

Evergrande Property Services Group Limited

恒大物業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 6666

2025 Annual Report



貼心服務 真誠相伴



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Corporate Information

Board of Directors

Executive Directors

Mr. Duan Shengli (*Chairman*)

Mr. Han Chao

Mr. Hu Xu

Non-executive Directors

Mr. Sang Quan

Mr. Lin Wuchang

Independent Non-executive Directors

Mr. Peng Liaoyuan

Ms. Wen Yanhong

Mr. Dong Xinyi

Mr. Lam Wai Hon (*appointed on 15 May 2025*)

Mr. Hoong Cheong Thard

(*appointed on 15 May 2025*)

Audit Committee

Ms. Wen Yanhong (*Chairman*)

Mr. Peng Liaoyuan

Mr. Dong Xinyi

Remuneration Committee

Mr. Dong Xinyi (*Chairman*)

Ms. Wen Yanhong

Mr. Han Chao

Nomination Committee

Mr. Duan Shengli (*Chairman*)

Mr. Peng Liaoyuan

Ms. Wen Yanhong (*appointed on 21 July 2025*)

Mr. Dong Xinyi

Authorized Representatives

Mr. Duan Shengli

Mr. Cheng Ching Kit

Joint Company Secretaries

Mr. Hu Xu

Mr. Cheng Ching Kit

Headquarters and Principal Place of Business in the PRC

Third Compartment of Room 3101

No. 78, Huangpu Avenue West

Tianhe District

Guangzhou

Guangdong, PRC

Principal Place of Business in Hong Kong

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Registered Office

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Cayman Islands

Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

PO Box 2681

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Cayman Islands



Hong Kong Branch Share Registrar and Transfer Office

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

Auditors

Prism Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisers

Sidley Austin

Principal Banks

Bank of China Limited
Agricultural Bank of China Limited
Industrial and Commercial Bank of China Limited
China Construction Bank Corporation
China Merchants Bank Co. Ltd.
Bank of Communications Co., Ltd.

Stock Code on Main Board of The Stock Exchange of Hong Kong Limited

6666

Company's Website

www.evergrandeservice.com

Awards and Honours

(Partial Extract)



2025 Top 5 Listed Companies in Firm Scale of China Property Management Service



2025 ESG Best Practice of China Listed Property Management Service Companies



No.4 Ranking in 2025 Top 100 Property Management Companies in China



2025 Top 100 High-quality Service Property Management Companies in China



2025 Top 100 Brand Influential Property Management Companies in China



2025 Leading Companies of China in Property Service Satisfaction



2025 Leading Property Management Companies of China in Red Community Service



2025 Top 20 Companies in Residential Property Service



2025 Featured Services Brand Property Management Companies in China - Service Transparency



2025 Independent Operative Leading Companies in Property Service



2025 Leading Property Management Companies of China in Smart Property Service



2025 Leading Property Management Companies of China in Value-added Services Operation



In 2025, Evergrande Property Services Group Limited (“**Evergrande Property Services**” or the “**Company**”, together with its subsidiaries, the “**Group**”) was honoured with numerous awards by Beijing Zhongwu Zhihui Information Technology Co., Ltd. (“**China Property Management Think Tank**”) (北京中物智匯信息科技股份有限公司), including “2025 Top 5 Listed Companies in Firm Scale of China Property Management Service”, “2025 ESG Best Practice of China Listed Property Management Service Companies”. The subsidiaries of the Company were honoured with numerous awards by China Property Management Think Tank, including “No.4 Ranking in 2025 Top 100 Property Management Companies in China”, “2025 Top 100 High-quality Service Property Management Companies in China”, “2025 Top 100 Brand Influential Property Management Companies in China”, “2025 Leading Companies of China in Property Service Satisfaction”, “2025 Leading Property Management Companies of China in Red Community Service”, “2025 Top 20 Companies in Residential Property Service”, “2025 Featured Services Brand Property Management Companies in China–Service Transparency”, “2025 Independent Operative Leading Companies in Property Service”, “2025 Leading Property Management Companies of China in Smart Property Service”, and “2025 Leading Property Management Companies of China in Value-added Services Operation”. The subsidiaries of the Company have also been honoured with numerous awards from Tencent Cloud, including the “2025 Best AI Pioneer Award for Omnichannel Digital Business Operations” and the “2025 Tencent Smart Retail and Lifestyle Industry Pioneer Partner”.

Chairman's Statement

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of the Company, I hereby present the annual results of the Group for the year ended 31 December 2025 (the “**Year**”).

Review of 2025

Currently, the property management service industry is undergoing a profound transformation. On the one hand, policies are actively guiding property service enterprises to integrate into grassroots governance and urban services systems, and encouraging the development of the “property service + lifestyle services” model, promoting the transformation and upgrading of property service from traditional basic service providers to integrated service operators with broad development prospects. On the other hand, multiple challenges including upstream market adjustments, increasingly stringent regulation and rising demands of property owners, coupled with continuous increases in rigid costs, have prompted property service enterprises to shift from scale expansion to lean operation and strive to strike a balance between “cost reduction” and “quality improvement”. Overall, although the industry is under short-term pressure, it still demonstrates strong resilience and long-term potential.

Nevertheless, in the course of this round of industry reshuffle and market restructuring, while bearing the common pressures faced by the industry, the Group is also confronted with more complex practical challenges. The continued transmission of risks from related parties has affected the conversion of certain projects and the profitability of relevant businesses, while also constraining brand development and market expansion. Meanwhile, the recovery cycle of trade receivables has lengthened, and the ageing structure remains unsatisfactory, further intensifying cash flow pressure of the Group.

The interplay of internal and external factors continues to test the Group's operational resilience, earnings quality and sustainable development capabilities. In the face of these numerous challenges, the Group has adhered to a long-term approach and remained firmly committed to follows a development path centred on quality and efficiency. We always take customers as the core to strengthen service quality, while continuously expand high-quality projects relying on professional capabilities and service reputation. We have also actively build a “property service + lifestyle service” ecosystem, integrating resources to foster new growth drivers. In addition, through organizational reform, lean cost management and comprehensive digital and intelligent transformation, we have reshaped our operating system and consolidated the foundation for development. With the joint efforts of all employees, the Company has steadily navigated through phased challenges and entered a new stage of higher quality and more sustainable development.



During the Year, the Group achieved operating revenue of approximately RMB13,677.6 million, representing a year-on-year increase of approximately 7.2%; gross profit of approximately RMB2,504.6 million, representing a year-on-year increase of approximately 2.5%; and net profit of approximately RMB1,009.1 million, representing a year-on-year decrease of approximately 2.2%. Profit attributable to owners of the Company was approximately RMB986.6 million, with basic earnings per share of approximately RMB0.09.

Since 2021, due to the impact of the illegal misappropriation of huge amounts of funds of the Group by related parties and other issues, the Group has encountered enormous operational pressure. Faced with these challenges, the Group has faced difficulties head-on with the determination of a “game-changer (破局者)” and has deeply promoted a profound operational transformation. Under the leadership of the management, we have successfully resolved risks, and the Company’s cash flow has become increasingly robust, and its operating conditions have continued to improve by adjusting the business structure, strengthening capital management and control, and enhancing operational efficiency. As of 31 December 2025, the Group’s net current assets increased significantly by approximately RMB5,537.7 million compared with the end of 2021, rebounding to approximately RMB87.5 million and successfully turning from negative to positive. During the same period, cash and cash equivalents also increased by approximately RMB3,059.4 million (an increase of approximately 270.7%) compared with the end of 2021, reaching approximately RMB4,189.5 million. This series of achievements demonstrates the Group’s outstanding operational resilience and strategic execution capabilities, and also consolidates the financial foundation for sustainable development.

Take quality services as the foundation of our existence and consolidate the cornerstone of trust from property owners. We always uphold our original aspiration of service, take value creation as the guide, and integrate professional management and humanistic warmth into the entire service process. During the Year, the Group focused on the three core themes of “renovated facilities, standardized services and zero-distance communication” to deepen its practices and continuously enhance the quality of services. We continued to advance the “home renewal (家園煥新)” plan by systematically upgrading community environments, elderly and child-friendly facilities and intelligent systems, while regularly holding “equipment room open days”, so that resource investment was effectively translated into “visible changes” for property owners, continuously deepening the recognition of service value. Meanwhile, we further iterate the “closed-loop and implementable” standardized service system and accelerated the replication and promotion of outstanding practices through activities such as “service models around us”, achieving a leap in services from benchmark-demonstration to overall improvement. While consolidating hardware infrastructure, we attached greater importance to the subtle influence of service culture. By establishing a regular communication mechanism of “property owner meetings + home visits”, we approached property owners to listen to their demands and respond to their concerns, enhancing trust and building consensus through two-way interaction. In addition, the Group continuously optimized the public area revenue management norms and adhered to the principle of “transparent, clear, and compliant use” to build a solid foundation of trust through a transparent mechanism. We are committed to integrating high-quality services into daily life and building a warm and harmonious ideal homeland together with property owners.

Leverage quality services to generate a reputation effect and achieve simultaneous growth in scale and efficiency.

Led by the “1+4+N” brand strategy, the Group has established six product matrices covering diversified scenarios, forming a pattern of coordinated development between residential and professional formats. Relying on solid product and service capabilities, we have continuously deepened the layout of high-value business formats and achieved sustained breakthroughs in commercial and office buildings, industrial parks, rail transport, hospitals and schools, city public services and other sectors. Through the development of benchmark projects and implementation of lean operations, we have promoted synchronous improvement in scale and efficiency. During the Year, the Group’s cumulative newly signed contracted gross floor area (“GFA”) from third parties amounted to approximately 45 million, with contracted annual saturated revenue exceeding RMB1.1 billion, representing a year-on-year increase of approximately 7.3%. The entry rate of newly signed projects in 2025 reached as high as 92.1%, effectively contributing to the Group’s cash flow and profit in the short term. Among newly signed projects, the annual saturated revenue of non-residential projects amounted to approximately RMB880 million, accounting for approximately 80%. Of these, annual saturated revenue from rail transport business formats stood at approximately RMB100 million, representing a year-on-year increase of approximately 248.6%, with the successful implementation of benchmark projects such as highway service areas in Fujian and Guizhou; annual saturated revenue from the hospitals and schools business formats amounted to approximately RMB170 million, representing a year-on-year increase of approximately 54.0%, with the successful implementation of benchmark projects such as Eastern Institute of Technology, Ningbo and The Second People’s Hospital of Jingdezhen; further strengthening the professional competitiveness and brand influence in the multi-format sectors and laying a solid foundation for the Group’s high-quality development.

Expand the value chain around the core needs of property owners and meet expectations for a better life through diversified services.

The Group focuses on the two core business lines of community living and asset management, and continuously deepens the layout of value-added services through service upgrading and professional operation. In terms of community living services, resource integration has been strengthened relying on the intelligent operation system, and the coverage and efficiency of convenient facilities such as intelligent charging piles and direct drinking water stations have both been improved, with revenue reaching approximately nearly RMB150 million in 2025, representing a year-on-year increase of about 36.8%. Meanwhile, the Group has deeply operated high-stickiness scenarios including community group-buying and to-home services, and built a trust moat through self-operation mode. In 2025, group-buying revenue amounted to nearly RMB500 million, representing a year-on-year increase of approximately 8.5%, and to-home service revenue reached nearly RMB100 million, representing a year-on-year increase of approximately 39.9%, achieving a win-win situation between customer experience and commercial



value. Furthermore, featuring butler accompaniment, the Group fully launched community tourism services in 2025, serving more than 90,000 customers cumulatively throughout the year and generating revenue of nearly RMB40 million, which has become a new growth driver for living services segment. In terms of asset management, the property leasing and sales business deeply taps into community resources adhering to the philosophy of “professionalism, service and integration”. For the full year of 2025, the total transaction volume exceeded RMB6.9 billion, with revenue surpassing RMB100 million, representing a year-on-year increase of approximately 42.1%. We are committed to building trust with professionalism and creating connections with services, and continuously driving the evolution of property services towards a warm community comprehensive service ecosystem.

Deepen the digital and intelligent transformation to achieve a leap from efficiency improvement to product output. The Group is committed to advancing the digital and intelligent transformation, focusing on optimizing operational efficiency and enhancing customer experience, and continuously promoting technological iteration. The Group has successfully built an integrated platform covering all scenarios of property services and developed a series of digital and intelligent products that directly address industry pain points: the launch of the “Xuanlan” AI Quality Inspection System enables real-time insight and comprehensive perception of customer needs, achieving “resolving hot issues before complaints are filed” with a processing efficiency increase of over 70%, and automatically generating satisfaction evaluations to form a closed-loop management cycle; through the construction of the “Yingchuo Service Cloud” integrated management platform, the entire chain of business, finance and tax is connected to ensure that all revenues are fully collected (顆粒歸倉); in the field of community value-added services, with the help of SaaS service platforms such as “Evergrande optimization”, “Shansong”, “Baiju Charging” and “Zhiquan” as well as the built-in automatic commission settlement mechanism, all employees are motivated to participate in promotion, expanding a second source of income for the Company; ScienceSea intelligent IoT Platform, through lightweight hardware and software integrated solutions, enhances safety efficiency and reduces operational costs by unifying digital and intelligent management and AI active supervision.

As of now, the relevant digital and intelligent applications have covered over 90% of the management area of the Group, reaching nearly 100,000 employees and more than 4 million households of property owners. Through such a large-scale practical application, profound scenario understanding and operational experience have been accumulated. Based on this, the Group has officially established a technology service company to restructure internal systems into standardized and productized ones, and meticulously developed the “Yingchuo Service Cloud” and “Xuanlan” series of products, helping small and medium-sized property service enterprises transitioning to new quality productive forces. These systems are stable, practical and flexible in adaptation, capable of meeting the needs of diverse business formats and scenarios. In the first year of external empowerment, nearly 150 external property service enterprises were signed up, successfully achieving the strategic leap from internal value verification to industry empowerment.

Supported by talent development and organizational evolution, we fully activate the driving force for the Company’s development. We are firmly committed to the talent strategy of “empowering the frontline and achieving success for the frontline (賦能一線、成就一線)”. Through a combination of the recognition system and promotion mechanism, we have commended and promoted thousands of outstanding frontline employees, ensuring their contributions are seen and appreciated. Meanwhile, we focus on cultivating versatile service teams with “one expertise and comprehensive capabilities (一專多能)”. Through systematic training, job rotation and practical refinement, we help employees broaden their competency boundaries, enhance comprehensive on-site problem-solving capabilities and rapid response abilities. In addition, the Company continues to drive organizational efficiency improvement. By innovating the “all-round butler” service model, deepening functional intensification and process digitalization and intelligentization, we have built a flat and agile organizational system to achieve precise resource allocation and operational efficiency improvement. Ultimately, driven by the dual wheels of “human development” and “organizational evolution”, we inject sustained momentum into the high-quality development of the Group.

Actively fulfill social responsibilities and continuously enhance corporate value. The Group persists in pursuing development under the guidance of party building, deeply integrating social responsibility into corporate operations. In 2025, we effectively addressed key demands of property owners and successfully turned community governance difficulties into service highlights recognized by the public by organizing nearly 3,000 multi-party joint meetings each quarter. Meanwhile, we continued to launch convenience services and public welfare activities, holding more than 35,000 themed activities and 15,000 public welfare campaigns during the Year, serving people’s livelihood through practical action and giving back to society. Responding positively to the call of “10,000 Enterprises Vitalize 10,000 Villages (萬企興萬村)”, the Group assisted rural revitalization and increased farmers’ revenue through agricultural consumption support, generating nearly RMB70 million in revenue for farmers during the Year. We uphold our original aspiration with responsibility, fulfill our commitments through service, and continuously enhance corporate value.



Outlook for 2026

We will keep moving forward and embrace a promising future. The Group takes sound operation as the foundation and high-quality development as the guideline. By deepening service value, strengthening market expansion and promoting innovation in technology and talent in a coordinated manner, we will continue to enhance our core competitiveness and comprehensive value. We will forge ahead firmly amid opportunities and challenges and strive for long-term development.

Enhance service value and build a better living environment.

We have closely aligned with customer's needs, systematically enhancing living quality through the "home renewal" initiative. By focusing on efficiency-enhancing nodes along the service value chain, we have reshaped the service standard system via digital intelligence, establishing closed-loop service covering problem identification, prompt response and outcome tracking, thereby winning customers' long-term trust through high-quality service. Meanwhile, we have continued to promote transparency in property service, adhering to the principle of "proactive disclosure and transparent income and expenditure". Standardized and institutionalized transparent operations safeguard property owners' legitimate rights and interests, further strengthening the foundation of trust. On this basis, we have actively cultivated a community cultural ecosystem, activating neighborhood connections through diverse activities and community cultivation, and upgrading property services from basic management to humanistic community operation. This has transformed neighborhood relations from "physical proximity" to "spiritual resonance", truly realizing co-governance and sharing with property owners. In addition, we will focus on high-potential scenarios such as community group-buying, housing leasing and sales, to-home services and community tourism, stimulate the participation of the entire organization in business collaboration, and refine product capabilities through self-operation mode to meet customers' needs for a better life, achieving a comprehensive upgrading from space maintenance to lifestyle operation.

Take quality as the foundation, drive word-of-mouth expansion, and lead the high-quality growth of scale.

The Group adheres to the core principle of “quality takes precedence over scale”. Relying on its professional brand strengths in vertical sectors, the Group focuses on nurturing business experts and market pioneers, establishing a talent expert pool, and continuously enhancing its influence in the industry. Meanwhile, it deepens strategic cooperation with major clients, and leverages professional capabilities and local resources to further develop high-value segmented markets including hospitals, schools, industrial parks and rail transit, establishing industry benchmarks. With excellent services, the Group gains profound recognition from property owners and customers, thereby activating the “reputation communication chain” comprising employees, property owners and partners, and converting each high-quality experience into proactive brand promotion momentum. In terms of management, the Group implements the strategy of “expanding quality projects and phasing out inferior ones (拓優逐劣)”. It guides the expansion of quality projects through the establishment of a competitive long-term incentive mechanism, and prudently adjusts low-quality and inefficient projects with no room for optimization based on a scientific comprehensive project evaluation system, continuously enhancing the quality of the projects under management. This forms a sound circulation of “targeted expansion – lean operation – value feedback”, which continuously promotes the coordinated improvement of scale, efficiency and brand reputation, and achieves a sound development pattern of coordinated expansion and clustered layout of multi-format businesses in various regions.

Deepen digital and intelligent integration and reshape the business core and industrial value through the power of technology.

The Group will continue to uphold the mission of “Empowering management with technology, driving growth with data, and returning service to human-centric warmth”. Focusing on the three directions of “AI-driven, data integration and management efficiency improvement”, the Group will further deepen the integrated innovation of artificial intelligence and property scenarios, and build an industry-leading digital and intelligent product matrix. The Group will focus on building an artificial intelligence product system represented by “Xuanlan”, empower frontline operations with AI, enable technology to serve as an “intelligent assistant” for employees, and free up manpower to focus on offering more heartfelt services. In product development, we will accelerate the standardization and commercialization implementation, meticulously refine the “Yingchuo Service Cloud” series of products, achieve the value transformation from “operating projects” to “operating capabilities”, and complete the strategic upgrade from service output to solution empowerment, striving to become the preferred partner for digital and intelligent transformation in the property industry.



Stimulate organizational vitality and drive the doubled growth of endogenous impetus and agile efficiency.

The Group has always taken “focusing on the frontline (向一線)” as its service foundation, and closely promoted management reforms around service touchpoints. Through job sorting and functional restructuring, a flat and agile structure is established; and with the digital dashboard of human resource efficiency, the matching of personnel to positions is dynamically optimized to ensure the right people are assigned to the right roles. On this basis, we use talent portraits to accurately identify potential talents, cultivate versatile capabilities through cross-regional job rotation, and meanwhile achieve precise talent introduction and reserve through industry-education integration, building a high-potential talent pool for key positions. We also firmly implement the dynamic rotation and merit-based selection and elimination mechanism for cadres, namely “the capable are promoted, the mediocre are demoted (能者上、庸者下)”, to continuously stimulate the vitality of the talent echelon and support the Group in achieving the synchronous enhancement of service capability and industrial value.

The Group will continue to take “customer satisfaction” as the fundamental principle, continuously refine property services and consolidate the foundation of brand trust; take “professional deep cultivation (專業深耕)” as the direction, actively expand community living and asset management services, and optimize business structure and profit model; take “lean operation” as the support, accelerate market expansion, increase the reserve of quality projects, and strengthen core competitiveness driven by the dual wheels of talent and technology. Through the in-depth integration of brand, quality, talent, operation and technology, the Group will forge a growth path of “refining services, broadening ecology and strengthening capabilities”, and march toward a higher-quality, more resilient and long-term future.

The higher the mountain, the more climbers there will be; the longer the journey, the more it rewards those who persevere (山高自有行者, 路遠不負篤行). On behalf of the Board, I sincerely thank all colleagues and the management team for their concerted efforts and unwavering commitment along the way. Let us continue to unite with one heart and one mind, driven by firm conviction and concrete actions, jointly usher in a new chapter of high-quality and sustainable development. I also extend my sincere gratitude to all shareholders and stakeholders for their trust and support.

