housing repair services and pre-delivery inspection services to property developers recognised at a point in time when such consultancy services have been provided.

(c) Community value-added services

Revenue from community value-added services, including temporary parking service, additional tailor-made services, housing repair services, preliminary planning and design consultancy services, is recognised at a point in time when the service has been provided.

Revenue from the provision of utilities collection service, community common area and advertising booth rental services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Retirement benefits costs

Chinese Mainland

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Chinese Mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the end of the reporting period.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using the irrespective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB3,917,000 (2024: RMB6,482,000). Further details are given in note 13.

Provision for expected credit losses on trade receivables, other receivables and amounts due from related parties

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the property management sector, the historical default rates are adjusted. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For other receivables and amounts due from related parties, the Group made periodic individual assessment on the recoverability based on historical settlement records and default rates.

The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables, other receivables and amounts due from related parties are disclosed in note 18, 19, 28 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are included in note 24.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 31. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2025 was RMB4,588,000 (2024: RMB3,241,000). Further details are included in note 16.

Estimated impairment assessment of property, plant and equipment and other intangible assets

Property, plant and equipment and other intangible assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belongs.

Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections could materially affect the recoverable amounts.

As at 31 December 2025, the carrying amounts of property, plant and equipment and other intangible assets were approximately RMB3,416,000 (2024: RMB5,262,000), and RMB5,399,000 (2024: RMB8,520,000). No impairment on property, plant and equipment and other intangible assets have been recognised for the year ended 31 December 2025 (2024: nil).

4. REVENUE AND SEGMENT INFORMATION

(a) Disaggregated information of revenue from contracts with customers

An analysis of revenue by services is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers		
Property management services	619,128	579,688
Value-added services to non-property owners	14,859	22,374
Community value-added services	30,484	50,867
	664,471	652,929

An analysis of revenue by timing of revenue recognition is as follows:

For the year ended 31 December 2025

	Property management services RMB'000	Value-added services to non-property owners RMB'000	Community value-added services owners RMB'000	Total RMB'000
Revenue recognised over time	619,128	11,741	7,118	637,987
Revenue recognised at a point in time	—	3,118	23,366	26,484
Total revenue from contracts with customers	619,128	14,859	30,484	664,471

For the year ended 31 December 2024

	Property development RMB'000	Value-added services to non-property owners RMB'000	Community value-added services owners RMB'000	Total RMB'000
Revenue recognised over time	579,688	21,033	16,014	616,735
Revenue recognised at a point in time	—	1,341	34,853	36,194
Total revenue from contracts with customers	579,688	22,374	50,867	652,929

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

4. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Disaggregated information of revenue from contracts with customers (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Property management services	138,763	103,111

As at 31 December 2025 and 2024, all outstanding contracts are expected to be fulfilled within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(b) Segment information

The board of directors, being the chief operating decision makers, review the Group's revenue and profit as a whole, which are determined in accordance with the Group's accounting policies for resources allocation and performance assessment. Therefore, the Group has only one operating and reportable segment and no further segment information is presented except for major customers and geographic information.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Chinese Mainland and all non-current assets of the Group are located in Chinese Mainland.

Information about major customers

In 2025, revenue from Leading Holdings Group Limited and its subsidiaries ("**Leading Holdings Group**") contributed approximately RMB73,427,000 (2024: RMB56,057,000) 11.1% (2024: 8.6%) of the Group's revenue. Other than the revenue from Leading Holdings Group, no revenue derived from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue both years.

5. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Government grants	2,165	1,982
Bank interest income	10,882	7,403
Gain on disposal of joint ventures	18	—
Others	1,623	335
	14,688	9,720

Government grants income mainly consists of incentives which have no specific conditions attached to the grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Auditor's remuneration		800	600
Depreciation of property, plant and equipment	12	2,510	1,721
Amortisation of other intangible assets	14	2,704	2,175
Write-off of property, plant and equipment		252	29
Loss on write-off of other intangible assets		2,190	—
Write-down of inventories		3,570	—
Employee benefit expense (excluding directors' and chief executive's remuneration as disclosed in note 7):			
Wages and salaries and other allowances		232,709	261,223
Pension scheme contributions and social welfare		46,528	50,371
		279,237	311,594