Duan Shengli

Chairman of the Board

Hong Kong, 27 March 2026

Management Discussion and Analysis

Financial Review

Revenue

The Group's revenue is mainly derived from four business segments: (i) property management services; (ii) community living services; (iii) asset management services; and (iv) community operation services. For the year ended 31 December 2025, the Group's total revenue was approximately RMB13,677.6 million, representing a year-on-year increase of approximately 7.2%.

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

	For the year ended 31 December 2025		For the year ended 31 December 2024		
	Revenue (RMB'000)	Percentage of total revenue (%)	Revenue (RMB'000)	Percentage of total revenue (%)	Growth rate (%)
Property management services	11,498,178	84.1	10,688,681	83.8	7.6
– Basic property management services	11,469,695	83.9	10,591,066	83.0	8.3
– Value-added services to non-property owners	28,483	0.2	97,615	0.8	-70.8
Community living services	1,008,788	7.4	910,983	7.1	10.7
Asset management services	797,635	5.8	776,780	6.1	2.7
Community operation services	373,022	2.7	380,243	3.0	-1.9
Total	13,677,623	100.0	12,756,687	100.0	7.2



(i) Property management services

During the Year, revenue from property management services amounted to approximately RMB11,498.2 million, representing a year-on-year increase of approximately 7.6%. Among them:

1. Revenue from basic property management services amounted to approximately RMB11,469.7 million, representing a year-on-year increase of approximately 8.3%, mainly due to (i) the increase in the GFA under management by the Group; and (ii) the promotion of fee collection through services, continuous improvement of service quality and reduction of high-risk customers.

As of 31 December 2025, the Group had a total GFA under management of approximately 601 million sq.m., representing an increase of approximately 22.0 million sq.m. as compared with the total GFA under management of approximately 579 million sq.m. as of 31 December 2024.

During the Year, (i) due to the principle of prudence, the Group recognized revenue from basic property management services on the basis of the consideration expected to be received for the provision of property management services to customers. For certain third-party customers with significantly increased credit risk, the Group has not recognized revenue for the portion of the consideration from those customers for which the Group has fulfilled its performance obligations but has not yet collected the consideration, taking into account their willingness to pay the consideration when the consideration was overdue; and (ii) considering the status of related parties, the Group's revenue from property management services during the Year excluded revenue from basic property management services such as management of vacant properties relating to related parties of approximately RMB510.1 million based on the principle of robustness.

The following table sets out the revenue from basic property management services by business segment of the Group for the periods indicated:

Project Sources	For the year ended 31 December 2025		For the year ended 31 December 2024		Growth rate (%)
	Revenue (RMB'000)	Percentage of total revenue (%)	Revenue (RMB'000)	Percentage of total revenue (%)	
Residential/ commercial, etc.	9,522,153	83.0	8,808,237	83.2	8.1
Public construction projects/City public service, etc.	1,947,542	17.0	1,782,829	16.8	9.2
Total	11,469,695	100.0	10,591,066	100.0	8.3

2. During the Year, revenue from value-added services to non-property owners was approximately RMB28.5 million.

(ii) Community living services

During the Year, revenue from community living services amounted to approximately RMB1,008.8 million, representing a year-on-year increase of approximately 10.7%, mainly due to: (i) focusing on the indoor service needs of property owners and expanding the product categories and service scale of to-home services; (ii) expanding the business scale and increasing operating revenue in response to the demand of property owners for direct drinking water and new energy charging; (iii) expanding the coverage of cultural and tourism services to drive revenue growth; and (iv) optimizing the supply chain and service capabilities of the community retail business, adding high-frequency and rigid-demand product categories to drive steady revenue growth.

(iii) Asset management services

During the Year, revenue from asset management services amounted to approximately RMB797.6 million, representing a year-on-year increase of approximately 2.7%, mainly due to the Group's reliance on the advantages of community resources, optimization of the professional service team, promotion of the in-depth integration of asset management and property services, enhancement of customer satisfaction and business conversion rate through differentiated services, thereby driving steady revenue growth.



(iv) Community operation services

During the Year, revenue from community operation services amounted to approximately RMB373.0 million, representing a year-on-year decrease of approximately 1.9%, mainly due to the impact of the external market environment, contraction in merchants' demand for community marketing and venue cooperation, and a decline in core business revenue.

The table below sets out a breakdown of revenue by source of the Group's revenue for the periods indicated:

Revenue sources	For the year ended 31 December 2025		For the year ended 31 December 2024		Growth rate (%)
	Revenue (RMB'000)	Percentage of total revenue (%)	Revenue (RMB'000)	Percentage of total revenue (%)	
Related parties	32,332	0.2	86,806	0.7	-62.8
Third parties	13,645,291	99.8	12,669,881	99.3	7.7
Total	13,677,623	100.0	12,756,687	100.0	7.2

Cost of sales

The Group's cost of sales include staff costs, greening and cleaning costs, facilities and equipment repair and maintenance costs, energy costs, procurement costs of value-added business, taxes and other levies.

During the Year, the Group's cost of sales increased by approximately 8.3% from approximately RMB10,313.3 million for 2024 to approximately RMB11,173.0 million for 2025, mainly due to: (i) the expansion of the Group's GFA under management; (ii) the enhancement of the quality of services and the continuous increase in investment in the projects under management in terms of facility and equipment renewal and renovation, environmental enhancement, greening upgrade and lighting projects; (iii) organize diverse community cultural activities to enhance customer engagement; and (iv) increased procurement costs as a result of the vigorous development of community living services.

Gross profit and gross profit margin

The following table sets out a breakdown of the Group's gross profit and gross profit margin by business segments for the periods indicated:

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)
Property management services	1,753,394	15.2	1,707,227	16.0
– Basic property management services	1,750,781	15.3	1,698,338	16.0
– Value-added services to non-property owners	2,613	9.2	8,889	9.1
Community living services	212,487	21.1	203,112	22.3
Asset management services	388,798	48.7	380,389	49.0
Community operation services	149,927	40.2	152,709	40.2
Total	2,504,606	18.3	2,443,437	19.2

During the Year, the Group's overall gross profit was approximately RMB2,504.6 million, with a gross profit margin of approximately 18.3%, representing a year-on-year decrease of approximately 0.9 percentage point.

- In respect of property management services, the gross profit margin decreased by approximately 0.8 percentage point from approximately 16.0% in 2024 to approximately 15.2% in 2025. Among which, the gross profit margin from basic property management services decreased by approximately 0.7 percentage point from approximately 16.0% in 2024 to approximately 15.3% in 2025, mainly due to the Group's focus on enhancing service quality and increased investment in projects under management in respect of renewal and renovation of facilities and equipment, environmental improvement, greening upgrade and lighting projects.
- In respect of community living services, the gross profit margin decreased by approximately 1.2 percentage points from approximately 22.3% in 2024 to approximately 21.1% in 2025, mainly due to: (i) increased procurement of equipment such as charging piles and water dispensers; and (ii) increased investment in supply chain and intelligent digital platform construction to consolidate the advantages of the community group-buying business.



3. In respect of asset management services, the gross profit margin decreased by approximately 0.3 percentage point from approximately 49.0% in 2024 to approximately 48.7% in 2025, mainly due to: (i) an increase in business costs arising from the adjustment of commercial terms for the car parking space leasing business in accordance with market principles; and (ii) increased investment in the upgrading of intelligent digital service platforms to further enhance customer experience.
4. In respect of community operation services, the gross profit margin was 40.2%, unchanged from the previous year. The Company maintained a stable gross profit margin by optimizing resource allocation, enhancing operational efficiency and strictly controlling costs, which offset the impact of contracted market demand.

Administrative and marketing expenses

During the Year, the Group's administrative and marketing expenses decreased by approximately 3.4% from approximately RMB975.4 million in 2024 to approximately RMB942.2 million in 2025, mainly due to: (i) the Group's continuous cost reduction and efficiency enhancement with strict control of administrative expenses; and (ii) legal proceedings costs and tax late payment incurred in 2024 in relation to the enforcement by relevant banks of the pledge of RMB13.4 billion deposits (the "**Deposit Pledge Incident**"), for which there were no related expenses in during the Year.

Other income

During the Year, the Group's other income amounted to approximately RMB104.2 million, representing a year-on-year decrease of approximately 43.7% from approximately RMB185.3 million in 2024, mainly due to: (i) a decrease in tax preferential policy subsidies and government grants compared with the corresponding period in 2024; and (ii) deduction of relevant consideration in respect of certain acquired companies failing to meet performance guarantees in 2024, for which there was no related income during the Year.

Other losses

During the Year, the Group's net other losses amounted to approximately RMB31.3 million, representing a decrease of approximately RMB16.9 million compared with approximately RMB48.2 million in 2024. This was mainly due to a decrease in impairment losses on goodwill and intangible assets during the Year.

Income tax expenses

During the Year, the Group's income tax expense amounted to approximately RMB348.6 million, representing a decrease of approximately 7.1% from approximately RMB375.3 million in 2024, mainly due to a decrease in profit before tax recorded during the Year compared with 2024.

Profit for the year

During the Year, the Group's net profit amounted to approximately RMB1,009.1 million, representing a decrease of approximately 2.2% from approximately RMB1,032.0 million in 2024. The net profit margin was approximately 7.4%, representing a decrease of approximately 0.7 percentage point from approximately 8.1% in 2024.

During the Year, profit attributable to owners of the Company amounted to approximately RMB986.6 million, representing a decrease of approximately 3.4% from approximately RMB1,021.0 million in 2024.

Property and equipment

The Group's property and equipment mainly comprises buildings, machinery, vehicles, furniture, fixtures and equipment.

As at 31 December 2025, the net carrying value of property and equipment of the Group amounted to approximately RMB82.0 million, representing an increase of approximately 20.7% from approximately RMB67.9 million as at 31 December 2024.

Intangible assets

The Group's intangible assets comprise computer software, property management contracts and customer relationships, and goodwill.

As at 31 December 2025, the Group's intangible assets amounted to approximately RMB1,380.0 million, representing a decrease of approximately RMB118.3 million from approximately RMB1,498.3 million as at 31 December 2024, mainly due to amortization and impairment of approximately RMB116.9 million recognized during the Year in respect of goodwill, property management contracts and customer relationships of acquired subsidiaries in previous years.



Trade and other receivables

As at 31 December 2025, the Group's trade receivables amounted to approximately RMB2,650.8 million, representing an increase of approximately RMB64.4 million from approximately RMB2,586.4 million as at 31 December 2024, mainly due to the expansion of the scale under management of the Group, resulting in an increase in the balance of trade receivables.

The Group's other receivables decreased by approximately RMB46.2 million from approximately RMB565.9 million as at 31 December 2024 to approximately RMB519.7 million as at 31 December 2025, mainly due to: (i) a decrease in advances made on behalf of property owners and third parties; and (ii) the Group's successful litigation in relation to the Deposit Pledge Incident and the recovery of approximately RMB24.0 million in acceptance fees advanced earlier for certain cases that had become effective during the Year.

Trade and other payables

Trade and other payables comprise trade payables, provisional receipts, deposits payable, consideration payable for mergers and acquisition, wages and benefits payable, dividends payable, tax payable and estimated liabilities.

As at 31 December 2025, the Group's trade payables amounted to approximately RMB1,887.3 million, representing an increase of approximately RMB120.6 million from approximately RMB1,766.7 million as at 31 December 2024, mainly due to the expansion of GFA under management and the increase in related trade payables for material procurement, maintenance works and so on for service quality enhancement.

Other payables decreased by approximately RMB386.8 million from approximately RMB2,531.3 million as at 31 December 2024 to approximately RMB2,144.5 million as at 31 December 2025 (of which long-term payables of approximately RMB75.0 million and current payables of approximately RMB2,069.5 million), mainly due to a decrease in the Group's payment of the consideration for business combinations and transactions with third parties in prior years.

Contract liabilities

Contract liabilities mainly arose from prepayments made by customers yet to be provided such as property management services, community living services, asset management services and community operation services. As at 31 December 2025, the Group's contract liabilities amounted to approximately RMB2,623.7 million, representing a decrease of approximately RMB131.3 million from approximately RMB2,755.0 million as at 31 December 2024, mainly due to a decrease in the prepayment for property service fees.

Current tax liabilities

As at 31 December 2025, the Group's current tax liabilities amounted to approximately RMB813.1 million, representing an increase of approximately RMB352.0 million from approximately RMB461.1 million as at 31 December 2024, mainly due to the increase in income tax liabilities arising from the profit during the Year.

Liquidity and financial resources

As at 31 December 2025, the Group's total bank deposits and cash (including cash and cash equivalents and restricted cash of the Group) amounted to approximately RMB4,310.5 million, representing an increase of approximately RMB1,475.6 million from approximately RMB2,834.9 million as at 31 December 2024, mainly due to the increase in net cash inflows generated from operating activities of the Group during the Year.

Of the Group's total bank deposits and cash, restricted bank deposits of approximately RMB120.9 million mainly represented the industry regulatory funds of Evergrande Insurance Agency Co., Ltd., deposits for the provision of property management services as required by local government authorities, cash restricted to projects managed on a remuneration basis only and funds for litigation preservation of some subsidiaries.

As at 31 December 2025, the Group's net current assets amounted to approximately RMB87.5 million (as at 31 December 2024: net current liabilities of approximately RMB968.6 million). The Group's current ratio (current assets/current liabilities) was approximately 1.01 times (as at 31 December 2024: 0.87 times).

As at 31 December 2025, the Group did not have any borrowings. Accordingly, the gearing ratio (calculated as total borrowings divided by total equity at the dates indicated) as at 31 December 2025 was nil (31 December 2024: nil).



Major Risks and Uncertainties

The major risks and uncertainties faced by the Group are set forth below. Such factors are not exhaustive and therefore other risks and uncertainties may also exist.

Industry risks

The operation of the Group may be affected by the regulatory landscape of the industry and related measures. The main reason is that the fees charged by property management companies for management services are strictly monitored and supervised by relevant regulatory authorities. The business performance of the Group depends on the contracted GFA, the chargeable GFA under management and the number of projects under management, but the business growth are affected and will likely continue to be affected by the People's Republic of China (the "PRC") government's regulations on the industry where the Group belongs.

Business risks

The Group's ability to maintain or improve its current profit level depends on whether it can maintain or increase its current scale and effectively control operating costs. Affected by market conditions and related party issues, the Group may be unable to recover property service fees and other related revenue from customers, which may result in impairment losses on receivables; the Group cannot guarantee that it will obtain new property service contracts in accordance with its plans or on suitable terms and at suitable prices; the winding-up of the controlling shareholder may also lead to a change in the control of the Company, which may affect the stability of the Company's management team. In addition, the Group's profit margin and operating results may be materially and adversely affected by an increase in labour costs or other operating costs. All the above factors may have a material adverse impact on the Group's business, financial position and operating results.

Risks arising from related party issues

Affected by the liquidation of the controlling shareholder and the progress of its asset disposal, the Group may face the termination of certain preliminary property service contracts, may fail to realize the timely and effective conversion of contracted GFA, and changes to the business models of certain related party relevant businesses may result in a decline in the profitability of such businesses. Meanwhile, the promotion and sale of wealth management products to property owners by related parties in the past may have involved certain subsidiaries and employees of the Company. As certain wealth management products were overdue for payment, some employees had assisted relevant authorities in investigations. Issues such as the non-performance of property service fee commitments during related party property promotion activities have directly affected property owners' willingness to pay, adversely impacting the collection of property service fees from property owners and the recovery of receivables by the Company. As at the date hereof, the Board is still unable to accurately assess the specific impact that the above matters may have on the Group. The Company will continue to follow up on the matters and discharge its disclosure obligations in a timely manner in accordance with the Listing Rules.

Foreign exchange risks

The business of the Group is mainly located in PRC. Save for bank deposits denominated in foreign currencies, there is no major direct exchange rate fluctuation risk faced by the Group. During the Year, the Directors expected that the RMB exchange rate would not have a material adverse effect on the operations of the Group. Currently, the Group has not entered into contracts to hedge its exposure to foreign exchange risk, but the management will continue to monitor foreign exchange risks and adopt prudent measures to reduce potential exchange risks.



Risk of unrecoverable material losses

The Group has incurred significant losses (the “**Losses**”) as a result of the Deposit Pledge Incident, which had been fully provided for as impairment losses in 2021. The Group has filed proceedings against the China Evergrande Group (in liquidation) (“**China Evergrande Group**”) and the relevant responsible parties for the recovery of Losses with the Guangzhou Intermediate People’s Court of Guangdong Province in the PRC and obtained court judgements that the China Evergrande Group and the relevant responsible parties (except for Guangzhou Xinyuan) shall repay the deposit pledge amount and interest losses and bear the case handling fee. Among them, the judgements of Evergrande Hengkang 1.7 billion Proceeding, Evergrande Hengkang 1 billion Proceeding, Jinbi Hengying 1 billion Proceeding, Jinbi Hengying 0.7 billion Proceeding and Jinbi Property 2 billion Proceeding have become effective and the remaining cases are under appeal. The Group will make every effort to promote the enforcement work in accordance with the effective judgments of the court. However, subject to the current status of the China Evergrande Group and the relevant responsible parties, there are still material uncertainties as to the amount of Losses that could be recovered by the Group, and the Company will keep the market informed of any progress in a timely manner by way of publication of further announcement(s).

Pledge of Assets

As at 31 December 2025, the Group had no pledged assets.

Contingent Liabilities

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

Employees and Remuneration Policy

As of 31 December 2025, the Group had 100,567 employees. During the Year, the total staff costs were approximately RMB6,717.7 million.

The employees were remunerated in accordance with the Group’s remuneration and welfare policies with reference to the positions of employees, performance, profitability of the Company, industry level and market environment.

The Group has to participate in social insurance contribution plans or other retirement plans organized by local governments, and make contributions to social insurance funds monthly on behalf of employees for the payment of pension funds, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident funds, or make contributions to mandatory provident fund for employees regularly.

Staff Training and Development

Based on the three-level training mechanism of “headquarters-region-project”, the Group is committed to implementing a 3-year campus recruitment programme for management trainees, trainings for new employees and key talent trainings. The Group organizes and conducts trainings on various professional skills, general aptitude, management ability and corporate culture in accordance with our business development needs and employee career planning, in order to improve the comprehensive quality and work capabilities of employees.

During the Year, all staff participated in training, with a total of 0.70 million hours of training and an average of 7.0 hours of training per person.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2025, the Group did not have any significant investment, material acquisition or disposal of subsidiaries, associates or joint ventures.

Future Plans for Material Investments or Capital Assets

As at 31 December 2025, the Group had no specific future plans for material investments or capital assets.



Directors and Senior Management

Executive Directors

Mr. Duan Shengli (段勝利), aged 43, was appointed as an executive Director on 22 July 2022. He is also the chairman of the Board and the chairman of the nomination committee of the Company (the “**Nomination Committee**”).

Mr. Duan has over 20 years of experience in the development, operation of real estate projects and property management. Mr. Duan joined China Evergrande Group in July 2005 and has served in various positions, including the chairman of the Beijing company of Evergrande Real Estate Group, chairman of the Henan company of Evergrande Real Estate Group, chairman of Fairyland Creative Design Group. Mr. Duan is currently a president of the Group.

Mr. Duan obtained his bachelor’s degree from Tsinghua University in July 2005.

Mr. Han Chao (韓超), aged 37, was appointed as an executive Director on 21 June 2023. He is also a member of the remuneration committee of the Company (the “**Remuneration Committee**”).

Mr. Han joined the Group in January 2015 and has served as assistant general manager of the project of Jinbi Property Guangzhou branch, deputy director of the quality management department of property management center, assistant general manager of the property management center, assistant general manager of the Group and deputy general manager of the Group. Mr. Han is currently the general manager of the Group, he also holds directorships in several subsidiaries of the Company.

Mr. Han obtained a bachelor’s degree from Fudan University in July 2011.

Mr. Hu Xu (胡旭), aged 38, was appointed as an executive Director on 21 June 2023.

Mr. Hu joined the Group in August 2010 and had served in various positions, including general manager of the legal and contract center of the headquarters of the Group, and assistant general manager of the Group. Mr. Hu is currently the deputy general manager of the Group, director of the Board Office and joint company secretary of the Company. He also holds directorships in several subsidiaries of the Company.

Mr. Hu obtained a bachelor’s degree from Huangshan University in July 2009.

Non-Executive Directors

Mr. Sang Quan (桑權), aged 36, was appointed as a non-executive Director on 21 June 2023.

Mr. Sang joined Evergrande Real Estate Group in July 2013 and had served in various positions, including project management engineer at the management and supervision center of Evergrande Real Estate Group, secretary to the executive vice president of human resources and administration center of Evergrande Real Estate Group, general manager of the Guangzhou Panyu project of the Pearl River Delta company of Evergrande Real Estate Group, and executive deputy general manager of the Guangdong company of Evergrande Automobile Industry Park Group. Mr. Sang is currently a deputy general manager of the Guangdong company of Evergrande Real Estate Group.

Mr. Sang obtained a bachelor's degree from Huazhong University of Science and Technology in July 2013.

Mr. Lin Wuchang (林五昌), aged 50, was appointed as a non-executive Director on 21 June 2023.

Mr. Lin joined Evergrande Real Estate Group in January 2010 and had served in various positions, including manager of engineering department of the Guangdong company of Evergrande Real Estate Group, deputy manager and manager of various project engineering departments, engineering director of the urban renewal company, and deputy general manager of the Jiangmen project of the Shenzhen company of Evergrande Real Estate Group. Mr. Lin is currently the regional manager of Zhuhai of the Shenzhen company of Evergrande Real Estate Group.

Mr. Lin obtained a bachelor's degree from Chang'an University in July 2000.

Independent Non-Executive Directors

Mr. Peng Liaoyuan (彭燎原), aged 57, was appointed as an independent non-executive Director on 9 February 2022. He is also a member of each of the audit committee of the Company (the “**Audit Committee**”) and the Nomination Committee. Mr. Peng is responsible for providing independent advice on the operation and management of the Board.



Mr. Peng is a practicing lawyer in the PRC. Mr. Peng has over 30 years of experience in legal matters and is currently a senior partner of Guangdong Lianyue Law Firm (廣東連越律師事務所). Mr. Peng is also currently appointed as an external director of Guangdong Rising Holding Group Co., Ltd. (廣東省廣晟控股集團有限公司), Guangzhou Pearl River Enterprises Group Ltd. (廣州珠江實業集團有限公司), Guangzhou Light Industry, Trade Group Co., Ltd. (廣州輕工工貿集團有限公司) and an independent director of Guangzhou CanSemi Technology Inc. (粵芯半導體股份有限公司). Mr. Peng was previously an external director of Guangdong Environmental Protection Group Co., Ltd. (廣東省環保集團有限公司) and Guangzhou Digital Technology Group Co., Ltd. (廣州數字科技集團有限公司), and an independent director of Daye Trust Co., Ltd. (大業信託有限責任公司), Shenzhen Prolto Supply Chain Management Co., Ltd. (深圳市普路通供應鏈管理股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002769), and Wanlian Securities Co., Ltd. (萬聯證券股份有限公司).

Mr. Peng obtained his bachelor's degree in the School of Political Science and Law of South China Normal University in 1992.

Ms. Wen Yanhong (文艷紅), aged 57, was appointed as an independent non-executive Director on 19 November 2021. She is also the chairman of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee of the Company. Ms. Wen is responsible for providing independent advice on the operation and management of the Board.

Ms. Wen is a certified public accountant in the PRC with over 20 years of experience in accounting and auditing. Ms. Wen was involved in the audit work of several companies listed in the PRC. Ms. Wen successively served as a partner at Guangzhou Erxiang Accounting Firm (廣州而翔會計師事務所), Tianjian Accounting Firm Guangdong Branch (天健會計師事務所廣東分所), Da Hua CPA (大華會計師事務所) (Special General Partnership), Beijing Dehao International Certified Public Accountants (北京德皓國際會計師事務所) (Special General Partnership) from November 2012 to October 2024 and has been a partner of Guangzhou Haoyuan Accounting Firm Limited (廣州皓源會計師事務所有限公司) since November 2024. Ms. Wen is also a certified tax accountant in the PRC. She has been the legal representative and the chief taxation officer of Guangzhou Hangyun Tax Advisers Co., Ltd (廣州衡運稅務師事務所有限公司) since February 2017 and was a finance expert in Guangdong Equity Exchange Center Co., Ltd. (廣東股權交易中心股份有限公司).

Ms. Wen graduated from the Guilin Institute of Electronic Technology (桂林電子工業學院) in industrial finance in July 1990 and the CEO class of Sun Yat-sen University Talent College (中山大學行知優才學院) in August 2015.

Mr. Dong Xinyi (董心怡), aged 55, was appointed as an independent non-executive Director on 27 September 2023. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee of the Company. Mr. Dong is responsible for providing independent advice on the operation and management of the Board.

Mr. Dong is an economist with over 30 years of experience in investment banking, financial management and asset management. From September 1990 to November 1999, Mr. Dong worked at the Guangdong branch of Bank of China, holding various positions including deputy section chief of the risk management department. From December 1999 to December 2011, Mr. Dong worked at the Guangdong branch of China Orient Asset Management Co., Ltd., where he held different positions including senior manager of the market development department and risk management department. From January 2012 to February 2019, Mr. Dong worked at Dong Yin Development (Holdings) Limited (a wholly-owned subsidiary of China Orient Asset Management Co., Ltd. in Hong Kong), where he served as deputy managing director. Mr. Dong served as a visiting professor at the School of Economics and Statistics at Guangzhou University and was a visiting professor at the School of Applied Economics at Guangdong Baiyun University. Currently, Mr. Dong is an external director of Guangdong Provincial Port & Shipping Group Co., Ltd. and Guangdong Yuehai Capital Group Co., Ltd..

Mr. Dong obtained his Master's degree in Software Engineering from Huazhong University of Science and Technology in July 2010.

Mr. Lam Wai Hon (林懷漢), aged 72, was appointed as an independent non-executive Director on 15 May 2025. Mr. Lam is responsible for providing independent advice on the operation and management of the Board.

Mr. Lam is a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lam has accumulated more than 40 years of experience in professional accounting, commercial banking, investment banking and financial services, and has held senior management positions in a number of major international banks and financial institutions. During the past three years, Mr. Lam served as an executive Director of Quam Plus International Financial Limited (a company listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), stock code: 952), and a non-executive Director of Sunac China Holdings Limited (a company listed on the Stock Exchange, stock code: 1918). Mr. Lam is currently a responsible officer for Type 1 and Type 6 regulated activities under the Securities and Futures Ordinance with Quam Capital Limited and a licensed representative for Type 1 and Type 4 regulated activities under the Securities and Futures Ordinance with



Quam Securities Limited. He is currently an independent non-executive Director of Playmates Toys Limited (a company listed on the Stock Exchange, stock code: 869), Pacific Online Limited (a company listed on the Stock Exchange, stock code: 543), Far East Consortium International Limited (a company listed on the Stock Exchange, stock code: 35), and a non-executive Director of Yuzhou Group Holdings Company Limited (a company listed on the Stock Exchange, stock code: 1628).

Mr. Lam holds a Bachelor of Arts (Honours) degree from University of Newcastle Upon Tyne in England.

Mr. Hoong Cheong Thard (孔祥達), aged 57, was appointed as an independent non-executive Director on 15 May 2025. Mr. Hoong is responsible for providing independent advice on the operation and management of the Board.

Mr. Hoong has been a member of the Institute of Chartered Accountants in England and Wales since December 1992. Mr. Hoong was an investment banker and worked at UBS from April 1997 to June 2003 with his last position being an executive director, and Deutsche Bank from 2003 to 2006. He was the chief executive officer of China LotSynergy Holdings Limited (which was then listed on GEM of the Stock Exchange but has since transferred its listing to the Main Board of the Stock Exchange and changed its name to China Ecotourism Group Limited, stock code: 1371) from March 2007 to September 2008, and a non-executive director of the same company from September 2008 to June 2017. Mr. Hoong has also been serving as an executive director of the Far East Consortium International Limited (a company listed on the Stock Exchange with stock code: 35) since August 2012 and was also separately redesignated as managing director of Far East Organization (International) Limited, which holds a controlling stake in Far East Consortium International Limited with effect from January 2024. He was a director of AGORA Hospitality Group Co., Ltd. (a company listed on the Tokyo Stock Exchange with stock code: 9704) from March 2009 to March 2017, and a non-executive director of i-CABLE Communications Limited (a company listed on the Stock Exchange with stock code: 1097) from September 2017 to May 2023. Mr. Hoong has been serving as a non-independent and non-executive director of Land & General Berhad (a company listed on the Bursa Malaysia with stock code: 3174) since June 2010, and a non-executive director of Palasino Holdings Limited (a company listed on the Stock Exchange with stock code: 2536) since August 2023.

Mr. Hoong received a bachelor's degree in mechanical engineering from Imperial College London in August 1989.

Senior Management

Mr. Fang Shun (方舜), aged 38, joined the Group in November 2015 and has been the deputy general manager of the Group since March 2020. He is primarily responsible for the community value-added business.

Mr. Fang joined Evergrande Group in July 2011 and had served as the procurement chief of Guangzhou Evergrande Material and Equipment Co., Ltd. (廣州恒大材料設備有限公司), a quality supervision manager of planning and supervision center of Evergrande Yuanlin, and deputy general manager of property management centre of Jinbi.

Mr. Fang obtained a bachelor's degree in polymer materials and engineering from Sun Yat-sen University (中山大學) in June 2011.

Joint Company Secretaries

Mr. Hu Xu (胡旭), aged 38, was appointed as the joint company secretary of the Company on 22 March 2024. Biographical details of Mr. Hu are set out on page 27 of this Report.

Mr. Cheng Ching Kit (鄭程傑), aged 38, was appointed as the joint company secretary of the Company on 22 March 2024.

Mr. Cheng is an assistance vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional corporate services provider, and has over 13 years of experience in the corporate secretarial service field. He is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. In addition, he holds a Bachelor of Commerce degree in Finance from the University of Queensland in Australia and a Master of Laws degree in Chinese Law from The University of Hong Kong.



Corporate Governance Report

The Company recognises the value and importance of achieving high corporate governance standards consistently to the enhancement on corporate performance and accountability. The Board is committed to abide by the principles of good corporate governance to meet legal and commercial standards and requirements, focusing on areas such as internal control, risk management, fair disclosure and accountability to the shareholders of the Company.

We always adhere to the service concept of “conscientious services and heartfelt companionship”, putting customers’ needs in the first place, and creating a comfortable and convenient living experience for our customers through continuous optimization of the service process and enhancement of service quality. Meanwhile, we advocate the corporate spirit of “integrity, innovation, pragmatism and efficiency”. In our daily operations, we adhere to the principle of integrity, have the courage to innovate, focus on practical results, and pursue efficiency, in order to promote the sustainable development of the enterprise through excellent management and services. In addition, the Group attaches great importance to integrity in our business operations. Through various anti-corruption training and education programmes, the Group guides its staff at all levels to “establish integrity, uphold principles, abide by discipline and resist corruption”, so as to establish a high standard of business ethics, create a healthy corporate culture and realize good corporate governance, thereby laying a solid foundation for the long-term development of the enterprise.

The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange as the Company’s corporate governance code. For the year ended 31 December 2025, the Company has complied with all applicable code provisions of the CG Code.

Composition of the Board

During the year ended 31 December 2025 and up to the date of this report, the Board comprises the following members:

Executive Directors

Mr. Duan Shengli (*Chairman*)

Mr. Han Chao (*General Manager*)

Mr. Hu Xu

Non-executive Directors

Mr. Sang Quan

Mr. Lin Wuchang

Independent non-executive Directors

Mr. Peng Liaoyuan

Ms. Wen Yanhong

Mr. Dong Xinyi

Mr. Lam Wai Hon (*appointed on 15 May 2025*)

Mr. Hoong Cheong Thard (*appointed on 15 May 2025*)

Biographical details of the current members of the Board are set out on pages 27 to 32 of this annual report. Save for being members of the Board, there is no relationship (including financial, business, family or other material relationship) between members of the Board.

Mr. Lam Wai Hon and Mr. Hoong Cheong Thard were appointed as independent non-executive Directors of the Company on 15 May 2025. They have obtained the legal opinion as set out in Rule 3.09D of the Listing Rules on 15 May 2025 and have confirmed that they understand their duties as directors of a listed issuer.

For the year ended 31 December 2025, the Company had arranged for appropriate insurance cover for directors' and senior management's liabilities in respect of any legal actions against them arising out of the Company's corporate activities.

Roles and Duties of the Board and Management

The Board is in charge of formulating strategic business development, reviewing and monitoring the business performance of the Group, approving major funds allocation and investment proposals as well as preparing and approving the financial statements of the Group. The Board also gives clear instructions on the authority delegated to the management in relation to the administration and management of the Group.

Chairman and Chief Executive Officer

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer of a listed company should be segregated and should not be performed by the same individual. The Company has separated the roles of chairman and chief executive officer in accordance with code provision C.2.1 of the CG Code. Currently, Mr. Duan Shengli is the chairman of the Board, primarily responsible for providing guidance and formulation of the overall strategies for the overall development of the Group, while Mr. Han Chao is the general manager of the Company, primarily responsible for the daily business operations of the Group.



Independent Non-Executive Directors

During the year ended 31 December 2025, the Board has at all times met the requirements of Rules 3.10 and 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 possesses appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence. The Board is satisfied with the independence of the independent non-executive Directors with reference to the factors set out in Rule 3.13 of the Listing Rules.

Mechanisms for Independent View and Input

The Board has also put in place mechanisms to ensure that independent views and opinions are available to the Board. Directors may seek independent professional advice, at the Company's expense, where appropriate, upon reasonable request. The Board and individual Directors should have their own access to the senior management of the Company to access information and make enquiries about the Company. The Board will review the implementation and effectiveness of the above mechanism annually to ensure that the Board has access to adequate and independent views and opinions from time to time.

Appointment and Re-election of Directors

Pursuant to code provision B.2.2 of the CG Code, every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Company has entered into a service agreement (for executive directors and non-executive directors) or a letter of appointment (for independent non-executive directors) with each of the directors for a term of three years, which may be terminated by not less than three months' notice in writing given by one party to the other. Such appointments are subject to the provisions for retirement by rotation of Directors under the Articles of Association of the Company (the "**Articles**"). Pursuant to the Articles, at each annual general meeting of the Company (the "**AGM**"), one-third of the Directors (or, if their number is not a multiple of three, then the number nearest to, but not less than, one-third) for the time being in office shall retire from office by rotation and every Director (including those appointed for a specific term) shall be subject to retirement by rotation at the AGM at least once every three years.

Attendance Record of Directors

The Board meets regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate in the meetings either in person, by proxy, or by means of electronic communications.

7 Board meetings were convened by the Company during the year ended 31 December 2025. At least 14 days' notice before the date of the meeting is given for a regular Board meeting to allow all Directors to make arrangements to attend. For all other Board meetings, reasonable notices were also given.

The attendance of individual Directors at the Board meetings, meetings of Board committees, and general meetings held during the year ended 31 December 2025 is set out below:

Director	Number of meetings attended/Number of meetings held				
	General Meeting	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting
Mr. Duan Shengli	1/1	7/7	—	—	3/3
Mr. Han Chao	1/1	7/7	—	3/3	—
Mr. Hu Xu	1/1	7/7	—	—	—
Mr. Sang Quan	1/1	6/7 <i>(note 1)</i>	—	—	—
Mr. Lin Wuchang	1/1	6/7 <i>(note 1)</i>	—	—	—
Mr. Peng Liaoyuan	1/1	6/7 <i>(note 1)</i>	5/5	—	2/3 <i>(note 1)</i>
Ms. Wen Yanhong	1/1	7/7	5/5	3/3	0/0 <i>(note 2)</i>
Mr. Dong Xinyi	1/1	7/7	5/5	3/3	3/3
Mr. Lam Wai Hon <i>(note 3)</i>	1/1	3/3	—	—	—
Mr. Hoong Cheong Thard <i>(note 3)</i>	1/1	3/3	—	—	—

Note: 1. For good corporate governance, Mr. Sang Quan and Mr. Lin Wuchang abstained from one board meeting during the Year due to potential conflicts of interest; Mr. Peng Liaoyuan abstained from one Board meeting and one Nomination Committee meeting during the Year due to potential conflicts of interest.

2. Ms. Wen Yanhong was appointed as a member of the Nomination Committee with effect from 21 July 2025.

3. Mr. Lam Wai Hon and Mr. Hoong Cheong Thard were appointed as independent non-executive Directors with effect from 15 May 2025.



Directors' Training

Directors should participate in appropriate continuing professional development training to update their knowledge and skills. During the year ended 31 December 2025, all of the Directors of the Company have attended continuous professional development training sessions in compliance with code provision C.1.4 of the CG Code.

The following table lists the training records for each Director during the Year:

Director	Attend at training session conducted by legal advisers/ continuous professional development training sessions	Reading materials relating to regulatory updates and compliance matters
Mr. Duan Shengli	✓	✓
Mr. Han Chao	✓	✓
Mr. Hu Xu	✓	✓
Mr. Sang Quan	✓	✓
Mr. Lin Wuchang	✓	✓
Mr. Peng Liaoyuan	✓	✓
Ms. Wen Yanhong	✓	✓
Mr. Dong Xinyi	✓	✓
Mr. Lam Wai Hon	✓	✓
Mr. Hoong Cheong Thard	✓	✓

Joint Company Secretaries

Mr. Hu Xu and Mr. Cheng Ching Kit have been appointed as joint company secretaries of the Company. Biographical information of Mr. Hu Xu and Mr. Cheng Ching Kit is set out in the section headed “Directors and Senior Management” in this annual report. Mr. Cheng Ching Kit is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional corporate services provider, and assists Mr. Hu Xu in company secretarial affairs. The primary corporate contact person of Mr. Cheng Ching Kit at the Company is Mr. Hu Xu.

For the year ended 31 December 2025, Mr. Hu Xu and Mr. Cheng Ching Kit have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

Corporate Governance Functions

The Board is responsible for performing the following corporate governance duties: (a) to formulate and review the Company’s policies and practices on corporate governance and make recommendations to the Board; (b) to review and monitor the training and continuous professional development of Directors and senior management; (c) to review and monitor the Company’s policies and practices in compliance with legal and regulatory requirements; (d) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and (e) to review the Company’s compliance with the CG Code and disclosures in the Corporate Governance Report of the annual report of the Company. The Board may also assign corporate governance responsibilities to its committees.

Risk Management and Internal Control

Duties of the Board and the Management

The Board is responsible for the risk management and internal control systems and has the responsibility to review the effectiveness of the system. The Board is responsible for assessing and determining the nature and extent of the risks that the Group is willing to take in achieving strategic objectives, and monitoring the establishment and maintenance by the management of appropriate and effective risk management and internal control systems. The management is responsible for establishing and maintaining appropriate and effective risk management and internal control systems as well as providing confirmations to the Board on the effectiveness of the systems. Sound risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance that there will be no material misstatements or losses.



The Company has established an organizational structure with the Board of the Group as the decision-maker, and the Chairman, leaders in charge of each business and management personnel at all levels as the specific implementation unit, and has defined the management responsibilities of risk management and internal control from top to bottom as well as the risk information reporting line from bottom to top. The primary roles and duties of the risk management and internal control system are as follows:

Roles	Primary Duties
Board (Decision-maker)	<ul style="list-style-type: none"> • Assess and determine the nature of the risk and the degree of acceptance to ensure the achievement of strategic objectives • Continuously reviewing changes in the nature and severity of significant risks and the Group's ability to respond to changes in the business and external environment since the previous annual review • Ensure the establishment and maintenance of effective risk management and internal control systems • Supervise management for the design, implementation and monitoring of the risk management and internal control systems
Audit committee (Decision-maker)	<ul style="list-style-type: none"> • Review the structure and responsibilities of risk management and continuously monitor its effectiveness, review the basic risk management system • Supervise the management for the design, implementation and monitoring of the risk management and internal control systems • Monitor significant control failures or weaknesses that have been identified during the Year, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition

Roles	Primary Duties
Senior management of the Group (Leadership)	<ul style="list-style-type: none"> • Responsible for the development of risk management system, regularly review the Company’s risk management policies and system • Design, implement and supervise the risk management work of the Group, report on risk management to the Audit Committee on a regular basis, and report and disclose significant risk information to the Audit Committee • Provide the Audit Committee with the confirmation of the effectiveness of the risk management system
Management at the headquarters of the Group and management of functional departments in regional offices (Execution)	<ul style="list-style-type: none"> • Regularly update the list of risks involved in the relevant activities, and carry out risk identification and evaluation and other related work • Develop and implement a risk response program for the relevant activities • Responsible for the implementation of specific risk management measures • Monitor all kinds of risks involved in the relevant activities, timely report to the risk management coordinator and risk management leadership on risk information • Conduct other relevant work on risk management
Internal audit function	<ul style="list-style-type: none"> • As a risk management supervising department, responsible for supervising risk management work of the Group and regional offices



Risk Management

During the Year, the Group continued to improve the establishment of the risk management system at the group level to guide the risk assessment activities and ongoing risk monitoring activities by way of the following:

Updating the risk assessment criteria. During the Year, the Group updated the risk assessment criteria applicable to the Group based on changes in the internal and external operating environment, the nature of the Company’s business, operating characteristics and strategic objectives and the nature and extent of risk it is willing to accept in order to achieve its strategic objectives, and assessed and ranked the risks that are most likely to affect the achievement of its corporate objectives in terms of the likelihood of occurrence of risks and the extent of the impact of the risks by applying the commonly recognised assessment methodology and assessment criteria. The risks assessed during the Year included, but not limited to, strategic risks, financial risks, operational risks, compliance and regulatory risks, and ESG risks.

Improved risk management workflow. A risk management workflow covering major steps including identification, assessment, response, monitoring and reporting (please refer to chart 1 “Risk management workflow” below for details) has been enhanced to systematically organize, mitigate and monitor risks. The Group is guided by its business objectives, identifying the risk factors that affect the achievement of business objectives, assessing the likelihood and potential impacts of each specific risk; adopting measures to deal with the risks identified; and continuously monitoring the changes in risks and timely adjusting countermeasures.



(Chart 1: Risk management workflow)

Risk management reviews are carried out in accordance with the established review frequency.

Pursuant to the annual risk management plan and the Risk Management Manual, the Board through its Audit Committee carried out a comprehensive review of the risk management system during the Year. With the collaboration of external consultants, the Group continues to deepen its risk management, potential risks in business operations were systematically identified, the 2025 major risk list was updated and confirmed, response measures for various risks were collated, the principal responsible departments for risks and next steps response measures and improvement directions were clarified. The results of the relevant risk assessment and review have been reported to the Audit Committee.