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	295	300
Other emoluments:		
Salaries, allowances and benefits in kind	859	853
Performance related bonuses*	120	141
Pension scheme contributions and social welfare	73	228
	1,052	1,222
	1,347	1,522

* Certain executive directors of the Company are entitled to bonus payments which are associated with the performance of the Group.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Ms. Luo Ying	100	100
Ms. Zou Dan	100	100
Mr. Hu Ning (<i>appointed on 14 February 2025</i>)	83	—
Ms. Zhang Qian (<i>resigned on 14 February 2025</i>)	12	100
	295	300

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions and social welfare RMB'000	Total remuneration RMB'000
2025					
<i>Executive directors:</i>					
Mr. Liu Yuqi*	—	228	—	14	242
Ms. Luo Hongping	—	302	—	30	332
	—	530	—	44	574
<i>Non-executive directors:</i>					
Ms. Wang Tao	—	—	—	—	—
Ms. Hou Sanli	—	—	—	—	—
	—	—	—	—	—
<i>Chief executive:</i>					
Mr. Luo Ziqin	—	329	120	29	478
	—	859	120	73	1,052
2024					
<i>Executive directors:</i>					
Mr. Liu Yuqi*	—	289	—	58	347
Mr. Liu Yuhui*	—	—	—	—	—
Ms. Luo Hongping	—	277	—	79	356
	—	566	—	137	703
<i>Non-executive directors:</i>					
Ms. Wang Tao	—	—	—	—	—
Ms. Hou Sanli	—	—	—	—	—
	—	—	—	—	—
<i>Chief executive:</i>					
Mr. Luo Ziqin	—	287	141	91	519
	—	853	141	228	1,222

* Mr. Liu Yuqi was appointed as the chairman and re-designated as an executive director on 12 January 2024

Mr. Liu Yuhui was appointed as the chairman and re-designated as an executive director on 26 January 2021, and resigned on 12 January 2024.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included the chief executive (2024: the chief executive). Details of directors' and the chief executive remuneration are set out in note 7 above. Details of the remuneration for the year of the four (2024: Four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
Salaries, allowances and benefits in kind	1,661	1,471
Performance related bonuses	800	853
Pension scheme contributions and social welfare	102	365
	2,563	2,689

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
Nil to HK\$1,000,000	4	4
HK\$1,000,001 to HK\$1,500,000	—	—
Total	4	4

9. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable profit currently arising in Hong Kong for both years.

Under the Chinese Corporate Income Tax Law (“CIT”), the basic tax rate of the Company's PRC subsidiaries is 25% except for Lingyue Service and its western branches taxed under western preferential tax rate of 15% and certain subsidiaries were subject to the preferential tax rate for small and low-profit enterprises of 5%.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current — Chinese Mainland:		
Charge for the year	23,605	21,537
Deferred tax	(3,495)	(3,469)
Total tax charge for the year	20,110	18,068

A reconciliation of income tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the income tax expense at the effective income tax rate is follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before tax	98,037	104,271
Tax at the CIT tax rate of 25%	24,509	26,068
Income tax on concessionary rate	(4,936)	(7,742)
Tax effect of expenses not deductible for tax purpose	219	95
Tax effect of tax losses not recognised	422	448
Utilisation of tax losses from previous' s years not recognised	(11)	(562)
Tax effect of share of profits of joint ventures	(93)	(239)
Tax charge for the year	20,110	18,068

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

11. EARNINGS PER SHARE

The calculations of basic earnings per share are based on:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	79,418	81,549
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	285,685,000	285,685,000

No adjustments to diluted earnings per share for both years as there is no potential dilutive ordinary shares in issue during both years.