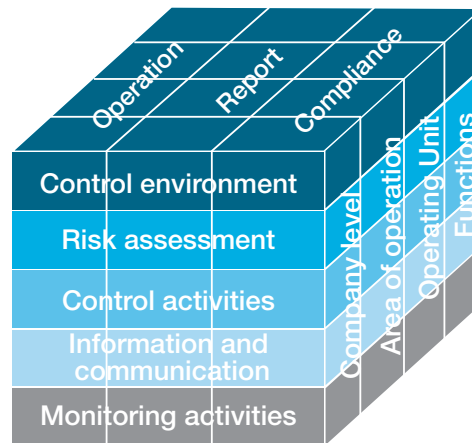
Internal Control

The Group has established an internal control system applicable to the Group by reference to the COSO (Committee of Sponsoring Organizations of the Treadway Commission) internal control management framework (please refer to chart 2: COSO internal control management framework). The system comprises five interrelated and synergistically operating components, namely control environment, risk assessment, control activities, information and communication, and monitoring activities, which collectively ensure the continued effective operation of internal control and monitoring.

The system is a core component of the Group's overall risk management system, and its design and operation are based on various risks faced by the Group. Focusing on key processes such as finance, operations and compliance, the management of the Group's headquarters, regional companies and business departments is responsible for designing and implementing corresponding internal control policies and procedures, and continuously monitoring their implementation and effectiveness.

The Group has designed procedures to safeguard its assets against unlawful use, maintain proper accounting records to provide reliable financial information for internal use or for publication, and to ensure the Group's compliance with applicable laws, rules and regulations. Nonetheless, the systems are designed to provide reasonable but not absolute assurance against any misstatement or loss.

In 2025, the Group also conducted a review of the control process of internal control with the help of external consultants and proposed improvement measures to address the loopholes and weaknesses identified in the process. The management of the relevant departments of the Group then followed up the implementation in a timely manner to ensure that the improvement measures were implemented in a timely manner and reported the results of the internal control review and follow-up to the Audit Committee.



(Chart 2: COSO internal control management framework)

Internal Audit

The Group has established an internal audit department to be responsible for independent supervision. Management has developed measures for improvement in view of the vulnerabilities and weaknesses identified during the internal audit, which are followed up by the comprehensive monitoring center on a regular basis to ensure the timely implementation of the relevant measures for improvement.

Review of Risk Management and Internal Control Systems

During the Year, the Board, through the Audit Committee, carried out a comprehensive review of the Group's risk management and internal control systems, which included carrying out the annual major risk assessment and reviewing and checking the implementation of internal controls for key business processes.

The review covered the financial year ended 31 December 2025. Having duly considered changes in the nature and severity of the major risks faced by the Group, as well as the Group's ability to adapt to changes in its business and the external environment, the risk assessment, the review and check of internal control were focused on key areas including financial, operational and compliance aspects.

The Audit Committee has reviewed the resources, staff qualifications and experience of the Group on accounting, internal audit and financial reporting functions as well its staff training programs and budget and confirmed the adequacy of the same.

Having considered the findings of the risk management and internal control review, the Audit Committee and the Board are of the view that the risk management and internal control systems of the Group is adequate and effective during the Year.

Anti-fraud System

The Group has in place whistleblowing procedures to enable employees, customers and suppliers to make anonymous reports of misconduct or other matters related to the Group to the Company and/or the Audit Committee.

The Group strictly prohibits any form of corruption, bribery, extortion, fraud and money laundering. The Group has established a supervisory function for the coordination and establishment of the Group's anti-fraud system. The supervisory function is responsible for conducting investigations on any reports, and providing guidance to the headquarter of the Group, personnel and units to promote integrity.

Framework for Disclosure of Inside Information

The Company has put in place a framework for the handling and disclosure of inside information in compliance with the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”). The framework sets out the procedures and internal controls, including but not limited to establishing controls for monitoring business and corporate developments and events so that any potential inside information is promptly identified and escalated, restricting access to inside information to a limited number of employees on a need-to-know basis, and ensuring employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality, for the handling and dissemination of inside information in a timely manner so as to allow all the shareholders and stakeholders to assess the latest position of the Group.

Audit Committee

Currently, the Audit Committee comprised three members, namely Ms. Wen Yanhong (the chairman of the committee), Mr. Peng Liaoyuan and Mr. Dong Xinyi, who are all independent non-executive Directors. The Audit Committee adopted the written terms of reference which were basically the same as those set forth in the code provision D.3.3 of the CG Code. The Audit Committee is principally responsible for, among other things, the following duties:

- to provide recommendations on the appointment, re-appointment and removal of external auditors to the Board, approve the remuneration and terms of engagement of the external auditors and handle any issues related to the resignation or dismissal of the auditors;
- to review and monitor whether the external auditors are independent and objective and whether the audit procedures are effective in accordance with applicable standards;



- to formulate and implement policies for the engagement of external auditors for the provision of non-audit services;
- to monitor the integrity of the financial statements, the annual reports and accounts and the interim reports of the Company, and review the material financial reporting judgements therein;
- to review the financial control, internal control and risk management systems of the Company;
- to discuss the internal control and risk management systems with the management and to ensure that the management has discharged its duties of setting up effective internal control and risk management systems;
- to review the financial and accounting policies and practices of the Group; and
- to review the external auditors' letter to the management, any material queries that the auditors made to the management in respect of the accounting records, financial accounts or systems of control as well as the management's response.

During the year ended 31 December 2025, the Audit Committee held a total of 5 meetings. The number of meetings attended by each member is set out in the section headed "Attendance Record of Directors" above. The Audit Committee performed the following significant work, including reviewing the annual results and annual report for the year ended 31 December 2024, the interim results and interim report for the period ended 30 June 2025, reviewing the Group's compliance procedures, connected transactions, remuneration of the external auditor, discussing and reviewing the Company's resources, qualifications and experience of its staff and the training programmes and budget of its staff in respect of the accounting, internal audit and financial reporting functions, and confirmed that the foregoing are adequate. There was no disagreement between the Audit Committee and the Board on the selection of the Company's external auditor.

During the year ended 31 December 2025, the emolument of the Group's external auditor for the annual audit and review of the financial statements of the Company amounted to RMB4.5 million. The non-audit service was related to the review service of the interim financial report 2025, which amounted to approximately RMB1.8 million.

Remuneration Committee

The Remuneration Committee currently comprises three members, namely Mr. Dong Xinyi (the chairman of the committee), Ms. Wen Yanhong and Mr. Han Chao, the members consist of two independent non-executive Directors and one executive Director. The Remuneration Committee has adopted written terms of reference which are substantially the same as those set out in code provision E.1.2 of the CG Code. The Remuneration Committee is primarily responsible for, among other things, the following duties:

- to make recommendations to the Board in respect of the remuneration policy and structure of the Directors and senior management of the Company and the establishment of formal and transparent procedures for developing such remuneration policy;
- to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- to determine, with delegated responsibility from the Board, the specific remuneration packages of individual executive directors and senior management;
- to make recommendations to the Board on the remuneration of non-executive Directors;
- to review and approve payments to the executive Directors regarding compensation for their loss or termination of office or appointment, to ensure relevant terms of the contracts, and that the compensation is fair and not excessive for the Company;
- to review and approve the arrangements involved in the termination or dismissal of Directors due to misconduct, to ensure that those arrangements are determined according to the relevant terms of the contracts, and that the compensation is reasonable and appropriate; and
- to ensure that no Director or any of his associates is involved in deciding his/her own remuneration.

During the year ended 31 December 2025, the Remuneration Committee held 3 meetings. The number of meetings attended by each member is set out in the section headed “Attendance Record of Directors” above. The Remuneration Committee has reviewed the remuneration policies and structure for Directors, the remuneration packages of the Directors and senior management, approved the terms of the appointment letters of the independent non-executive Directors.



Nomination Committee

The Nomination Committee currently comprises four members, namely Mr. Duan Shengli (the chairman of the committee), Mr. Peng Liaoyuan, Ms. Wen Yanhong and Mr. Dong Xinyi, the members consist of one executive Director and three independent non-executive Directors. The Nomination Committee has adopted written terms of reference which are substantially the same as those set out in code provision B.3.1 of the CG Code. The Nomination Committee is primarily responsible for, among other things, the following duties:

- to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board on a regular basis and make recommendations to the Board on any proposed changes to the composition of the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become Board members and to select or nominate such individuals to become Directors or make recommendations to the Board in this regard;
- to assess the independence of independent non-executive directors in accordance with applicable laws, rules and regulations; and
- to make recommendations to the Board on matters relating to the appointment, re-appointment and removal of directors and succession planning for directors of the Company.

During the year ended 31 December 2025, the Nomination Committee held 3 meetings. The number of meetings attended by each member is set out in the section headed "Attendance Record of Directors" above. The Nomination Committee has considered the structure, size and composition of the Board (including the skills, knowledge, experience and diversity aspects), made recommendations to the Board on the re-appointment and appointment of Directors, made recommendations to the Board on the Directors to be proposed for re-election at the annual general meeting, and assessed the independence of the independent non-executive Directors.

Remuneration of Directors

During the year ended 31 December 2025, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office, and none of the Directors had waived or agreed to waive any emoluments.

Details of the Directors' respective emoluments are set out in Note 12 to the consolidated financial statements.

In accordance with code provision E.1.5 of the CG Code, the remuneration by band for senior management (excluding Directors) for the year ended 31 December 2025 is set out below:

Annual remuneration by band	Number of individuals
HK\$1,000,001 to HK\$2,000,000	1

Except as disclosed above, no other payments have been made or are payable, for the year ended 31 December 2025, by the Group to or on behalf of any of the Directors.

Nomination Policy and Procedures

In the nomination of a new Director to the Board, the Nomination Committee will consider potential new candidates openly from time to time, taking into account the strategic needs of the Company and the Board. The potential pool of candidates include (but without limitation) local and overseas academics, Hong Kong and overseas listed companies directors, executives and experts in the relevant fields.

The Nomination Committee will consider the candidates based on merit having regard to the experience, skills and expertise as well as the overall board diversity, and make recommendations to the Board as appropriate.



Board Diversity Policy

The Board has also adopted a “Board Diversity Policy” to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance. Selection of board candidates shall be based on a range of diversity perspectives with reference to the Company’s business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience.

The Nomination Committee reviews the Board Diversity Policy as appropriate to ensure the continued effectiveness of the Board.

The Board currently consists of ten Directors, of whom one is female and nine are male, aged between 36 and 72. By reference to the qualifications, work experience and background of the Directors, the Board considers that it has achieved diversity in terms of gender, age, educational background, industry experience and professional experience. The Nomination Committee will monitor the implementation of the Board’s diversity policy and all measurable objectives from time to time to ensure the effectiveness of the policy and make recommendations to the Board on any revision to the policy as and when necessary.

The Board aims to maintain at least the current proportion of female member. The Company will ensure that gender diversity is taken into account in the recruitment of middle and senior management and that sufficient resources are available to provide appropriate training and functional development to maintain gender diversity in the pipeline of potential successors to the Board.

Staff Diversity

As of 31 December 2025, the gender balance of the Group’s staff (including senior management) is set out below:

	As of 31 December 2025	
	Number of staff	Percentage of total staff
Male staff	60,503	60.2%
Female staff	40,064	39.8%

The Board considers that there is an appropriate gender balance in the Group's workforce. The Group promotes equality and diversity in human resources management and encourages gender diversity at all levels of work. The Group has established training plans to nurture corporate talent and develop a broad range of diverse and skilled and experienced staff. The Group will continue to look for opportunities to increase the proportion of female staff.

During the year ended 31 December 2025, the Board has not been made aware of any factor or circumstance that make it more challenging or less relevant for staff, including senior management, to achieve gender diversity.

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the Company's code of conduct for securities transactions by the Directors. The Company has made specific enquiry of all the Directors and they have confirmed that they have complied with the required standard as set out in the Model Code regarding securities transactions by them throughout the year ended 31 December 2025.

Directors' Responsibilities for the Financial Statements

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group in accordance with statutory requirements and applicable accounting standards, so as to give a true and fair view of the state of affairs of the Company and the Group and of the results and cash flows of the Group. The Directors also acknowledge their responsibilities to ensure that the consolidated financial statements of the Group are published in a timely manner.

Dividend Policy

The Company has adopted a dividend policy (the "**Dividend Policy**") where the Company would, where the situation allows, declare dividends to shareholders every year and may declare special dividends from time to time. In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into consideration the Group's distributable profits generated during the Year, the financial situation and liquidity of the Group, the investment needs and the retained profits that should be set aside for future development purposes. While sharing the profit with shareholders, the Company will also maintain sufficient reserves to meet its liabilities and to ensure the implementation of the Group's strategy for future development. The payment of dividend is also subject to any restrictions under the laws of Cayman Islands, the laws of Hong Kong and the Articles.



Relationship with Controlling Shareholders

On 19 November 2020, each of Mr. Hui Ka Yan, Xin Xin (BVI) Limited, China Evergrande Group, CEG Holdings (BVI) Limited (in liquidation) (“**CEG Holdings**”) Anji (BVI) Limited, and Shengjian (BVI) Limited (collectively referred to as the “**Undertaking Controlling Shareholders**”) entered into a deed of non-competition in favor of the Company, details of which are set out in the section headed “Relationship with Controlling Shareholders - Deed of Non-Competition” in the prospectus of the Company dated 23 November 2020. To the best knowledge and belief of the Directors, the Directors are not aware of any non-compliance with the non-competition deed by each of the Undertaking Controlling Shareholders for the year ended 31 December 2025.

Constitutional Documents

During the year ended 31 December 2025, the Company has not amended its memorandum and articles of association. The latest versions of the relevant documents are available on the Company’s website (www.evergrandeservice.com) and the website of the Stock Exchange (www.hkexnews.hk).

Shareholders’ Rights

Right to convene an extraordinary general meeting (“EGM”) (including the right of making proposals/moving resolutions at the EGM)

Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up share capital of the Company carrying the right of voting at the general meetings of the Company (the “**Eligible Shareholder(s)**”) shall at all times have the right, by written requisition to the Board or the Joint Company Secretaries, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving resolutions at the EGM. Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving resolutions at the EGM must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong at Room 2201, 22/F, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong, for the attention of the Joint Company Secretaries.

If within 21 days of the deposit of the Requisition the Board has not notified the Eligible Shareholders and fails to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the Articles, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board to convene such meeting shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Right to Nominate Directors for Election at General Meetings

If a shareholder wishes to propose a person other than a Director of the Company for election as a Director, the shareholder must deposit a written notice (the “**Notice**”) to the principal place of business of the Company in Hong Kong at Room 2201, 22/F, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong, or the branch share registrar of the Company, Computershare Hong Kong Investor Services Ltd., at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for the attention of the Joint Company Secretaries. The Notice must state clearly the name of the shareholder(s) and his/her/their shareholding, the full name of the person proposed for election as a Director, including the person’s biographical details as required by Rule 13.51(2) of the Listing Rules, and be signed by the shareholder concerned (not the person to be nominated).

The Notice must also be accompanied by a letter of consent signed by the person nominated to be elected on his/her willingness to be elected as a Director. The period for lodgment of the Notice will commence no earlier than the day after the despatch of the notice by the Company of the general meeting appointed for the election of Directors of the Company and end no later than seven (7) days prior to the date of such general meeting.

The Notice will be verified by the Company’s branch share registrar and upon their confirmation that the request is proper and in compliance with the rules of procedures, the Joint Company Secretaries will ask the Nomination Committee and the Board of the Company to consider to include the resolution proposing such person to be elected as a Director in the agenda for the general meeting.

Disclaimers

The contents of the section headed “Shareholders’ Rights” in this report are for reference only and in compliance with disclosure requirements, which do not represent and shall not be regarded as legal or other professional advice to the shareholders. Shareholders should seek their independent legal or other professional advice as to their rights as shareholders of the Company. The Company disclaims any liability for all liabilities and losses incurred by the shareholders in reliance upon any contents of the section headed “Shareholders’ Rights”.



Shareholder Communication Policy

The Company has established a shareholder communication policy to ensure that shareholders have equal and timely access to corporate information. Corporate information will be communicated to shareholders through the corporate communications, annual general meetings and other general meetings that may be held, as well as disclosures filed with the Stock Exchange. Shareholders may access information published by the Company through the Stock Exchange's website (www.hkexnews.com) or the Investor section of the Company's website (www.evergrandeservice.com). Shareholders may also make enquiries to the Company and provide comments and suggestions to the Board through the channels mentioned in the "Investor Relations" section below. The Company will respond to shareholders' enquiries as soon as practicable after receipt.

During the year ended 31 December 2025, the Company carried out multi-channel communication and liaison with its shareholders and investors through various means, such as convening annual general meetings, corporate communications, publication of announcements on the websites of the Stock Exchange and the Company's website, and responding to shareholders' enquiries. Based on the above, the Board is of the view that the Company's shareholders' communication policy remained effective during the Year.

Putting Forward Enquiries to the Board

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

Investor Relations

Shareholders and investors may send written enquiries or requests to the Company by the following methods:

By telephone: (852) 2287 9283

By post: Room 2201, 22/F, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong

By email: IR@evergrandeservice.com

Report of the Directors

The Directors are pleased to present this report together with the audited financial statements of the Group for the year ended 31 December 2025.

Principal Activities

The Company is one of the largest integrated property management service enterprises in the PRC. The Company is a full-service property service enterprise with a diversified service format, including residential properties, commercial properties, industrial parks, hospitals, schools, rail transit and city public services, etc. In addition to basic property management services, the Company also provides value-added services to its customers, such as community living services, asset management services and community operation services.

Business Review

General

A review of the business of the Group for the year ended 31 December 2025, discussion on the future development in the Group's business, description of possible business risks and uncertainties that the Group may be facing are provided in the Chairman's Statement on pages 6 to 13 and Management Discussion and Analysis on pages 14 to 26 of this annual report. An analysis of the Group's key financial performance indicators and its exposure to industry risk, business risk, foreign exchange risk and the risk of irrecoverable material losses is set out in the Management Discussion and Analysis on pages 14 to 26 of this annual report, while the Group's financial risk management objectives and policies are set out in Note 5 to the consolidated financial statements. Details of significant events affecting the Group since the end of the financial year ended 31 December 2025 are set out on page 69 to 70 of this annual report.

Compliance with Laws and Regulations

The Group has established procedures in place to ensure that its operations comply with applicable laws, rules and regulations. The Board is responsible to monitor the Group's policies and practices for achieving compliance with legal and other regulatory requirements, and such policies and practices will be regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operating units whenever necessary.

As far as the Company is aware, the Group has complied in all material respects with laws and regulations that have a significant impact on the Group's business and operations.



Environmental Policies and Performance

The Group is committed to the long-term sustainable development of the environment and communities in which it operates. The Group complies with applicable environmental protection laws and regulations for its business operations, and has implemented relevant environmental protection measures in compliance with applicable laws and regulations of PRC. Further details on the environmental policies and performance of the Group are set out in the Environmental, Social and Governance Report for the year ended 31 December 2025 to be published separately.

Relationship with Stakeholders

The Group recognises that employees, customers and business partners are keys to its sustainable development. We are committed to establishing a close and caring relationship with our employees, providing quality services to our customers and enhancing cooperation with our business partners for the long-term stable development of our business.

The Group is committed to creating a healthy and safe working environment with growth opportunities for its employees. We regularly develop comprehensive in-house employee training programs for our employees to enhance and improve their professional and service skills, and provide them with knowledge of industry quality standards and workplace safety standards. Further details are set out in the Management Discussion and Analysis on pages 14 to 26 of this annual report.

The Group is committed to developing good relationships with its suppliers as long-term business partners to ensure the stability of the Group's business. Through proactive and effective ongoing communication, regular monitoring and evaluation, we continue to strengthen the co-operative relationship with our suppliers and help them to enhance their sustainable development performance.

Customer satisfaction with our services and products has a profound effect on the Group's profitability. The Group creates safe, convenient, healthy and caring community environments for its customers by responding to their needs in a timely and effective manner through its butlers who are on call round-the-clock. The customer-centric culture has guided the Group to forge ahead and explore new ways to better serve its customers. For example, the Group actively listens to customer feedback and continuously improves its service design and processes. Meanwhile, through the implementation of a digital information platform, the Group facilitates online interactions between customers and butlers through the use of advanced information technology and smart technology, thereby enhancing customer experience, reducing reliance on manual labour and improving operational efficiency.

Financial Statements

The results of the Group for the year ended 31 December 2025 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 81.

The financial position of the Group as at 31 December 2025 is set out in the Consolidated Statement of Financial Position on pages 82 to 83.

The cash flows of the Group for the year ended 31 December 2025 are set out in the Consolidated Statement of Cash Flows on page 85.

Share Capital

Details of the movement in share capital of the Company during the Year are set out in Note 26 to the consolidated financial statements on page 153.

Dividends

The Board does not recommend the payment of any final dividend for the year ended 31 December 2025 (for the year ended 31 December 2024: Nil).

Reserves

During the Year, details of movements in the reserves of the Group and the Company are respectively set out in Note 27 to the financial statements on page 154 and Note 36 to the financial statement on pages 166 to 167.

As at 31 December 2025, the reserve available for distribution amounted to approximately RMB1,579.7 million. No dividend was proposed for the year.

Property and Equipment

The movements in property and equipment during the Year are set out in Note 17 to the financial statements on pages 138 to 139.



Major Customers and Suppliers

For the year ended 31 December 2025, revenue from the Group's largest customer accounted for approximately 0.4% of the Group's total annual revenue and the Group's top five customers accounted for less than 20% of the Group's total annual revenue.

For the year ended 31 December 2025, the amount of purchases from the Group's largest supplier accounted for approximately 10.9% of the Group's total annual amount of purchases and the Group's top five suppliers accounted for less than 20% of the Group's total annual amount of purchases.

As far as the Company is aware, none of the Directors, their associates and shareholders who are interested in more than 5% of the share capital of the Company had any interest in the five largest suppliers and customers noted above.

Directors

The Directors who held office during the year ended 31 December 2025 and up to the date of this annual report were:

Executive Directors

Mr. Duan Shengli (*Chairman*)

Mr. Han Chao (*General Manager*)

Mr. Hu Xu

Non-executive Directors

Mr. Sang Quan

Mr. Lin Wuchang

Independent non-executive Directors

Mr. Peng Liaoyuan

Ms. Wen Yanhong

Mr. Dong Xinyi

Mr. Lam Wai Hon (*appointed on 15 May 2025*)

Mr. Hoong Cheong Thard (*appointed on 15 May 2025*)

The biographical details of the Directors and senior management are set out in the section headed “Directors and Senior Management” of this annual report.

In accordance with article 84(1) of the Articles, at each AGM one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an AGM at least once every three years. Accordingly, Mr. Duan Shengli, Mr. Dong Xinyi, Mr. Sang Quan and Mr. Lin Wuchang shall retire from office at the forthcoming AGM and, being eligible, will offer themselves for re-election at the AGM.

Permitted Indemnity Provisions

The Articles provide that every Director is entitled to be indemnified and secured harmless out of the assets profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts. However, this indemnity does not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

During the year ended 31 December 2025, the Group has purchased directors and senior managements liability insurance, which provides appropriate cover for the Directors and senior managements. The permitted indemnity provision was in force during the year ended 31 December 2025 and remained in force as at the date of this annual report for the benefit of the Directors.

Management Contracts

During the year ended 31 December 2025, no management or administration contract concerning the management of the whole or substantial part of any business of the Company was entered into, or subsisted.

Directors’ Service Contracts

On 9 February 2025, the Company renewed the letter of appointment with Mr. Peng Liaoyuan for a term of three years commencing from 9 February 2025 with no change in director’s fee.

On 21 July 2025, the Company renewed the service agreement with Mr. Duan Shengli for a term of three years commencing on 22 July 2025. Mr. Duan will not receive any director’s fee for his role as an executive Director of the Company.



As at the date of this report, save as disclosed above, the Company has entered into a service agreement with each of the executive and non-executive directors for a term of three years from the date of their appointment, which may be terminated by not less than three months' notice in writing given by one party to the other. The Company has entered into a letter of appointment with each of the independent non-executive directors for a term of three years from the date of their appointment, which may be terminated by not less than three months' notice in writing given by one party to the other.

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Directors' Material Interests in Transactions, Arrangements or Contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2025 and 2024.

Directors' Interests in Competing Businesses

None of the Directors and their respective associates has an interest in any business which competes or may compete with the business in which the Group is engaged.

Share Option Scheme

The shareholders of the Company had resolved at the extraordinary general meeting of the Company held on 10 May 2021 to adopt the share option scheme of the Company (the "**Share Option Scheme**").

The purpose of the Share Option Scheme is to enable the Company to grant options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Group. The Directors consider that the Share Option Scheme will serve to motivate the eligible participants to contribute to the Group's development. The Share Option Scheme, in the form of options to subscribe for Shares, will enable the Group to recruit, motivate and retain high-calibre staff. The Directors consider that it is in line with modern business practice to grant incentives to eligible participants of the Group (which shall include any full-time or part-time employee, executive, officer or director of the Group and any associated corporation of the Company, and any other person, consultant, expert adviser, agent, supplier or joint venture partner who, in the sole opinion of the Board, will make or has made a contribution to the Group) to align their interests and objectives with those of the Group.

The Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised. However, the rules of the Share Option Scheme provide that the Board may, at its absolute discretion, determine the terms and conditions on which share options may be granted, but no option may be exercised more than 10 years after the date of grant.

Based on 10,810,811,000 shares of the Company (the “**Shares**”) in issue as at the date of the extraordinary general meeting, the maximum number of Shares that may be issued upon the exercise of the options that may be granted under the Share Option Scheme is 1,081,081,100 Shares, being 10% of the issued shares (excluding treasury shares) of the Company as at the date of the adoption of the Share Option Scheme and as at the date of this annual report.

The maximum number of shares which may be issued in respect of options which may be granted to any eligible participant under the Share Option Scheme in any 12-month period shall not exceed 1% of the issued shares.

When a copy of the offer document constituting the acceptance of the share option is duly signed by the grantee, and the Company receives a remittance of HK\$1.00 from the grantee as the consideration for the grant of the share option, the share option shall be deemed to have been granted and accepted by the grantee.

The exercise price of the options is determined by the Board at its absolute discretion and will be not less than the highest price of the official closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, the average official closing prices of the Company’s shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant and the nominal value of the shares of the Company.

At the beginning and end of the year ended 31 December 2025, the number of share options that could be granted pursuant to the authorized limit under the Share Option Scheme was 1,081,081,100 shares. There is no separate sub-limit for service providers established under the Share Option Scheme.



The Share Option Scheme shall be valid and effect for a period of 10 years commencing from the date of its adoption up to 9 May 2031. As at the date of this report, the remaining period of the Share Option Scheme is approximately 5 years and 1 month. During the year ended 31 December 2025 and up to the date of this report, no share options have been granted, exercised, cancelled or lapsed under the Share Option Scheme and no share options are outstanding under the Share Option Scheme. Accordingly, the number of shares that may be issued in respect of the options granted under the Share Option Scheme during the year ended 31 December 2025 divided by the weighted average number of Shares in issue (excluding treasury shares) for the year ended 31 December 2025 was nil.

Share Award Scheme

The Company has not adopted any Share Award Scheme.

Equity-linked Agreement

Save for the Share Option Scheme, no equity-linked agreement was entered into by the Company during the year ended 31 December 2025 or subsisted at the end of the year.

Directors' Benefits from Rights to Acquire Shares or Debentures

Save for the Share Option Scheme, at no time during the Year was the Company, any of its holding companies or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debenture

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interest in the shares of the Company

Name of Director	Capacity in which interests are held	Number of shares held	Approximate percentage of shareholding ⁽¹⁾
Mr. Duan Shengli	Beneficial owner	3,550,000	0.03%
Mr. Han Chao	Beneficial owner	210,000	0.00%
Mr. Hu Xu	Beneficial owner	3,500	0.00%
Mr. Sang Quan	Beneficial owner	1,000	0.00%

Notes:

1. The calculation of the percentage is based on the total number of Shares in issue of the Company as at 31 December 2025.
2. All of the above interests are long positions.

(ii) Interest in shares of associated corporations of the Company

Name of Director	Name of associated corporation	Capacity in which interests are held	Number of shares held	Approximate percentage of shareholding ⁽¹⁾
Mr. Duan Shengli	China Evergrande Group ⁽²⁾	Beneficial owner	10,000	0.00%
Mr. Sang Quan	China Evergrande New Energy Vehicle Group Limited	Beneficial owner	55,500	0.00%

Notes:

1. The calculation of the percentage is based on the total number of shares in issue of the respective associated corporation as at 31 December 2025.
2. The listing of the shares of China Evergrande Group was cancelled with effect from 9:00 a.m. on 25 August 2025.
3. All of the above interests are long positions.



(iii) Interest in share options of associated corporations of the Company

Name of Director	Name of associated corporation	Capacity in which interests are held	Number of underlying shares	Approximate percentage of shareholding ⁽¹⁾
Mr. Duan Shengli ⁽²⁾	China Evergrande Group	Beneficial owner	20,600,000	0.16%
Mr. Han Chao ⁽²⁾	China Evergrande Group	Beneficial owner	40,000	0.00%
Mr. Hu Xu ⁽²⁾	China Evergrande Group	Beneficial owner	80,000	0.00%
Mr. Sang Quan	China Evergrande Group	Beneficial owner	150,000	0.00%
Mr. Lin Wuchang	China Evergrande Group	Beneficial owner	70,000	0.00%

Notes:

1. The calculation of the percentage is based on the total number of shares in issue of the respective associated corporation as at 31 December 2025.
2. Mr. Duan Shengli, Mr. Han Chao and Mr. Hu Xu have issued notices of waiver of share options to the liquidators of China Evergrande Group.
3. All of the above interests are long positions.

Save as disclosed above, as at 31 December 2025, none of the Directors, chief executive of the Company or their respective associates had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Substantial Shareholders

So far as is known to any Director or chief executive of the Company, as at 31 December 2025, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under Section 336 of the SFO or were otherwise notified to the Company and the Stock Exchange:

Name of Shareholder	Capacity in which interests are held	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding ⁽²⁾
Mr. Hui Ka Yan	Interest in controlled corporation	5,590,229,000 ⁽³⁾⁽⁴⁾	51.71%
Xin Xin (BVI) Limited	Interest in controlled corporation	5,590,229,000 ⁽³⁾⁽⁴⁾	51.71%
China Evergrande Group	Interest in controlled corporation and beneficial owner	5,590,229,000 ⁽³⁾⁽⁴⁾	51.71%

Notes:

- The disclosure of the number of such Shares held is made in accordance with the latest reported disclosure of interest notice as of 31 December 2025.
- The calculation of the percentage is based on the total number of Shares in issue of the Company as at 31 December 2025.
- According to the disclosure of interest notice dated 16 December 2022 last filed by Mr. Hui Ka Yan (“**Mr. Hui**”), Xin Xin (BVI) Limited and China Evergrande Group in respect of their interests as at 14 December 2022, of the 5,590,229,000 Shares, 5,383,074,000 Shares were directly held by CEG Holdings and 207,155,000 Shares were directly held by China Evergrande Group. CEG Holdings is directly owned as to 50% by China Evergrande Group and 50% by Shengjian (BVI) Limited. Shengjian (BVI) Limited is wholly-owned by Anji (BVI) Limited, which in turn is wholly-owned by China Evergrande Group. Xin Xin (BVI) Limited is a company wholly-owned by Mr. Hui and a direct controlling shareholder of China Evergrande Group. By virtue of the SFO, Mr. Hui and Xin Xin (BVI) Limited are deemed to be interested in the Shares of the Company in which China Evergrande Group is interested and China Evergrande Group, Anji (BVI) Limited and Shengjian (BVI) Limited are deemed to be interested in the Shares of the Company held by CEG Holdings.
- According to the announcements of China Evergrande Group (its shares was cancelled with effect from 9:00 a.m. on 25 August 2025) dated 13 September 2024 (the “**Announcement**”), 12 May 2025, 9 June 2025 and 2 July 2025, CEG Holdings is directly owned as to 50% and 50% by China Evergrande Group and Shengjian (BVI) Limited respectively, and held 5,368,074,000 Shares of the Company (representing approximately 49.65% of the total shares in issue) as at the date of the Announcement. Further, pursuant to the announcement of the Company dated 11 September 2025, China Evergrande Group and CEG Holdings directly or indirectly held 51.016% of the issued share capital of the Company. Under the Securities and Futures Ordinance, Mr. Hui, Xin Xin (BVI) Limited, China Evergrande Group and Shengjian (BVI) Limited are deemed to be interested in the Shares of the Company held by CEG Holdings.
- All of the above interests are long positions.



Subsidiaries

Details of the Company's principal subsidiaries at 31 December 2025 are set out in Note 37 to the financial statements on pages 167 to 169.

Continuing Connected Transactions

During the Year, the Group had the following transactions and arrangements with connected persons (as defined in the Listing Rules) of the Company which constituted continuing connected transactions for the Company and are required to be reported in this annual report in compliance with the disclosure requirements under Chapter 14A of the Listing Rules:

1. Car Parking Space Leasing

On 30 December 2022, the Company renewed the master car parking space leasing agreement (the **"2023 Master Car Parking Space Leasing Agreement"**) with China Evergrande Group, pursuant to which the Group will lease from the subsidiaries, joint ventures and associates of China Evergrande Group (the **"Evergrande Associates"**) certain car parking spaces (the **"Car Parking Spaces"**) situated in the residential and commercial properties developed by the Evergrande Associates and managed by the Group for subleasing to residents and tenants for a term of 3 years commencing from 1 January 2023 and ending on 31 December 2025.

The rent to be paid by the Group for the lease of the Car Parking Spaces was determined after arm's length negotiations with reference to, among others, the prevailing market rent of car parking spaces in similar locations and similar properties and the number and occupancy rate of the Car Parking Spaces leased by the Group from the Evergrande Associates.

For the three years ended 31 December 2025, the respective annual caps for the transactions contemplated under the 2023 Master Car Parking Space Leasing Agreement are approximately RMB477.8 million, RMB488.4 million and RMB493.7 million respectively.

For the year ended 31 December 2025, the aggregate transaction amount under the 2023 Master Car Parking Space Leasing Agreement was approximately RMB167.7 million, which has not exceeded the 2025 annual cap of RMB493.7 million.

2. Property Management and Related Services

On 30 December 2022, the Company renewed the master property management and related services agreement (the “**2023 Master Property Management and Related Services Agreement**”) with China Evergrande Group, pursuant to which the Group agreed to provide to the Evergrande Associates property management and related services, including but not limited to (i) property management services for unsold properties and properties owned by the Evergrande Associates; (ii) pre-delivery services including management and maintenance services for construction sites, show flats and property sales centres, preliminary planning and design consultancy services at the pre-delivery stage, pre-delivery cleaning services and pre-delivery inspection services; and (iii) repair and maintenance services during the warranty period of residential and commercial properties developed by the Evergrande Associates (the “**Property Management and Related Services**”) for a term of 3 years commencing from 1 January 2023 to 31 December 2025.

The fees to be charged for the Property Management and Related Services was determined after arm’s length negotiations with reference to the prevailing market price (having taken into account the location and condition of the property, the scope of services and the anticipated operational costs including but not limited to labor costs, administrative costs and costs of materials), historical transaction amounts and the prices charged by the Group for providing comparable services to independent third parties.

For the three years ended 31 December 2025, the respective annual caps for the transactions contemplated under the 2023 Master Property Management and Related Services Agreement are RMB478.5 million, RMB457.5 million and RMB487.1 million respectively.

For the year ended 31 December 2025, the aggregate transaction amount under the 2023 Master Property Management and Related Services Agreement was approximately RMB30.5 million, which has not exceeded the 2025 annual cap of RMB487.1 million.

China Evergrande Group is the holding company of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions under each of (i) the 2023 Master Car Parking Space Leasing Agreement and (ii) the 2023 Master Property Management and Related Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.



Confirmations

Pursuant to Rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed the above continuing connected transactions as set out above and confirmed that they were entered into:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. in accordance with the respective agreements governing the above-mentioned continuing connected transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Furthermore, in accordance with Rule 14A.56 of the Listing Rules, the Group has engaged its auditors to report on the Group's continuing connected transactions.

The auditors 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:

1. have not been approved by the Board;
2. where such transactions involve the provision of goods or services by the Group, have not been carried out in accordance with the Group's pricing policies in all material respects;
3. have not carried out in accordance with the agreements governing the transactions in all material respects; and
4. have exceeded the relevant annual caps.

Related Party Transactions

Details of the related party transactions of the Group for the year ended 31 December 2025 are disclosed in Note 34 to the consolidated financial statements of the Group. Save as disclosed above, during the year ended 31 December 2025, none of the related party transactions constituted a connected transaction or continuing connected transaction subject to independent Shareholders' approval, annual review and all disclosure requirements in Chapter 14A of the Listing Rules.

Controlling Shareholders' Interests in Contracts of Significance

Saved as disclosed in this annual report, neither the Company nor any of its subsidiaries entered into any significant contracts with the controlling shareholders of the Company or any of its subsidiaries for the year ended 31 December 2025.

Employee and Remuneration Policy

As at 31 December 2025, the Group employed a total of 100,567 employees. The Group recruits and promotes individuals based on merit and their development potentials. Remuneration package offered to all employees including Directors is determined with reference to their performance and the prevailing salary levels in the market.

The remuneration packages of Directors are recommended by the Remuneration Committee to the Board after considering factors such as the remuneration packages of comparable positions in similar companies, business needs, personal experience, Director's performance and responsibilities, and are then determined and adjusted by the Board upon review.

Commitments

For the year ended 31 December 2025, the Group had no material commitments.

Independence Confirmation

The Company has received from each of the independent non-executive Directors a confirmation of independence. The Board is satisfied with the independence of each of the independent non-executive Directors with reference to the factors set out in Rule 3.13 of the Listing Rules.

Corporate Governance

The Company is committed to maintaining a high standard of corporate governance. Further information on the Company's corporate governance practices is set out in the Corporate Governance Report on pages 33 to 53.

Foreign Exchange Risks

Details of the foreign exchange risks are set out in Note 5.1.1(i) to the financial statements on page 112.

Purchase, Sale and Redemption of the Company's Listed Securities

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sales or transfer of treasury shares).

As of 31 December 2025, the Company did not hold any treasury shares.



Disclosure Pursuant to Rule 13.20 of the Listing Rules

So far as the Directors are aware, as of 31 December 2025, there were no circumstances which would give rise to a disclosure obligation under Rule 13.20 of the Listing Rules in relation to the Company's advance to an entity.

Events after the Reporting Period

Save as disclosed below, there have been no other material subsequent events that have occurred to the Group after 31 December 2025 and up to the date of this report.

Progress of the Potential Transaction

The joint and several liquidators of China Evergrande Group and CEG Holdings have been seeking opportunities to dispose of, among other things, the shares in the Company held by China Evergrande Group and CEG Holdings (the "**Potential Transaction**"). As of the date of this report, the latest progress of the Potential Transaction is as follows: China Evergrande Group and CEG Holdings (collectively, the "**Potential Sellers**") have entered into an exclusivity agreement with a selected bidder (the "**Potential Purchaser**"), pursuant to which the Potential Sellers and the Potential Purchaser have agreed to conduct exclusive negotiations in respect of the Potential Transaction for a period of 30 business days (unless otherwise agreed or determined under the exclusivity agreement). Currently, discussions between the Potential Sellers and the Potential Purchaser are ongoing, and the parties are negotiating the terms of the formal sale and purchase agreement in respect of the Potential Transaction. For details of the above matters, please refer to the announcements of the Company dated 11 September 2025, 15 October 2025, 14 November 2025, 19 December 2025, 13 January 2026, 6 February 2026, 11 March 2026, and 14 April 2026.

Continuing Connected Transactions

Reference is made to the announcement of the Company dated 27 March 2026 in relation to continuing connected transactions (the "**Announcement**"). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those ascribed to them in the Announcement.

As disclosed in the Announcement, the 2023 CCT Agreements, which are the framework agreements that set out the principal terms and the annual caps of the continuing connected transactions between members of the Group and members of the China Evergrande (In Liquidation) Group. While the framework agreements expired on 31 December 2025, the outstanding individual agreements entered into between members of the Group and members of the China Evergrande (In Liquidation) Group pursuant to the framework agreements remain effective.

To ensure compliance with the provisions of Chapter 14A of the Listing Rules, the Company originally intended to enter into new framework agreements on terms substantially similar to the 2023 CCT Agreements with China Evergrande (In Liquidation) to set out the principal terms of the continuing connected transactions between members of the Group and members of the China Evergrande (In Liquidation) Group and the 2026 annual cap.

The Company held multiple rounds of conversation with the joint and several liquidators of China Evergrande (In Liquidation) in relation to the entering into of the new framework agreements. Owing to their statutory duties and the current status of the liquidation proceedings, the liquidators considered it inappropriate for them to enter into long-term commercial arrangements on behalf of China Evergrande (In Liquidation). As such, the entering into of the new framework agreements could not proceed.

As the Company was unable to enter into new framework agreements with the China Evergrande (In Liquidation), to comply with the provisions of Chapter 14A of the Listing Rules and keep the Shareholders informed of the continuing connected transactions between members of the Group and members of the China Evergrande (In Liquidation) Group, and as an alternative disclosure, the Company discloses by way of Announcement the principal terms for the provision of services between members of the Group and members of the China Evergrande (In Liquidation) Group and the estimated maximum aggregate transaction amounts in 2026 under the outstanding individual agreements, which would have been the annual caps had the new framework agreements been entered into:

- (i) The estimated maximum aggregate transaction amount for property management and related services in 2026 is RMB 83.8 million;
- (ii) The estimated maximum transaction amount for leasing car parking spaces in 2026 is RMB190.7 million.

Financial Summary

A summary of the results, assets and liabilities of the Group for the past five years is set out on page 170.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands requiring the Company to offer new Shares to the existing shareholders of the Company in proportion to their respective shareholders if new Shares are issued.



Tax Relief

The Board is not aware of any tax relief or exemption available to the shareholders of the Company due to their holding of the Company's securities.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained a sufficient public float as required under the Listing Rules.