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For the Year Ended 31 December 2025

12. PROPERTY, PLANT AND EQUIPMENT

	Machinery <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:			
At 31 December 2023 and 1 January 2024	7,611	3,249	10,860
Additions	895	462	1,357
Written-off	(32)	—	(32)
	8,474	3,711	12,185
At 31 December 2024 and 1 January 2025	690	226	916
Additions	(237)	(91)	(328)
Written-off			
At 31 December 2025	8,927	3,846	12,773
Accumulated depreciation:			
At 1 January 2024	(2,536)	(2,669)	(5,205)
Charge for the year	(1,368)	(353)	(1,721)
Written-off	3	—	3
	(3,901)	(3,022)	(6,923)
At 31 December 2024 and 1 January 2025	(2,260)	(250)	(2,510)
Charge for the year	45	31	76
Written-off			
At 31 December 2025	(6,116)	(3,241)	(9,357)
Net book values:			
At 31 December 2025	2,811	605	3,416
At 31 December 2024	4,573	689	5,262

Notes to the Consolidated Financial Statements

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13. GOODWILL

	<i>RMB'000</i>
Cost	
At 1 January 2024, 31 December 2024 and 1 January 2025	18,470
Impairment	
At 1 January 2024	—
Impairment during the year	(11,988)
At 31 December 2024 and 1 January 2025	6,482
Impairment during the year	(2,565)
At 31 December 2025	3,917
Net book values:	
At 31 December 2025	3,917
At 31 December 2024	6,482

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units:

	Ziyang Jiamei		Chengdu Xindi		Total	
	2025	2024	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net book value of goodwill	—	2,565	3,917	3,917	3,917	6,482

For the purpose of impairment assessment, property, plant and equipment, other intangible assets that generate cash flows together with the related goodwill are also included in the respective cash-generating unit (“CGU”).

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

Ziyang Jiamei

The recoverable amount of the Ziyang Jiamei CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. The pre-tax discount rate applied to the cash flow projections is 16.55% (2024: 17.29%) per annum. The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2024: 2%).

13. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Chengdu Xindi

The recoverable amount of the Chengdu Xindi CGU has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by management. The pre-tax discount rate applied to the cash flow projections is 17.53% (2024: 17.94%) per annum. The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2024: 2%).

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue — The budgeted sales amounts are based on the historical data and management's expectation on the future market.

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Long term growth rate — The basis used to determine the value assigned to the annual revenue growth rates is the annual revenue achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Pre-tax discount rate — The pre-tax discount rates used are before tax and reflect specific risks relating to the relevant units.

During the year ended 31 December 2025, the Group recognised an impairment loss of RMB2,565,000 (2024: RMB11,988,000) in relation to goodwill arising on acquisition of Ziyang Jiamei. The recoverable amount of the Ziyang Jiamei amounted to RMB5,577,000 (2024: RMB10,141,000) as at 31 December 2025. No impairment was recognised in relation to goodwill arising on acquisition of Chengdu Xindi as at 31 December 2025 (2024: Nil).

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For the Year Ended 31 December 2025

14. OTHER INTANGIBLE ASSETS

	Software RMB'000	Customer relationship RMB'000	Total RMB'000
Cost:			
At 1 January 2024	2,310	13,630	15,940
Additions	1,928	—	1,928
At 31 December 2024 and 1 January 2025	4,238	13,630	17,868
Additions	1,773	—	1,773
Written-off	(19)	(6,210)	(6,229)
At 31 December 2025	5,992	7,420	13,412
Accumulated amortisation:			
At 1 January 2024	(1,145)	(6,028)	(7,173)
Charge for the year	(812)	(1,363)	(2,175)
At 31 December 2024 and 1 January 2025	(1,957)	(7,391)	(9,348)
Written-off	2	4,037	4,039
Charge for the year	(1,341)	(1,363)	(2,704)
At 31 December 2025	(3,296)	(4,717)	(8,013)
Net book values:			
At 31 December 2025	2,696	2,703	5,399
At 31 December 2024	2,281	6,239	8,520

15. INVESTMENTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Share of net assets	2,653	3,200

Particulars of the Group's joint ventures are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest, voting power and profit sharing		Principal activities
			2025	2024	
石河子市城投領悅物業服務有限公司*Shihezi City Urban Investment Lingyue Property Service Co., Ltd. ("Urban Investment Lingyue")	RMB900,000	PRC/Chinese Mainland	—(note)	45%	Property management
鎮雄領匯物業管理有限公司Zhenxiong Linghui Property Management Co., Ltd. ("Zhenxiong Linghui")	RMB500,000	PRC/Chinese Mainland	45%	45%	Property management

Note:

On 23 May 2025, the Group disposed of its entire 45% equity interest in Urban Investment Lingyue, for a consideration of RMB918,000 and recognised a gain on disposal of RMB18,000, in profit or loss during the current year.