Auditors

On 16 January 2023, PricewaterhouseCoopers (“**PwC**”) resigned as auditor of the Company upon the recommendation of the Company. On the same day, the Board appointed Prism Hong Kong Limited (“**Prism**”, formerly known as Prism Hong Kong and Shanghai Limited) as the new auditor of the Company to fill the casual vacancy following the resignation of PwC. For details, please refer to the announcement of the Company dated 16 January 2023 in relation to the change of auditor. There has been no change in auditors since then. The consolidated financial statements of the Company for the year ended 31 December 2025 have been audited by Prism, Certified Public Accountants, who shall retire and, being eligible, have offered themselves for re-appointment at the forthcoming annual general meeting of the Company. A resolution will be proposed at the forthcoming annual general meeting for the re-appointment of Prism as auditor of the Company.

On behalf of the Board

Duan Shengli

Chairman

Hong Kong, 27 March 2026

Independent Auditor’s Report



TO THE SHAREHOLDERS OF EVERGRANDE PROPERTY SERVICES GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Evergrande Property Services Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) set out on pages 81 to 169, 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 HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the 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 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.

Key audit matter	How our audit addressed the key audit matter
<p>1. Impairment assessment of trade and other receivables</p> <p>Refer to note 21 to the consolidated financial statement and accounting policies on pages 99 to 100.</p> <p>As at 31 December 2025, the carrying amount of trade and other receivables was RMB3,170,458,000 and credit losses allowance of RMB151,289,000 was recognised in profit or loss for the year ended 31 December 2025.</p>	<p>Our procedures in relation to the management’s judgements and estimates used in the expected credit losses assessment of trade and other receivables included:</p> <ul style="list-style-type: none">— Understand the Group’s internal controls and evaluation procedures for expected credit losses on trade and other receivables, and assess the inherent risks of material misstatement based on the level of estimation uncertainty and other inherent risk factors, such as complexity and subjectivity;

Key audit matter	How our audit addressed the key audit matter
<p>As the assessment of the expected credit loss allowance of trade and other receivables involves significant management estimates, we have identified the expected credit losses of trade and other receivables as a key audit matter.</p>	<p>— Evaluate the appropriateness of the methods used and the reasonableness of the key assumptions by: (i) Based on our understanding of the Group’s business processes, credit control procedures and the credit risk characteristics of trade and other receivables, evaluate the appropriateness of debtors grouping; (ii) Refer to the credit information and historical settlement performance of debtors to evaluate the reasonableness of the key assumptions used to estimate loss rates, and corroborate management’s explanations together with publicly available information and corroborating evidence; and (iii) Refer to the understanding of the Group’s business, industry and external macroeconomic data, challenge and evaluate management’s assessment of debtors’ financial condition, current market conditions and forward-looking factors;</p>



Key audit matter	How our audit addressed the key audit matter
<p>As disclosed in note 21 to the consolidated financial statements, the management uses a provision matrix to calculate expected credit losses on trade receivables, with the provision rates determined based on the aging of each debtor, which are considered to have similar loss patterns and take into account historical default rates and forward-looking information. For other receivables, the management measures the loss allowance equal to 12-month expected credit loss, unless when there has a significant increase in credit risk since initial recognition, the Group recognises lifetime expected credit losses. The assessment of whether lifetime expected credit losses should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.</p>	<ul style="list-style-type: none">— Test on a sample basis the accuracy of management's aging analysis of trade receivables based on supporting documents;— Check the mathematical accuracy of the calculation of the loss allowance; and— Evaluate the adequacy of disclosures related to expected credit losses on trade and other receivables. <p>Based on the above, we found that the key judgments and estimates made by management for the expected credit loss assessment of trade and other receivables are supported by available evidence.</p>

Key audit matter	How our audit addressed the key audit matter
<p>2. Impairment assessment of goodwill and property management contracts and customer relationships</p> <p>Refer to note 18 to the consolidated financial statements and accounting policies on page 96 to 97.</p> <p>As at 31 December 2025, the Group's goodwill and property management contracts and customer relationships were RMB930,418,000 and RMB437,285,000 respectively.</p> <p>As disclosed in note 18 to the consolidated financial statements, management assesses impairment of goodwill and property management contracts and customer relationships by estimating the recoverable amounts of the cash-generating units to which goodwill and property management contracts and customer relationships have been allocated. The value-in-use calculations require the Group to estimate the expected future cash flows of the cash-generating units, long-term growth rates and suitable discount rates. The Group engages an independent valuer to assist in the estimation. The key estimates involved in preparing the expected future cash flows include (i) expected growth rates of revenue; (ii) terminal growth rates; and (iii) pre-tax discount rates.</p> <p>We have identified impairment of goodwill and property management contracts and customer relationships as a key audit matter due to the overall significance of the balances to the consolidated financial statements, and the significant degree of estimation made by the Group for the recoverable amounts of the cash-generating units allocated to the goodwill and property management contracts and customer relationships.</p>	<p>Our procedures in relation to the managements judgements and estimates used in the impairment assessment of goodwill and property management contracts and customer relationships included:</p> <ul style="list-style-type: none"> — Understand and evaluate over the impairment assessment of goodwill and property management contracts and customer relationships, and assess the inherent risks of material misstatements based on the degree of estimation uncertainty and level of other factors, such as complexity, subjectivity, change and susceptibility to management bias or fraud; — Evaluate the competency, capabilities and objectivity of the external valuer; — Challenge and evaluate the reasonableness of the key assumptions and input adopted by management through: (i) Evaluate the accuracy of historical cash flow forecasts, for example, comparing forecasts used last year with actual business performance in the current year; (ii) Evaluate the reasonableness of the key assumptions used in the cash flow forecasts, including expected growth rates of revenue by comparing with historical financial data and approved budgets; (iii) for terminal growth rates, we evaluate them with reference to long-term expected inflation rates based on our independent research; and (iv) Evaluate the pre-tax discount rate with reference to comparable listed companies based on our industry knowledge and independent research;



Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"><li data-bbox="826 441 1444 614">— Perform sample testing of source data, such as approved budgets and publicly available market data and consider their reasonableness;<li data-bbox="826 646 1444 819">— Evaluate the reasonableness of management’s sensitivity analysis of key assumptions to understand the impact of reasonable changes in assumptions on recoverable amounts; and<li data-bbox="826 851 1444 1024">— Evaluate whether the judgements made and key assumptions selected in choosing the method would give rise to signs of potential management bias.

OTHER INFORMATION CONTAINED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. Other information comprises the information included in the annual report other than 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 the other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA 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 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 consolidated 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. Our report is made solely to you, as a body, in accordance with the terms of our 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 HKSAs 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 that 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.
- Conclude on the appropriateness of the 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 purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, 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.

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. Lee Kwok Lun.

Prism Hong Kong Limited

Certified Public Accountants

Lee Kwok Lun

Practising Certificate Number: P06294

Hong Kong

27 March 2026



Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	For the year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	8	13,677,623	12,756,687
Cost of sales		(11,173,017)	(10,313,250)
Gross profit		2,504,606	2,443,437
Other income	9	104,227	185,275
Other losses	10	(31,304)	(48,222)
Impairment losses on financial assets, net		(151,289)	(130,890)
Fair value losses on investment properties		(922)	(43)
Administrative and marketing expenses		(942,248)	(975,422)
Operating profit		1,483,070	1,474,135
Fair value gains on financial liabilities at fair value through profit or loss		–	2,753
Finance costs	13	(125,334)	(69,536)
Profit before income tax		1,357,736	1,407,352
Income tax expenses	14	(348,590)	(375,327)
Profit for the year		1,009,146	1,032,025
Profit attributable to:			
– Owners of the Company		986,573	1,020,987
– Non-controlling interests		22,573	11,038
		1,009,146	1,032,025
Other comprehensive income			
<i>Item that maybe reclassified subsequently to profit or loss</i>			
Exchange difference arising on translation of financial statements of foreign operations		(2,256)	1,197
Total comprehensive income for the year		1,006,890	1,033,222
Total comprehensive income attributable to:			
– Owners of the Company		984,317	1,022,184
– Non-controlling interests		22,573	11,038
		1,006,890	1,033,222
Earnings per share			
– Basic and diluted	15	RMB0.09	RMB0.09

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

Consolidated Statement of Financial Position

	Notes	AT 31 DECEMBER	
		2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Property and equipment	17	81,957	67,908
Right-of-use assets	29	39,503	22,860
Intangible assets	18	1,380,046	1,498,280
Investment properties	19	4,255	5,177
Investments accounted for using equity method	20	68,197	52,526
Deferred tax assets	30	488,036	509,045
Total non-current assets		2,061,994	2,155,796
Current assets			
Trade and other receivables	21	3,170,458	3,152,306
Prepayments	22	65,730	59,519
Inventories	23	5,983	4,624
Financial assets at fair value through profit or loss		–	503,180
Restricted cash	25	120,911	137,549
Cash and cash equivalents	24	4,189,546	2,697,369
Total current assets		7,552,628	6,554,547
Total assets		9,614,622	8,710,343
Equity			
Share capital	26	7,060	7,060
Reserves	27	(5,801,872)	(5,969,520)
Retained earnings		7,398,449	6,517,066
Equity attributable to owners of the Company		1,603,637	554,606
Non-controlling interests	33	346,223	422,568
Total equity		1,949,860	977,174



	Notes	AT 31 DECEMBER	
		2025 RMB'000	2024 RMB'000
Liabilities			
Non-current liabilities			
Other payables	32	75,000	75,053
Lease liabilities	29	23,215	11,008
Deferred tax liabilities	30	101,424	123,942
Total non-current liabilities		199,639	210,003
Current liabilities			
Contract liabilities	8	2,623,690	2,755,007
Trade and other payables	28	3,956,800	4,222,898
Current tax liabilities		813,097	461,143
Lease liabilities	29	71,536	84,118
Total current liabilities		7,465,123	7,523,166
Total liabilities		7,664,762	7,733,169
Total equity and liabilities		9,614,622	8,710,343

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

The consolidated financial statements on pages 81 to 169 were approved by the Board of Directors and signed on its behalf on 27 March 2026.

Duan Shengli
Director

Han Chao
Director

Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Company					
	Share		Retained		Non	
	Capital	Reserves	earnings	Subtotal	controlling	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 31 December 2023	7,060	(6,082,397)	5,607,762	(467,575)	486,786	19,211
Balance at 1 January 2024	7,060	(6,082,397)	5,607,762	(467,575)	486,786	19,211
Profit for the year	-	-	1,020,987	1,020,987	11,038	1,032,025
Currency translation differences	-	1,197	-	1,197	-	1,197
	-	1,197	1,020,987	1,022,184	11,038	1,033,222
Transactions with owners of the Company						
Capital injection from non-controlling interest	-	-	-	-	1,254	1,254
Dividend distributed to non-controlling interest	-	-	-	-	(60,816)	(60,816)
Acquisition of additional interests in non-wholly owned subsidiaries	-	-	-	-	(15,694)	(15,694)
Transfer to statutory reserve	-	111,683	(111,683)	-	-	-
Others	-	(3)	-	(3)	-	(3)
Balance at 31 December 2024	7,060	(5,969,520)	6,517,066	554,606	422,568	977,174
Balance at 1 January 2025	7,060	(5,969,520)	6,517,066	554,606	422,568	977,174
Profit for the year	-	-	986,573	986,573	22,573	1,009,146
Currency translation differences	-	(2,256)	-	(2,256)	-	(2,256)
	-	(2,256)	986,573	984,317	22,573	1,006,890
Transactions with owners of the Company						
Capital injection from non-controlling interest	-	-	-	-	480	480
Dividend distributed to non-controlling interest	-	-	-	-	(34,667)	(34,667)
Acquisition of additional interests in non-wholly owned subsidiaries	-	64,718	-	64,718	(64,718)	-
Transfer to statutory reserve	-	105,186	(105,186)	-	-	-
Others	-	-	(4)	(4)	(13)	(17)
Balance at 31 December 2025	7,060	(5,801,872)	7,398,449	1,603,637	346,223	1,949,860

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



Consolidated Statement of Cash Flows

	Notes	For the year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows of operating activities			
Net cash generated from operation	31	1,303,370	2,264,742
PRC enterprises income tax paid		(80,346)	(1,140,149)
Net cash from operating activities		1,223,024	1,124,593
Cash flows of investing activities			
Purchases of property and equipment	17	(41,669)	(34,441)
Proceeds from disposal of property and equipment		4,021	2,206
Purchases of intangible assets		(1,036)	(4,489)
Net payments for consideration payables for acquisition of subsidiaries in prior years		(147,375)	(93,062)
Capital injection into associates		(7,820)	(10,862)
Purchases of financial assets at fair value through profit or loss		(1,815,010)	(1,280,000)
Proceeds from disposal of financial assets at fair value through profit or loss		2,319,729	1,197,474
Dividend income from associates		6,988	5,939
Interest received		19,069	16,573
Net cash generated from/(used in) investing activities		336,897	(200,662)
Cash flows of financing activities			
Principal portion of lease payments		(35,651)	(38,878)
Capital injection from non-controlling interest		480	1,254
Dividend distributed to non-controlling interest		(27,864)	(60,816)
Interest paid on lease liabilities		(2,453)	(10,169)
Net cash used in financing activities		(65,488)	(108,609)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year		2,697,369	1,880,850
Exchange (losses)/gains on cash and cash equivalents		(2,256)	1,197
Cash and cash equivalents at end of year		4,189,546	2,697,369

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

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

Evergrande Property Services Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 March 2020 as an exempted company with limited liability under the Companies Act (Cap. 22. Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company’s ultimate holding company is China Evergrande Group (in liquidation) (“**China Evergrande Group**”), an exempted company incorporated in the Cayman Islands with limited liability and its shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), but were delisted from the Stock Exchange on 25 August 2025.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are primarily engaged in the provision of property management services, community living services, asset management services and community operation services.

The consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to nearest RMB’000, unless otherwise stated.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(i) Compliance with HKFRS Accounting Standards and Hong Kong Companies Ordinance

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, financial assets at fair value through profit or loss and contingent consideration payables that are measured at fair values at the end of each reporting period.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6.



3. APPLICATION OF NEW AND AMENDMENTS TO THE HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 *Lack of Exchangeability*

3.1 Impact of Applying the Amendments to HKAS 21 “Lack of Exchangeability”

The Group has applied the amendments for the first time in the current year.

The amendments specify how an entity shall assess whether a currency is exchangeable into another currency at the measurement date when exchangeability is temporarily lacking, and how to estimate the spot exchange rate of that currency at the measurement date.

The amendments aim to require entities to disclose relevant information so that users of financial statements can understand the impact of currency not being exchangeable.

The amendments permit early application by an entity. In applying the amendment, an entity should not restate comparative information. As at the date of initial application, an entity should determine the cumulative effect of initially applying the amendments and adjust the opening balance of retained earnings, or present the cumulative translation difference in a separate equity item (if applicable).

The application of the amendments in the current year had no material impact on the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO THE HKFRS ACCOUNTING STANDARDS (continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> ²
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ³
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.



3. APPLICATION OF NEW AND AMENDMENTS TO THE HKFRS ACCOUNTING STANDARDS (continued)

The directors of the Company are in the process of making an assessment of what the impacts of these new standards and amendments to standards are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Principles of consolidation and equity accounting

4.1.1 *Subsidiaries*

Subsidiaries are entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statement of financial position respectively.

4.1.2 *Associates*

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see 4.1.4 below), after initially being recognised at cost.

4.1.3 *Joint arrangements*

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has a joint venture only.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see 4.1.4 below), after initially being recognised at cost in the consolidated statement of financial position.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.1 Principles of consolidation and equity accounting (continued)

4.1.4 *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 4.9.

4.1.5 *Changes in ownership interests in subsidiaries without change of control*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group, if any,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Business combination (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

4.3 Separate financial statements

In the Company's statement of financial position, the investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

4.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

4.5 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). Consolidated financial statements are presented in RMB, which is the Company's functional currency and the Group's presentation currency.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.5 Foreign currency translation (continued)

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other losses.

(c) *Group entities*

The results and financial positions of the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities of each statement of financial position of the group entities are translated at the closing rate at the date of that statement of financial position;
- income and expenses of each statement of profit or loss and other comprehensive income of the group entities are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken into equity holders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

4.6 Property and equipment

Property and equipment are stated at historical cost less depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.6 Property and equipment (continued)

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or, in case of leasehold improvements, and certain leased properties, the shorter lease term, as follows:

— Owned properties	20 years
— Machinery	3-10 years
— Vehicles	4 years
— Furniture, fitting and equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other income" in the statement of comprehensive income.

4.7 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Properties and land use right that are currently being constructed or developed for future use as investment property is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Investment properties (continued)

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in profit or loss during the financial period in which they are incurred.

Changes in fair values of investment property are recognised in profit or loss.

If an investment property becomes owner-occupied or commences to be further developed for sale, it is reclassified as property, plant and equipment and land use right or properties under development, and its fair value at the date of change in use becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss to the extent the impairment provision previous made.

4.8 Intangible assets

(a) *Goodwill*

Goodwill is measured as described in Note 4.2. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("**CGUs**") for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.8 Intangible assets (continued)

(b) *Property management contracts and customer relationships*

Property management contracts and customer relationships acquired in business combinations are recognised at fair value at the acquisition date. The property management contracts and customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful lives of the respective contracts. The expected useful lives of customer relationships is 10 years.

(c) *Computer software*

Acquired computer software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 2 to 10 years on a straight-line basis.

4.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.10 Investments and other financial assets

4.10.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

4.10.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.10 Investments and other financial assets (continued)

4.10.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“**FVTPL**”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset.

The Group only held debt instruments classified as financial assets at amortised costs.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains or losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

4.10.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses (“**ECL**”) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.10 Investments and other financial assets (continued)

4.10.4 Impairment (continued)

Impairment of other receivables are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

4.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

4.12 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

4.13 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

4.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and at banks.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.16 Trade and other payables

Such amounts represent the Group's unpaid liabilities arising from the receipt of goods or services prior to the end of the financial year. If the payment term is 12 months or less, such amounts are classified as current liabilities; otherwise, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid to the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that part or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.18 Borrowing costs

All borrowing costs are recognised in the consolidated statements of comprehensive income in the period in which they incurred.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.19 Current and deferred income tax

The income tax expense for the current period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.19 Current and deferred income tax (continued)

(b) *Deferred income tax* (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to item recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

4.20 Employee benefits

(a) *Pension obligations*

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

(b) *Housing funds, medical insurances and other social insurances*

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Employee benefits (continued)

(c) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

4.21 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.22 Revenue recognition

The Group provides property management services, community living services, asset management services and community operation services.

The Group recognises 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 the customer.

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 the 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 Group performs; 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 good or service.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.22 Revenue recognition (continued)

Principal versus agent (continued)

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

When the Group is acting as a principal, the associated revenue is recognised in gross amount and when the Group is acting as an agent, the associated revenue is recognised in net amount.

Property management services

Property management services comprise basic property management services and value-added services to non-property owners. In respect of basic property management services, the Group bills a fixed amount on a monthly basis for services rendered and recognises revenue at the amount that the Group is entitled to bill, which corresponds directly to the value of performance completed. The Group's revenue is primarily derived from revenue from basic property management services for properties managed on a lump sum basis, whereby the Group is entitled to revenue based on the value of property management service fees received or receivable.

Value-added services to non-property owners comprise (i) pre-property management services, including cleaning, greening and repair and maintenance services, which are billed on a monthly basis, with revenue recognised over time when the services are provided; and (ii) home inspection and predelivery cleaning services for property developers, with revenue recognised when the services are provided and accepted by customers.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.22 Revenue recognition (continued)

Community living services

Revenue from community living services mainly comprises: (i) community group purchasing services, which involves purchasing goods from third-party suppliers and selling them to third-party customers, with revenue recognised on a gross basis when the third-party customer obtains control of the relevant goods; (ii) housekeeping services, which involves the provision of services such as household cleaning, laundry and in-home repairs, etc., to third parties, with revenue recognised when the services are provided and accepted by customers; (iii) home decoration and home furnishing, which refers to the provision of partial remodelling, wall treatment, whole-house renovation and other home improvement related services and turnkey services to customers, with revenue recognised when the services are provided and accepted by the customers; (iv) Community tourism services, which provide property owners with a variety of guided travel experiences covering both long-distance and short-distance trips; revenue is recognized when the services are provided and accepted by the customer; and (v) revenue from other community convenience services, including direct drinking water, charging station services, etc., which is charged for each of the services provided and recognised when the relevant services are provided.

Asset management services

Revenue from asset management services mainly comprises: (i) rental income from leasing of car parking spaces from property developers or other property owners and subletting of such car parking spaces to property owners; (ii) housing rental and sale services, whereby the Group provides intermediary services for transactions such as rental, purchase and sale of housings, and receives intermediary service fees from its customers in accordance with the contractual agreements; and (iii) management services for the sports and entertainment complexes, which operates sports and entertainment complexes mainly located in properties under management and charges service fees on a remuneration basis, which is based on a percentage of the revenue of the complexes. The Group receives a fee for each service provided and recognises it when the relevant services are provided.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.22 Revenue recognition (continued)

Community operation services

Revenue from community operation services mainly comprises: (i) commissions on public resource management services, which are recognised over time during the period when the services are provided; revenue from other activities, which are recognised over time when the services are provided; and (ii) other community operation services revenue, which is charged for each service provided and recognised over time when the related services are provided.

If a contract contains multiple services, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised.

When the difference between the transfer of the promised goods or services to customer and the payment by the customer is considered significant and implied financing components contained in certain contracts, the Group adjust the transaction price for the time value of money.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.23 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4.24 Leases

A lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.24 Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option,
- lease payments to be made under an extension option if the Group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.



4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.24 Leases (continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

Rental income from operating leases where the Group is a lessor is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as rental income. The respective leased assets are included in the statement of financial position based on their nature.

4.25 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

4.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

4.27 Inventories

Finished goods are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated subsequent production costs of completion and the estimated costs necessary to make the sale.



5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

5.1.1 Market risk

The Group's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse impact on the Group's financial performance.

(i) Foreign exchange risk

The Group's normal operating activities are principally conducted in RMB since most of the operating entities are based in the PRC. The foreign exchange risk mainly arises from monetary assets of certain subsidiaries denominated in foreign currencies other than their functional currencies. The Group's foreign currency denominated monetary assets at the consolidated statement of financial position as at the years ended 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
Monetary assets		
– HK\$	11,364	34,920
– US\$	25	57
	11,389	34,977

As at 31 December 2025 and 2024, if RMB had strengthened/weakened by 5% against the relevant foreign currencies with all other variables held constant, post-tax profit for the years ended 31 December 2025 and 2024 would have been approximately RMB427,000 and RMB1,312,000 lower/higher, respectively.

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk for certain interest-bearing cash at banks. Cash at banks at variable rates expose the Group to cash flow interest rate risk.

As at 31 December 2025 and 2024, if the interest rate on cash at banks and restricted cash had increased/decreased by 0.5% with all other variables held constant, the Group's post-tax profits for the year would have been RMB16,153,000 higher/lower and RMB10,619,000 higher/lower respectively, as a result of the increase/decrease in interests derived from cash at banks at variable rates.

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Financial risk factors (continued)

5.1.2 Credit risk

The Group is exposed to credit risk in relation to its trade receivables, other receivables and cash deposits at banks. The carrying amounts of trade receivables, other receivables and cash deposits at banks represent the Group's maximum exposure to credit risk in relation to financial assets.

(i) Risk management

For trade and other receivables, the management of the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for doubtful debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

(ii) Impairment

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the financial situation of individual property owner or the debtor
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor and individual property owner



5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Financial risk factors (continued)

5.1.2 Credit risk (continued)

(ii) Impairment (continued)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and principal repayments are 180 days past due	Lifetime expected losses
Non-performing	Interest and principal repayments are 365 days past due	Lifetime expected losses

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Financial risk factors (continued)

5.1.2 Credit risk (continued)

(ii) Impairment (continued)

Cash deposits at banks

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at banks with high credit rating. Management does not expect that there will be any significant losses from non-performance by these counterparties.

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging. The expected credit losses also incorporate forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified money supply and change in gross domestic product in the PRC as the most relevant factors for forward looking adjustments for individual property owners and third party corporate customers, and has identified total population in the PRC and the percentage of broad money supply of gross domestic production as the most relevant factors for forward looking adjustments for related parties, and accordingly adjusts the historical loss rates based on expected changes in these factors.

As of 31 December 2025 and 2024, the loss allowance provision for the trade receivables from individual property owners and third party corporate customers was determined as follows, respectively. The expected credit losses below also incorporated forward looking information.

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Trade receivables from third parties							
At 31 December 2025							
Expected loss rate	4.10%	23.50%	32.40%	52.50%	86.80%	100.00%	
Gross carrying amount (RMB'000)	1,856,489	507,338	425,563	326,514	299,553	184,674	3,600,131
Loss allowance provision (RMB'000)	76,116	119,225	137,882	171,420	260,012	184,674	949,329



5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Financial risk factors (continued)

5.1.2 Credit risk (continued)

(ii) Impairment (continued)

Trade receivables (continued)

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Trade receivables from third parties							
At 31 December 2024							
Expected loss rate	4.46%	21.91%	35.90%	62.60%	90.00%	100.00%	
Gross carrying amount (RMB'000)	1,733,307	647,984	431,064	354,225	136,503	54,576	3,357,659
Loss allowance provision (RMB'000)	77,383	142,005	154,743	221,760	122,853	54,576	773,320

As at 31 December 2025 and 2024, the Group used external data method to assess the ECL of receivables from related parties which are mainly property developers. The ECL rate was 100% (2024: 99%) for the trade receivables from related parties. The loss allowance provision as at 31 December 2025 was RMB2,197,030,000 (2024: RMB2,203,003,000).

As at 31 December 2025 and 2024, the ECL of third parties was assessed based on the aging profiles. The loss allowance provision therefore was included in the table above.

Other receivables

The Group uses the expected credit loss model above to determine the expected loss provision for other receivables. As at 31 December 2025 and 2024, the Group has assessed the expected credit losses for other receivables for each category.

To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the days past due.

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Financial risk factors (continued)

5.1.2 Credit risk (continued)

(ii) Impairment (continued)

As at 31 December 2025 and 2024, the loss allowance provision for trade and other receivables reconciles to the opening loss allowance for that provision as follows:

	Trade receivables Lifetime ECL RMB'000	Other receivables Lifetime ECL RMB'000	Total RMB'000
At 1 January 2024	2,872,880	154,679	3,027,559
Impairment losses (reversal of impairment losses) on financial assets	144,802	(13,912)	130,890
Write-offs	(41,359)	–	(41,359)
At 31 December 2024	2,976,323	140,767	3,117,090
Impairment losses (reversal of impairment losses) on financial assets	162,280	(10,991)	151,289
Reversal of write-offs	7,756	–	7,756
At 31 December 2025	3,146,359	129,776	3,276,135



5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Financial risk factors (continued)

5.1.3 Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2025					
Lease liabilities	73,559	21,326	2,414	2,853	100,152
Trade and other payables (excluding accrued payroll liabilities and other tax payables)	3,366,274	75,000	–	–	3,441,274
	3,439,833	96,326	2,414	2,853	3,541,426
	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2024					
Lease liabilities	85,714	5,050	5,360	2,216	98,340
Trade and other payables (excluding accrued payroll liabilities and other tax payables)	3,636,161	75,053	–	–	3,711,214
	3,721,875	80,103	5,360	2,216	3,809,554

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Financial risk factors (continued)

5.1.4 Fair value measurement of financial instruments

(a) Fair value hierarchy

The table below analyses financial instruments carried or presented at fair value, by level of the inputs to valuation techniques used to measure fair value. The different levels are defined as follows:

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

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2025				
Financial Assets				
Financial assets at fair value through profit or loss (“FVTPL”)	–	–	–	–
At 31 December 2024				
Financial Assets				
Financial assets at fair value through profit or loss (“FVTPL”)	–	–	503,180	503,180



5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Financial risk factors (continued)

5.1.4 Fair value measurement of financial instruments (continued)

(b) Information relating to the measurement of fair value using significant unobservable inputs

Financial assets/ financial liabilities	Fair value as at 31 December 2025 RMB'000	Fair value as at 31 December 2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
Financial assets					
Wealth management products	–	500,000	Level 3	Determined by quote provided by a financial institute in Mainland China with reference to the net asset values of the underlying investment.	N/A as quantitative unobservable inputs are not developed by the Group.
Unlisted entity investment	–	3,180	Level 3	Adjusted net asset value method.	Discount factor of lack of marketability: N/A (2024: 20%). The higher the discount factor, the lower the fair value.

5. FINANCIAL RISK MANAGEMENT (continued)

5.1 Financial risk factors (continued)

5.1.4 Fair value measurement of financial instruments (continued)

(c) The following table presents the movements in Level 3 financial instruments for the years ended 31 December 2025 and 2024:

	Financial Assets		Financial Liabilities
	Wealth management products RMB'000	Unlisted entity investment RMB'000	Contingent consideration payables RMB'000
At 1 January 2024	417,474	3,180	2,753
Additions	1,280,000	–	–
Fair value change recognised in profit or loss	–	–	(2,753)
Disposal	(1,197,474)	–	–
At 31 December 2024	500,000	3,180	–
Additions	1,815,010	–	–
Disposal	(2,315,010)	(3,180)	–
At 31 December 2025	–	–	–

5.2 Capital management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.



6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on the historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstance.

(a) *Expected credit losses on receivables*

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and doubtful debt expenses in the periods in which such estimate has been changed. Details of the key assumptions and inputs used are disclosed in Note 21.

(b) *Estimation of goodwill and property management contracts and customer relationships impairment*

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining whether goodwill is impaired requires an estimation of the recoverable amount of cash-generated units to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The calculation requires the Group to estimate the future cash flows expected to arise from cash-generated units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash, a material impairment loss/ further impairment loss may arise.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) *Estimation of goodwill and property management contracts and customer relationships impairment* (continued)

The Group assesses whether there are any indicators of impairment for property management contracts and customer relationships in accordance with the accounting policies as disclosed in Note 4.9 to the consolidated financial statements. In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the management has to assess whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. If any such indication exists, the recoverable amounts of the asset would be determined as the greater of the fair value less costs of disposal and value in use, the calculations of which involve the use of estimates. Owing to inherent risk associated with estimations in the timing and amounts of the future cash flows and fair value less costs of disposal, the estimated recoverable amount of the asset may be different from the amount actually received and profit or loss could be affected by accuracy of the estimations.

(c) *Estimation of the useful life of customer relationships identified in business combination*

Customer relationships identified in the business combination on respective acquisition date is recognised as intangible assets. Customer relationships primarily related to the existing contracts of acquirees on the acquisition date. A large portion of the existing contracts of acquirees are with no specific expiration date. Based on past experience, termination or non-renewal of property management contracts with the property developers or property owners' association are uncommon. The Group thus estimates the useful life and determines the amortisation period of the customer relationships to be ten years based on the expected contract duration of the property management contracts.



6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

(d) Current and deferred taxation

The Group is subject to corporate income taxes (“CIT”) in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Regarding the separate uncertain tax treatment for the enforcement of financial guarantees to the ultimate holding company, the Group considers the certain factors in determining the approach that better predicts the resolution of the uncertainty. The Group may reassess the judgement or estimates if the facts and circumstances on which the judgement or estimate was based change or as a result of new information that affects the judgement or estimate.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

7. SEGMENT INFORMATION

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

During the years ended 31 December 2025 and 2024, the Group was principally engaged in the provision of property management services, community living services, asset management services and community operation services in the PRC. Management reviews the operating results of the business as a single operating segment as the nature of services, the type of customers for services, the method used to provide their services and the nature of regulatory environment is the same in different regions.

The principal operating entities of the Group are domiciled in the PRC and the majority of revenue was derived in the PRC during the years ended 31 December 2025 and 2024.

As at 31 December 2025 and 2024, the majority of the non-current assets of the Group were located in the PRC.



8. REVENUE

Revenue mainly comprises of proceeds from property management services, community living services, asset management services and community operation services. An analysis of the Group's revenue by category for the years ended 31 December 2025 and 2024 is as follows:

	2025 RMB'000	2024 RMB'000
Property management services		
– Basic property management services	11,469,695	10,591,066
– Value-added services to non-property owners	28,483	97,615
	11,498,178	10,688,681
Community living services	1,008,788	910,983
Asset management services	797,635	776,780
Community operation services	373,022	380,243
	13,677,623	12,756,687
Timing of revenue recognition		
– Over time	12,803,797	11,953,432
– At a point in time	873,826	803,255
	13,677,623	12,756,687
Type of customers		
– Related parties (Note 34)	32,332	86,806
– Third parties	13,645,291	12,669,881
	13,677,623	12,756,687

For the years ended 31 December 2025 and 2024, revenue from the services provided by the Group to the fellow subsidiaries and joint ventures of China Evergrande Group, contributed 0.2% and 0.7% of the Group's revenue, respectively.

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during the years ended 31 December 2025 and 2024.

8. REVENUE (continued)

(a) Contract liabilities

i. The Group has recognised the following revenue-related contract liabilities:

	At 31 December		At 1 January
	2025 RMB'000	2024 RMB'000	2024 RMB'000
Contract liabilities			
– Property management services	2,493,939	2,680,232	2,582,650
– Community living services	32,803	19,034	13,535
– Asset management services	20,916	16,283	19,072
– Community operation services	76,032	39,458	34,093
	2,623,690	2,755,007	2,649,350

ii. Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year		
– Property management services	2,426,411	2,329,292
– Community living services	19,034	13,535
– Asset management services	16,283	19,072
– Community operation services	39,458	34,093
	2,501,186	2,395,992



8. REVENUE (continued)

(b) Unsatisfied performance obligations

For basic property management services and value-added services to non-property owners, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis or settlement cycle. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts. The majority of the basic property management services contracts do not have a fixed term. The term of the contracts with non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For community living services, asset management services and community operation services, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

(c) Assets recognised from incremental costs to obtain a contract

During the years ended 31 December 2025 and 2024, there were no significant incremental costs to obtain a contract.

9. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Government grants (Note (a))	34,028	47,807
Income from compensation of non-fulfilment of performance guarantee (Note (b))	–	87,474
Income from overdue fine	1,831	3,255
Interest income	19,069	16,573
Share of profits in associates	14,782	10,519
Write-off of payables	26,112	13,579
Others	8,405	6,068
	104,227	185,275

Notes:

- (a) Government grants mainly comprise of financial subsidies from government organisations, tax deductions for employing retired soldiers and priority groups, subsidies for value-added tax and other tax incentive policy, and refunds of paid unemployment insurance. There are no outstanding conditions or contingencies attached to the grants.
- (b) As some of the acquired target companies failed to complete the performance guarantee, the consideration payment should be deducted and recognised as other income in accordance with the terms of the Equity Transfer Agreement and the Supplemental Agreement. No such deduction was recognised during the year ended 31 December 2025 (2024: RMB87,474,000).

10. OTHER LOSSES

	2025 RMB'000	2024 RMB'000
Foreign exchange losses	253	196
Impairment loss on goodwill	26,969	41,283
Impairment loss on other intangible assets	4,082	6,743
	31,304	48,222



11. EXPENSES BY NATURE

	2025 RMB'000	2024 RMB'000 (Restated)
Employee benefit expenses (Note 12)	6,717,748	6,285,285
Outsourced cleaning and greening expenses	1,779,795	1,689,982
Maintenance costs	918,717	841,935
Utilities	766,614	620,896
Short-term and low value lease expenses	238,056	245,964
Tax and other levies	79,535	82,757
Office expenses	102,181	120,417
Travelling and entertainment expenses	79,282	70,319
Costs of security	76,734	65,029
Depreciation and amortisation charges	129,687	146,821
Community activities expenses	152,393	118,009
Bank charges	32,391	29,896
Uniform costs	18,100	17,950
Auditors' remuneration	4,500	4,650
Service fees	137,567	162,422
Professional fees	92,167	110,766
Penalties and overdue payments	16,990	59,869
Procurement costs of value-added business	718,015	538,598
Others	54,793	77,107
	12,115,265	11,288,672

12. EMPLOYEE BENEFIT EXPENSES

	2025 RMB'000	2024 RMB'000 (Restated)
Salaries, bonuses and other benefits	6,275,751	5,861,518
Contribution to pension scheme (Note (a))	441,997	423,767
	6,717,748	6,285,285

Notes:

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



12. EMPLOYEE BENEFIT EXPENSES (continued)

(b) Directors' and chief executive's emoluments

The remuneration of each director for the year ended 31 December 2025 is set out below:

	Fees RMB'000	Salaries, Allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Contribution to pension contributions RMB'000	Total RMB'000
Executive directors					
Mr. Duan Shengli	–	135	–	13	148
Mr. Han Chao	180	1,023	–	54	1,257
Mr. Hu Xu	180	1,261	–	50	1,491
Non-executive directors					
Mr. Sang Quan	180	–	–	–	–
Mr. Lin Wuchang	180	–	–	–	–
Independent non-executive directors					
Ms. Wen Yanhong	466	–	–	–	–
Mr. Peng Liaoyuan	466	–	–	–	–
Mr. Dong Xinyi	466	–	–	–	–
Mr. Lam Wai Hon (i)	293	–	–	–	–
Mr. Hoong Cheong Thard (i)	293	–	–	–	–

12. EMPLOYEE BENEFIT EXPENSES (continued)

(b) Directors' and chief executive's emoluments (continued)

The remuneration of each director for the year ended 31 December 2024 is set out below:

	Fees RMB'000	Salaries, Allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Contribution to pension contributions RMB'000	Total RMB'000
Executive directors					
Mr. Duan Shengli	–	128	–	9	137
Mr. Han Chao	180	1,023	155	47	1,405
Mr. Hu Xu	180	1,121	45	44	1,390
Non-executive directors					
Mr. Sang Quan	180	–	–	–	180
Mr. Lin Wuchang	180	–	–	–	180
Independent non-executive directors					
Ms. Wen Yanhong	456	–	–	–	456
Mr. Peng Liaoyuan	456	–	–	–	456
Mr. Dong Xinyi	456	–	–	–	456

(i) Mr. Lam Wai Hon and Mr. Hoong Cheong Thard were appointed as independent non-executive directors of the Company on 15 May 2025.



12. EMPLOYEE BENEFIT EXPENSES (continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 included zero director (2024: zero). The emoluments payable to these five individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	4,364	4,305
Discretionary bonus	13,670	13,877
Contribution to pension scheme	115	113
	18,149	18,295

The emoluments of the five individuals fell within the following bands:

	2025 Number of individuals	2024 Number of individuals
Emolument bands		
HK\$2,500,001 to HK\$3,000,000	–	1
HK\$3,000,001 to HK\$3,500,000	3	1
HK\$3,500,001 to HK\$4,000,000	–	2
HK\$4,000,001 to HK\$4,500,000	–	–
HK\$4,500,001 to HK\$5,000,000	1	–
HK\$5,000,001 to HK\$5,500,000	–	–
HK\$5,500,001 to HK\$6,000,000	1	–
HK\$6,000,001 to HK\$6,500,000	–	1
HK\$6,500,001 to HK\$7,000,000	–	–

12. EMPLOYEE BENEFIT EXPENSES (continued)

(d) Directors' retirement and termination benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries' undertaking during the years ended 31 December 2025 and 2024. No payment was made to the directors as compensation for early termination of appointment during the years ended 31 December 2025 and 2024.

During the year, no inducement had been given for the highly remunerated individual to join the Group and no payment had been made or was due to the highly remunerated individual upon joining the Group.

(e) Consideration provided to their parties for making available directors' services

No payment was made to any former employers of the directors and former directors for making available the services of them as a director of the Company during the years ended 31 December 2025 and 2024.

(f) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There were no other loans, quasi-loans and other dealings in favour of the directors, controlled bodies corporate by and connected entities with such directors during the years ended 31 December 2025 and 2024.

(g) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2025 and 2024.



13. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	2,720	10,169
Interest on consideration payables	–	533
Other finance costs (Note)	122,614	58,834
	125,334	69,536

Note: Other financial costs represented concessions offered by the Group to the individual property owners in settlement of property service fees (including payments and the settlement of historical arrears).

14. INCOME TAX EXPENSES

	2025 RMB'000	2024 RMB'000
Current tax	350,099	413,748
Deferred tax	(1,509)	(38,421)
	348,590	375,327

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries in the British Virgin Islands ("BVI") were incorporated under the International Business Companies Act of the BVI and accordingly, are exempted from BVI income tax.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising from operations in Hong Kong during the years except for one subsidiary of the Group which is a qualified corporation under the two-tiered profit tax rate regime. In respect of this subsidiary, the first HK\$2 million of assessable profits are subject to tax at the rate of 8.25% and the remaining assessable profits are subject to tax at the rate of 16.5%.

14. INCOME TAX EXPENSES (continued)

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 25% for the years ended 31 December 2025 and 2024. Certain subsidiaries and branches of the Group in the PRC were located in cities from western part of the PRC, and they are subject to a preferential income tax rate of 15% during the years ended 31 December 2025 and 2024. The subsidiaries and branches of the Group located in Hainan Province are qualified to enjoy the preferential income tax rate of 15% from 1 January 2020 to 31 December 2027. A preferential income tax rate of 20% will apply to subsidiaries that meet the conditions for small and micro-profit enterprises.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the group entities as follows:

	2025 RMB'000	2024 RMB'000
Profit before income tax	1,357,736	1,407,352
Tax calculated at applicable corporate income tax rate of 25% (2024: 25%)	339,434	351,838
Tax effect of income not subject to tax	(47,644)	(39,874)
Tax effect of expenses of not deductible for taxation purposes	63,120	76,045
Tax effect of different tax rates applicable to certain subsidiaries	(36,592)	(38,912)
Tax effect of tax losses not recognised	38,453	29,712
Utilisation of tax losses previously not recognised	(8,667)	(9,314)
Tax effect of deductible temporary differences not recognised	486	5,832
	348,590	375,327



15. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares during the years ended 31 December 2025 and 2024.

The Company did not have any potential ordinary shares outstanding during the years ended 31 December 2025 and 2024. Diluted earnings per share is equal to basic earnings per share.

	2025	2024
Profit attributable to owners of the Company (RMB'000)	986,573	1,020,987
Weighted average number of ordinary shares in issue (in thousands)	10,810,811	10,810,811
Basic and diluted earnings per share	RMB0.09	RMB0.09

16. DIVIDENDS

No dividend has been declared or paid by the Company for the years ended 31 December 2025 and 2024.