Pursuant to the articles of association of the joint ventures, the Group can exercise joint control to direct the relevant activities of the above investments and therefore classified as joint venture of the Group and accounted using equity method.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the joint ventures' profit and total comprehensive income for the year	353	955
Aggregate carrying amount of the Group's investments in the joint ventures	2,653	3,200

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16. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unlisted equity investments, at fair value	4,588	3,241

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

The above unlisted equity investments represent investments in unlisted equity securities issued by private entity established in the Chinese Mainland and engaged in banking business.

17. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carparks transferred from related parties	4,962	1,625
Properties transferred from related parties	1,252	1,345
	6,214	2,970

18. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	192,955	180,765
Less: allowance for impairment	(78,604)	(45,156)
	114,351	135,609

18. TRADE RECEIVABLES (Continued)

Trade receivables mainly arise from property management services income. Property management fees are generally due in advance on a monthly or quarterly basis in accordance with the agreement provisions, the credit terms of trade receivables varied based on different types of property projects, normally are 30–90 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management and credit limits attributed to customers are reviewed once a month. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	67,153	103,024
1 to 2 years	33,124	21,790
2 to 3 years	10,340	8,102
Over 3 years	3,734	2,693
	114,351	135,609

The movements in provision for allowance for impairment of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of the year	45,156	34,554
Written-off	(23,390)	(4,167)
Allowance for impairment losses, net	56,838	14,769
At the end of the year	78,604	45,156

An impairment analysis was performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates were based on the ageing of trade receivables for groupings of various customer segments with similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the property management sector, the historical default rates are adjusted. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Generally, trade receivables were written off if they aged more than five years and were not subject to enforcement activity.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

18. TRADE RECEIVABLES (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Past due				Total
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	18.66%	41.44%	59.16%	86.90%	40.74%
Gross carrying amount (RMB'000)	82,560	56,562	25,320	28,513	192,955
Expected credit losses (RMB'000)	(15,407)	(23,438)	(14,980)	(24,779)	(78,604)
	67,153	33,124	10,340	3,734	114,351

As at 31 December 2024

	Past due				Total
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	10.21%	33.19%	54.01%	82.96%	24.98%
Gross carrying amount (RMB'000)	114,734	32,614	17,615	15,802	180,765
Expected credit losses (RMB'000)	(11,710)	(10,824)	(9,513)	(13,109)	(45,156)
	103,024	21,790	8,102	2,693	135,609

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

19. PREPAYMENTS AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Due from third parties	5,697	5,817
Prepayments on behalf of customers to utility suppliers	6,627	21,045
Other prepayments	11,761	9,117
Advances to employees	2,765	790
Deposits	2,918	4,572
Other tax recoverable	138	510
Other receivables from payment platform	20,608	15,472
Others	384	3,319
	50,898	60,642
Impairment allowance	(7,811)	(7,811)
	43,087	52,831

The movements in the loss allowance for impairment of other receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of the year	7,811	6,749
Impairment losses recognised	—	1,062
At the end of the year	7,811	7,811

For amounts due from third parties, advances to employees and deposits, the Group made periodic individual assessment on the recoverability based on historical settlement records and past experience.

The Group has assessed that the credit risk of these receivables whether it had increased significantly since initial recognition. The loss allowance is measured at an amount equal to 12-month ECLs, unless there has been a significant increases in credit risk since initial recognition, in which case the Group recognises lifetime ECL.

For prepayments on behalf of customers to utility suppliers and other receivables, the Group determined the expected credit loss rate by considering the nature and historical default rates. The Group applied a 5% (2024: 5%) expected credit loss rate to these other receivables during the year.

Notes to the Consolidated Financial Statements

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20. CASH AND CASH EQUIVALENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and cash balance	823,786	712,885
Less: Restricted cash	(2)	(2)
Pledged deposits	(100)	(100)
Cash and cash equivalents	823,684	712,783

Cash at banks earns interest at floating rates based on daily bank deposit rates. The cash and bank balances are deposited with creditworthy banks with no recent history of default.

21. TRADE PAYABLES

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	34,575	37,122
Over 1 year	7,249	3,965
	41,824	41,087

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

22. OTHER PAYABLES AND ACCRUALS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Pending output value added tax	8,895	9,710
Payroll and welfare payables	23,142	30,134
Deposits received from suppliers	27,180	30,154
Receipts on behalf of customers for utilities	23,239	37,547
Business tax and surcharges	3,969	4,339
Due to non-controlling shareholders of subsidiaries	9,247	9,411
Others	6,194	6,550
	101,866	127,845

Other payables are unsecured and repayable on demand.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

23. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Property management services	148,247	161,830

The Group receives payments from customers based on billing schedules in the property management contracts. A portion of payments is usually received in advance of the performance under the contracts from property management services.

24. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Tax losses RMB'000	Fair value adjustment of equity investments at FVOCI RMB'000	Impairment of financial assets RMB'000	Inventory allowance RMB'000	Total RMB'000
At 1 January 2024	194	1,007	4,497	—	5,698
Deferred tax credited to other comprehensive income	—	126	—	—	126
Deferred tax (charged)/credited to profit or loss during the year	(194)	—	3,458	—	3,264
At 31 December 2024 and 1 January 2025	—	1,133	7,955	—	9,088
Deferred tax charged to other comprehensive income	—	(202)	—	—	(202)
Deferred tax credited to profit or loss during the year	—	—	2,754	536	3,290
At 31 December 2025	—	931	10,709	536	12,176

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For the Year Ended 31 December 2025

24. DEFERRED TAX (Continued)

Deferred tax liabilities

	Fair value adjustment on assets RMB'000
At 1 January 2024	1,140
Deferred tax credited to profit or loss during the year	(204)
At 31 December 2024 and 1 January 2025	936
Deferred tax credited to profit or loss during the year	(204)
At 31 December 2025	732

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	12,176	9,088
Net deferred tax liabilities recognised in the consolidated statement of financial position	732	936

At the end of the reporting period, the Group has unused tax losses of RMB4,422,000 (2024: RMB4,918,000) available for offset against future profits, all the unused tax losses will expire within five years from the year in which the respective loss arose. No deferred tax asset has been recognised in respect of the tax losses due to unpredictability of future profit streams.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008.

As at 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland amounting to RMB4,422,000. In the opinion of the directors of the Company, the Group's fund will be retained in Chinese Mainland for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

25. SHARE CAPITAL

Shares

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Issued and fully paid: 285,685,000 (2024: 285,685,000) ordinary shares of HK\$0.01 each	2,382	2,382

26. RESERVES

(a) Share premium

The share premium represents the difference between the par value of the shares issued and the consideration received.

(b) Merger reserve

The merger reserve of the Group represents the issued capital of the holding company of the companies now comprising the Group and the capital contributions from the equity holders of certain subsidiaries now comprising the Group before the completion of the reorganisation..

(c) Fair value reserve of financial assets at fair value through other comprehensive income

The fair value reserve of financial assets at fair value through other comprehensive income represents unrealised fair value gains or losses for equity investment designated at FVOCI.

(d) Capital reserve

The capital reserve mainly represents the difference between the cost of acquisition and the non-controlling interests acquired in the case of acquisition of additional non-controlling interests of subsidiaries.

(e) Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to appropriate 10% of its net profits after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the Company, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital, provided that the balance after such conversion is not less than 25% of the registered capital of the Group. The reserve cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

27. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2025	2024
Percentage of equity interest held by non-controlling interests: Ziyang Jiamei	46%	46%
Loss for the year allocated to non-controlling interests Ziyang Jiamei	(6,428)	(135)
Dividends paid/payable to non-controlling interests of Ziyang Jiamei	—	—
Accumulated balances of non-controlling interests Ziyang Jiamei	2,985	8,269

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2025	Ziyang Jiamei RMB'000
Revenue	94,511
Total expenses	(108,486)
Loss for the year	(13,975)
Total comprehensive expense for the year	(13,975)
Current assets	74,901
Non-current assets	2,764
Current liabilities	(70,555)
Non-current liabilities	(664)
Net cash flows used in operating activities	3,563
Net decrease in cash and cash equivalents	3,563

27. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

2024	Ziyang Jiamei RMB'000
Revenue	105,709
Total expenses	(106,002)
Loss for the year	(293)
Total comprehensive expense for the year	(293)
Current assets	73,908
Non-current assets	6,313
Current liabilities	(61,512)
Non-current liabilities	(854)
Net cash flows used in operating activities	2,835
Net decrease in cash and cash equivalents	2,835

28. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

	2025 RMB'000	2024 RMB'000
Property management services and value added services rendered to related companies (i, ii)		
Companies controlled by the controlling shareholders	74,126	58,481
Joint ventures of Leading Holdings Group	3,024	2,855
	77,150	61,336

Notes:

- (i) These transactions were carried out in accordance with the terms and conditions mutually agreed by the companies involved.
- (ii) These related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

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28. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Due from related companies — Trade related		
Companies controlled by the controlling shareholders	30,996	32,688
Joint ventures of Leading Holdings Group	1,912	3,393
Associates of Leading Holdings Group	188	188
	33,096	36,269
Impairment	(4,260)	(6,339)
	28,836	29,930

The credit periods granted to related parties are mainly 12 months. The Group has assessed the credit risk of these amounts due from related companies based on lifetime ECLs by considering the default rates and adjusting forward-looking macroeconomic data. The amounts due from related parties are unsecured and interest free.

An ageing analysis of the gross amount due from related companies as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	25,167	33,818
1 to 2 years	7,929	2,451
	33,096	36,269

28. RELATED PARTY TRANSACTIONS (Continued)**(b) Outstanding balances with related parties** (Continued)

The movements in the loss allowance for impairment of due from related companies are as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
At beginning of year	(6,339)	(5,270)
Impairment losses reversed/(recognised), net	2,079	(1,069)
	(4,260)	(6,339)

	2025 RMB'000	2024 <i>RMB'000</i>
Due to related companies:		
Companies controlled by the controlling shareholders	31,065	1,651
A Joint venture	318	4
	31,383	1,655

Balances due to related parties were unsecured, non-interest-bearing and repayable on demand.

(c) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 <i>RMB'000</i>
Short-term employee benefits	1,274	1,294
Pension scheme contributions and social welfare	73	228
Total compensation paid to key management personnel	1,347	1,522

Further details of directors' emoluments are included in note 7.

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29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at amortised cost RMB'000	Financial assets fair value through other comprehensive income RMB'000
Equity investments at fair value through other comprehensive income	—	4,588
Financial assets included in prepayments and other receivables	31,188	—
Trade receivables	114,351	—
Due from related companies	28,836	—
Cash and bank balances	823,786	—
	998,161	4,588

2025

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Financial liabilities included in other payables	89,002
Due to related companies	31,383
Trade payables	41,824
	162,209

29. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)**2024****Financial assets**

	Financial assets at amortised cost <i>RMB'000</i>	Financial assets fair value through other comprehensive income <i>RMB'000</i>
Equity investments at fair value through other comprehensive income	—	3,241
Financial assets included in prepayments and other receivables	43,204	—
Trade receivables	135,609	—
Due from related companies	29,930	—
Cash and bank balances	712,885	—
	<u>921,628</u>	<u>3,241</u>

2024**Financial liabilities**

	Financial liabilities at amortised cost <i>RMB'000</i>
Financial liabilities included in other payables	113,796
Due to related companies	1,655
Trade payables	<u>41,087</u>
	<u>156,538</u>

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For the Year Ended 31 December 2025

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of the unlisted equity investment has been estimated by using the market approach, using the ratio of price to book value ("**PB ratio**") of certain comparable companies in the same industry, in arriving at an indicated value of the unlisted equity interest. The valuation takes account of a discount for lack of marketability on this investment. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of each reporting period. The valuation process and results are discussed with the board of directors twice a year for annual financial reporting.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025 and 2024:

	Valuation technique	Significant unobservable input	Rate	Sensitivity of fair value to the input
Unlisted equity investment	Valuation multiple	Discount for lack of marketability (" DLOM ")	27.5% (2024: 28%)	5% (2024: 5%) increase/decrease in DLOM would result in decrease/increase in fair value by RMB316,000 (2024: RMB223,000)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments designated at fair value through other comprehensive income	—	—	4,588	4,588

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments designated at fair value through other comprehensive income	—	—	3,241	3,241

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value (Continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Equity investments at fair value through other comprehensive income		
At 1 January	3,241	4,082
Total gain/(losses) recognised in other comprehensive income	1,347	(841)
At 31 December	4,588	3,241

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances, trade receivables, other receivables, amount due from/to related companies, trade payables and other payables.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. None of the Group's sales (2024: Nil) were denominated in currencies other than the functional currencies of the operating units making the sale, whilst none (2024: Nil) of costs were denominated in the units' functional currencies.

The Group has limited currency exposures as most of its financial assets/liabilities are denominated in RMB.

Credit risk

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and the Group does not offer credit terms without the specific approval of the Head of Credit Control.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**Credit risk** (Continued)**Maximum exposure and year-end staging**

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	—	—	—	192,955	192,955
Due from related companies	—	—	—	33,096	33,096
Financial assets included in prepayments and other receivables					
— Normal**	33,302	—	—	—	33,302
— Doubtful**	—	—	5,697	—	5,697
Cash and bank balances					
— Not yet past due	823,786	—	—	—	823,786
	857,088	—	5,697	226,051	1,088,836

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	—	—	—	180,765	180,765
Due from related companies	—	—	—	36,269	36,269
Financial assets included in prepayments and other receivables					
— Normal**	45,198	—	—	—	45,198
— Doubtful**	—	—	5,817	—	5,817
Cash and bank balances					
— Not yet past due	712,885	—	—	—	712,885
	758,083	—	5,817	217,034	980,934

* For trade receivables and due from related companies to which the Group applies the simplified approach for impairment, there is no significant concentration of credit risk.

** The credit quality of the financial assets included in prepayments and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 18.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of trade payables, amounts due to related companies and other payables. Cash flows are being closely monitored on an ongoing basis.

As at 31 December 2025 and 2024, the maturity profile of the Group's financial liabilities as at the end of each of the reporting periods, based on the contractual undiscounted payments, is repayable on demand or within 1 year.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The capital structure of the Group consists of net debt, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings. The Group did not have borrowings as at 31 December 2025 and 2024.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2025

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSET		
Investment in a subsidiary	637	637
CURRENT ASSETS		
Due from subsidiaries	243,357	243,315
Cash and bank balances	3,654	4,649
Total current assets	247,011	247,964
CURRENT LIABILITY		
Total current liabilities	—	—
NET CURRENT ASSETS	247,011	247,964
TOTAL ASSETS	247,648	248,601
EQUITY		
Share capital	2,382	2,382
Reserves	245,266	246,219
Total equity	247,648	248,601

Note: A summary of the Company's reserves is as follows:

	Share capital RMB'000	Share premium RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2024	2,382	250,925	(4,148)	249,159
Total comprehensive expense for the year	—	—	(558)	(558)
At 31 December 2024 and 1 January 2025	2,382	250,925	(4,706)	248,601
Total comprehensive expense for the year	—	—	(953)	(953)
At 31 December 2025	2,382	250,925	(5,659)	247,648

33. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of the directors on 30 March 2026.

Five Years Financial Summary

Year ended 31 December 2025

	2025 RMB'000	For the year ended 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Results					
Revenue	664,471	652,929	609,097	577,702	541,174
Profit before tax	98,037	104,271	127,576	95,935	87,619
Income tax expense	(20,110)	(18,068)	(22,955)	(15,678)	(12,450)
Profit for the year	77,927	86,203	104,621	80,257	75,169
		As at 31 December			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Assets and liabilities					
Total assets	1,048,423	970,018	837,616	702,589	587,949
Total liabilities	(338,625)	(339,139)	(287,929)	(249,742)	(212,200)
Net assets	709,798	630,879	549,687	452,847	375,749

Note:

The summary above does not form part of the audited consolidated financial statements.