17. PROPERTY AND EQUIPMENT

	Property RMB'000	Machinery RMB'000	Vehicles RMB'000	Furniture, fitting and equipment RMB'000	Total RMB'000
As at 1 January 2025					
Cost	13,427	66,338	59,253	171,972	310,990
Accumulated depreciation	(5,559)	(47,659)	(46,683)	(143,181)	(243,082)
Opening net book amount	7,868	18,679	12,570	28,791	67,908
Additions	2,100	15,705	4,596	19,268	41,669
Disposals	(511)	(2,248)	(317)	(1,442)	(4,518)
Depreciation charge	(2,147)	(4,892)	(4,297)	(11,766)	(23,102)
Closing net carrying amount	7,310	27,244	12,552	34,851	81,957
As at 31 December 2025					
Cost	15,527	82,043	63,849	191,240	352,659
Accumulated depreciation	(8,217)	(54,799)	(51,297)	(156,389)	(270,702)
Net carrying amount	7,310	27,244	12,552	34,851	81,957



17. PROPERTY AND EQUIPMENT (continued)

	Property RMB'000	Machinery RMB'000	Vehicles RMB'000	Furniture, fitting and equipment RMB'000	Total RMB'000
As at 1 January 2024					
Cost	7,629	58,156	54,671	156,093	276,549
Accumulated depreciation	(3,811)	(43,344)	(41,083)	(129,668)	(217,906)
Opening net book amount	3,818	14,812	13,588	26,425	58,643
Additions	5,798	8,182	4,582	15,879	34,441
Disposals	(148)	(444)	(260)	(1,420)	(2,272)
Depreciation charge	(1,600)	(3,871)	(5,340)	(12,093)	(22,904)
Closing net carrying amount	7,868	18,679	12,570	28,791	67,908
As at 31 December 2024					
Cost	13,427	66,338	59,253	171,972	310,990
Accumulated depreciation	(5,559)	(47,659)	(46,683)	(143,181)	(243,082)
Net carrying amount	7,868	18,679	12,570	28,791	67,908

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

	2025 RMB'000	2024 RMB'000
Cost of sales	18,013	17,053
Administrative expenses	5,089	5,851
	23,102	22,904

No property and equipment is restricted or pledged as security as at 31 December 2025 and 2024.

18. INTANGIBLE ASSETS

	Computer software RMB'000	Property management contracts and customer relationships RMB'000	Goodwill RMB'000	Total RMB'000
As at 1 January 2025				
Cost	31,686	1,195,199	1,738,218	2,965,103
Accumulated amortisation and impairment losses	(17,964)	(668,028)	(780,831)	(1,466,823)
Net carrying amount	13,722	527,171	957,387	1,498,280
Year ended 31 December 2025				
Opening net carrying amount	13,722	527,171	957,387	1,498,280
Additions	1,036	–	–	1,036
Amortisation	(2,415)	(85,804)	–	(88,219)
Impairment	–	(4,082)	(26,969)	(31,051)
Closing net carrying amount	12,343	437,285	930,418	1,380,046
As at 31 December 2025				
Cost	32,722	1,195,199	1,738,218	2,966,139
Accumulated amortisation and impairment losses	(20,379)	(757,914)	(807,800)	(1,586,093)
Closing net carrying amount	12,343	437,285	930,418	1,380,046



18. INTANGIBLE ASSETS (continued)

	Computer software RMB'000	Property management contracts and customer relationships RMB'000	Goodwill RMB'000	Total RMB'000
As at 1 January 2024				
Cost	27,197	1,195,199	1,738,218	2,960,614
Accumulated amortisation and impairment losses	(15,877)	(558,590)	(739,548)	(1,314,015)
Net carrying amount	11,320	636,609	998,670	1,646,599
Year ended 31 December 2024				
Opening net carrying amount	11,320	636,609	998,670	1,646,599
Additions	4,489	–	–	4,489
Amortisation	(2,087)	(102,695)	–	(104,782)
Impairment	–	(6,743)	(41,283)	(48,026)
Closing net carrying amount	13,722	527,171	957,387	1,498,280
As at 31 December 2024				
Cost	31,686	1,195,199	1,738,218	2,965,103
Accumulated amortisation and impairment losses	(17,964)	(668,028)	(780,831)	(1,466,823)
Closing net carrying amount	13,722	527,171	957,387	1,498,280

18. INTANGIBLE ASSETS (continued)

- (a) Amortisation of intangible assets has been charged to the following categories in the consolidated statement of profit or loss and other comprehensive income:

	2025 RMB'000	2024 RMB'000
Cost of sales	85,804	102,695
Administrative expenses	2,415	2,087
	88,219	104,782

- (b) No intangible asset is restricted or pledged as security as at 31 December 2025 and 2024.
- (c) Goodwill and property management contracts and customer relationships

For the purpose of impairment testing, goodwill and property management contracts and customer relationships arising on business combinations as set out above was allocated, at acquisition, to ten CGUs (2024: ten).

As the result of management assessment, impairment provision of RMB 4,082,000 (2024: RMB6,743,000) was recognised on property management contracts and customer relationships for the year ended 31 December 2025 and impairment provision of RMB 26,969,000 (2024: RMB41,283,000) was recognised on goodwill for the year ended 31 December 2025.



18. INTANGIBLE ASSETS (continued)

(c) Goodwill and property management contracts and customer relationships (continued)

The recoverable amounts of the CGUs have been determined by value-in-use calculations using cash flow projections based on financial budgets covering a five-year period approved by senior management. The management considered the calculation based on the current condition. The financial budgets are prepared based on a five-year business plan considering the past performance, achievement of the medium or long-term growth target. The financial budgets have also taken into consideration the developments of property management business in PRC, including changes in the customer mix as well as the resulting changes to expected costs and margins. The value-in-use calculations was reviewed by independent qualified valuer, Shenzhen Deqinhang Asset Appraisal Co., Ltd. The key assumptions used for the calculation are as follows:

	For the year ended 31 December 2025	For the year ended 31 December 2024
Expected growth rate of revenue	-4.1%-18%	0%-41%
Pre-tax discount rate	18.3%-18.8%	18.3%-42.6%
Terminal growth rate	0%-2%	0%-2%

19. INVESTMENT PROPERTIES

	Commercial properties RMB'000	Carparks RMB'000	Total RMB'000
As at 1 January 2024	1,158	4,062	5,220
Fair value loss on investment properties	(43)	–	(43)
As at 31 December 2024	1,115	4,062	5,177
Fair value loss on investment properties	(42)	(880)	(922)
As at 31 December 2025	1,073	3,182	4,255

19. INVESTMENT PROPERTIES (continued)

(a) Valuation processes of the Group

The Group measures its investment properties at fair value. The fair value of the Group's investment properties has been determined on the basis of valuation carried out by Zhejiang Zhengda Asset Appraisal Limited, an independent and professionally qualified valuer. Discussions of valuation processes and results are held between the management and the valuer at least once every six months, in line with the Group's interim and annual reporting dates.

Valuations were based on direct comparison approach is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

(b) Information about fair value measurements using significant unobservable inputs

Properties category	Fair value hierarchy	Fair value as at 31 December 2025 RMB'000	Valuation technique and key inputs	Significant observable inputs	Range	Relationship of key inputs and significant unobservable inputs to fair value
Commercial Properties	Level 3	1,073	Market comparison approach - by reference to average of recent transaction prices of similar properties, adjusted for nature, location and properties size	Adjusted price per square meter (RMB/sq.m.)	22,000-27,000	The higher the market unit rate, the higher the fair value
Carparks	Level 3	3,182	Market comparison approach - by reference to average of recent transaction prices of similar properties, adjusted for location	Adjusted price per square meter (RMB/sq.m.)	10,000-12,000	The higher the market unit rate, the higher the fair value



19. INVESTMENT PROPERTIES (continued)

(b) Information about fair value measurements using significant unobservable inputs (continued)

Properties category	Fair value hierarchy	Fair value as at 31 December 2024 RMB'000	Valuation technique and key inputs	Significant observable inputs	Range	Relationship of key inputs and significant unobservable inputs to fair value
Commercial Properties	Level 3	1,115	Market comparison approach - by reference to average prices of similar properties, adjusted for nature, location and properties size	Adjusted price per square meter (RMB/sq.m.)	25,000-26,000	The higher the market unit rate, the higher the fair value
Carparks	Level 3	4,062	Market comparison approach - by reference to average prices of similar properties, adjusted for location	Adjusted price per square meter (RMB/sq.m.)	13,500-15,000	The higher the market unit rate, the higher the fair value

(c) The following amounts have been recognised in the consolidated statement of profit or loss and other comprehensive income:

	2025 RMB'000	2024 RMB'000
Rental income	64	4

19. INVESTMENT PROPERTIES (continued)

(d) The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	19	12
After 1 year but within 2 years	4	2
	23	14

20. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	2025 RMB'000	2024 RMB'000
Investments in associates	68,197	52,526

The amounts recognised in profit and loss are as follows:

	2025 RMB'000	2024 RMB'000
Share of total comprehensive income of associates	14,782	10,519

(a) Investments in associates

The movements of the investments in associates are as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	52,526	37,065
Additions	7,820	10,862
Share of total comprehensive income of associates, net of dividends received/declared	7,851	4,599
As at 31 December	68,197	52,526



20. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (continued)

(a) Investments in associates (continued)

Details of the principal associates as at the end of the reporting period are as follows:

Name of company	Form of entity	Place of Incorporation and operation	Particulars of issued and paid up capital/ registered capital	Proportion of ownership interest held by the Group	Principal activity
Shangrao Asia Pacific Property Services Limited* (上饒市亞太物業服務有限公司)	Limited liability company	PRC	RMB2,060,000	35%	Provision of property management services
Ningbo Jingsheng City Integrated Property Services Limited* (寧波市景勝城市綜合物業服務有限公司)	Limited liability company	PRC	RMB20,000,000	35%	Provision of property management services
Linhai Yucheng Property Services Limited* (臨海市昱誠物業服務有限公司)	Limited liability company	PRC	RMB5,000,000	49%	Provision of property management services
Ningbo Chunjiang Property Services Limited* (寧波春江物業服務有限公司)	Limited liability company	PRC	RMB5,000,000	40%	Provision of property management services
Jiangxi Taixin Health Care Services Limited* (江西泰心康護理服務有限公司)	Limited liability company	PRC	RMB2,000,000	49%	Provision of property management services

20. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (continued)

(a) Investments in associates (continued)

Name of company	Form of entity	Place of Incorporation and operation	Particulars of issued and paid up capital/ registered capital	Proportion of ownership interest held by the Group	Principal activity
Shaoxing Kejiao District Xingchen Urban Commercial Operation Management Limited* (紹興臨空運營服務有限公司)	Limited liability company	PRC	RMB15,000,000	49%	Provision of property management services
Ningbo Yongshun City Services Limited* (寧波永舜城市服務有限公司)	Limited liability company	PRC	RMB5,000,000	40%	Provision of property management services
Ningbo Zhiqing Yatai City Services Limited* (寧波摯青亞太城市服務有限公司)	Limited liability company	PRC	RMB10,000,000	42%	Provision of property management services
Zhejiang Dahuayuan Property Service Limited* (浙江大花園物業服務有限公司)	Limited liability company	PRC	RMB10,000,000	40%	Provision of property management services
Shaoxing Shaocheng City Service Limited* (紹興市紹城城市服務有限公司)	Limited liability company	PRC	RMB5,000,000	49%	Provision of property management services
Bengbu High tech Futian Urban Operation Service Co., Ltd.* (蚌埠市高新福田城市運營服務有限公司)	Limited liability company	PRC	RMB10,000,000	49%	Provision of property management services

* English name for identification only

The associates were accounted for using the equity method in the consolidated financial statements.

There is no individually material associate which significantly affects the results and net assets of the Group as at 31 December 2025 and 2024.



21. TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables (Note (i))	2,650,802	2,586,373
Value-added tax recoverable	45,320	28,319
Other receivables (Note (ii))	474,336	537,614
	3,170,458	3,152,306

Notes:

(i) Trade receivables

	2025 RMB'000	2024 RMB'000
Trade receivables		
Related parties (Note 34)	2,197,030	2,205,037
Third parties	3,600,131	3,357,659
Gross trade receivables	5,797,161	5,562,696
Less: allowance for impairment of trade receivables		
– Related parties (Note 34)	(2,197,030)	(2,203,003)
– Third parties	(949,329)	(773,320)
	2,650,802	2,586,373

21. TRADE AND OTHER RECEIVABLES (continued)

(ii) Other receivables

	2025 RMB'000	2024 RMB'000
Ultimate holding company (note (c))		
– Financial guarantees	13,400,000	13,400,000
Less:		
– Enforcement of financial guarantees pledged	(13,400,000)	(13,400,000)
	–	–
Other related parties (Note 34)	10,113	10,727
Third parties		
– Payments on behalf of property owners (Note (d))	364,858	424,898
– Deposits	148,224	142,072
– Others	80,917	100,684
Gross other receivables	604,112	678,381
Less: allowance for impairment of other receivables		
– Related parties	(7,023)	(7,188)
– Third parties	(122,753)	(133,579)
Total other receivables	474,336	537,614

Note:

- (a) Trade receivables mainly arise from basic property management services income under lump sum basis. Basic property management services income is received in accordance with the terms of the relevant services agreements.



21. TRADE AND OTHER RECEIVABLES (continued)

(ii) Other receivables (continued)

Note: (continued)

- (b) As at 31 December 2025 and 2024, the aging analysis of the trade receivables based on date of revenue recognition and net of loss allowance was as follows:

	2025 RMB'000	2024 RMB'000
0 to 180 days	1,323,257	1,301,036
181-365 days	457,116	356,921
1 to 2 years	388,113	505,979
2 to 3 years	287,681	276,321
Over 3 years	194,635	146,116
	2,650,802	2,586,373

- (c) Pursuant to the Court's judgement, the ultimate controlling shareholder and Hengda Real Estate Group Company Limited (a related party of the Company), were the actual debtor of the financing guarantee fund, and certain other third parties as the guarantees were jointly liable for the full amount of the aforementioned debt respectively.
- (d) Payments on behalf of property owners mainly represented utilities costs of properties.
- (e) As at 31 December 2025 and 2024, trade and other receivables were denominated in RMB and the carrying amounts of trade and other receivables approximate their fair values.

22. PREPAYMENTS

	2025 RMB'000	2024 RMB'000
Prepayments to suppliers		
Related parties (Note 34)	1,452	1,392
Third parties	64,278	58,127
	65,730	59,519

23. INVENTORIES

As at the end of the reporting period, inventories of RMB5,983,000 (2024: RMB4,624,000) represented finished goods for the sales on the online shopping platform and the parts for lift repair and maintenance in which no allowance made as at 31 December 2025 (2024: nil).

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represents cash at banks which earns interest at floating rates based on daily bank deposit rates and cash on hand. The carrying amounts of the cash and cash equivalents approximate their fair values.

	2025 RMB'000	2024 RMB'000
Cash at bank	4,186,503	2,694,299
Cash on hand	3,043	3,070
	4,189,546	2,697,369

- (a) The carrying amounts of cash and cash equivalents were denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	4,178,157	2,679,240
US\$	25	57
HK\$	11,364	18,072
	4,189,546	2,697,369

- (b) The conversion of RMB denominated deposits placed in banks in the PRC into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.



25. RESTRICTED CASH

Restricted cash mainly represents (i) industry regulated funds of Evergrande Insurance Agency Co., Ltd.; (ii) deposits for the provision of property management services as required by local government authorities; (iii) cash restricted to projects managed on a remuneration basis only; and (iv) funds for litigation preservation of some subsidiaries.

26. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares USD'000	Equivalent nominal value of ordinary shares RMB'000
Authorised:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	100,000,000,000	10,000	70,000
Issued:			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	10,810,811,000	1,081	7,060

Note: The Company does not have any treasury shares.

27. RESERVES

	Share premium RMB'000	Statutory reserves RMB'000	Capital reserves RMB'000	Exchange reserves RMB'000	Total RMB'000
Balance at 1 January 2025	5,944,185	839,577	(12,757,253)	3,971	(5,969,520)
Transfer to statutory reserve (Note)	–	105,186	–	–	105,186
Acquisition of additional interests in non-wholly owned subsidiaries	–	–	64,718	–	64,718
Currency translation difference	–	–	–	(2,256)	(2,256)
Balance at 31 December 2025	5,944,185	944,763	(12,692,535)	1,715	(5,801,872)
	Share premium RMB'000	Statutory reserves RMB'000	Capital reserves RMB'000	Exchange reserves RMB'000	Total RMB'000
Balance at 1 January 2024	5,944,185	727,894	(12,757,250)	2,774	(6,082,397)
Transfer to statutory reserve (Note)	–	111,683	–	–	111,683
Currency translation difference	–	–	–	1,197	1,197
Others	–	–	(3)	–	(3)
Balance at 31 December 2024	5,944,185	839,577	(12,757,253)	3,971	(5,969,520)

Note: Statutory reserves

In accordance with relevant rules and regulations in the PRC and the Company's Articles of Association, companies incorporated in PRC are required to transfer no less than 10% of their profit after taxation calculated under PRC accounting standards and regulations to the statutory reserve funds, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve funds can only be used, upon approval by the relevant authority, to offset previous years' losses or to increase the capital of respective companies.



28. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payable (Note (a))		
Related parties (Note 34)	489,264	453,820
Third parties	1,398,017	1,312,851
	1,887,281	1,766,671
Accrued payroll	540,979	505,544
Other payables		
– Related parties (Note 34)	132,589	133,650
– Third parties		
Amounts temporarily received from/on behalf of property owners or lessors (Note (b))	427,642	425,679
Deposits	353,265	401,510
Other tax payables	49,547	81,193
Consideration payables for business combinations	299,853	447,228
Others	340,644	536,476
	1,603,540	2,025,736
	4,031,800	4,297,951
Less: Non-current portion	(75,000)	(75,053)
Current portion	3,956,800	4,222,898

28. TRADE AND OTHER PAYABLES (continued)

Notes:

(a) As at 31 December 2025 and 2024, the aging analysis of the trade payables based on goods and services received was as follows:

	2025 RMB'000	2024 RMB'000
Up to 1 year	1,247,710	1,390,034
1 to 2 years	375,727	256,856
2 to 3 years	200,903	43,987
More than 3 years	62,941	75,794
	1,887,281	1,766,671

(b) The amounts mainly represented public utilities expenses collected by public utility entities from residents and other special funds managed on their behalf.

(c) As at 31 December 2025 and 2024, trade and other payables were denominated in RMB and the carrying amounts of trade and other payables approximate their fair values.

29. LEASE

(a) Right-of-use assets

	2025 RMB'000	2024 RMB'000
As at 1 January		
Cost	306,698	307,817
Accumulated depreciation	(283,838)	(279,310)
Net carrying amount	22,860	28,507
As at 31 December		
Opening net book amount	22,860	28,507
Additions	43,573	16,643
Termination	(8,564)	(3,155)
Depreciation	(18,366)	(19,135)
Closing net carrying amount	39,503	22,860
As at 31 December		
Cost	325,270	306,698
Accumulated depreciation	(285,767)	(283,838)
Net carrying amount	39,503	22,860

For both years, the Group leases offices, dormitories, car parks and shops for its operations. Majority of the lease contracts are entered into for lease terms of 2 to 5 years (2024: 2 to 5 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.



29. LEASE (continued)

(b) Lease liabilities

	2025 RMB'000	2024 RMB'000
Current	71,536	84,118
Non-current	23,215	11,008
	94,751	95,126

(c) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

	2025 RMB'000	2024 RMB'000
Depreciation of right-of-use assets		
– Properties	18,366	19,135
Interest expenses (included in finance costs)	2,720	10,169
Expense relating to short-term and low-value leases (included in cost of sales and administrative expenses)	238,056	245,964

The total cash outflow for leases during the year ended 31 December 2025 and 2024 amounted to RMB276,160,000 and RMB177,253,000 respectively.

30. DEFERRED INCOME TAX

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	488,036	509,045
Deferred tax liabilities	(101,424)	(123,942)
	386,612	385,103

30. DEFERRED INCOME TAX (continued)

	Deferred tax assets- allowance on doubtful debts	Deferred tax assets- tax losses	Deferred tax assets- Others	Deferred tax liabilities on amortisation of intangible assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	450,437	47,544	183	(151,482)	346,682
Credited/(charged) to the consolidated statement of profit or loss and other comprehensive Income	26,828	(16,001)	54	27,540	38,421
At 31 December 2024	477,265	31,543	237	(123,942)	385,103
Credited/(charged) to the consolidated statement of profit or loss and other comprehensive Income	(9,038)	(12,074)	103	22,518	1,509
At 31 December 2025	468,227	19,469	340	(101,424)	386,612

According to CIT Law, a withholding income tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividends out of profits earned after 1 January 2008. A lower 5% withholding income tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty agreements between the relevant authorities of the PRC and Hong Kong.

As at 31 December 2025, the Group has unrecognised deferred income tax liabilities arising from undistributed profits from the Group's subsidiaries in the PRC to its immediate holding company. No provision has been made in respect of such withholding tax as the directors have confirmed that such profits will not be distributed in the foreseeable future. Unremitted earnings in this respect amounted to RMB8,542,665,000 (2024: RMB8,277,087,000).

At the end of the reporting period, the Group had unused tax losses of approximately RMB297,585,000 (2024: RMB260,026,000) available for offset against future assessable profits. Deferred tax assets amounting to approximately RMB19,469,000 (2024: RMB31,543,000) in respect of tax losses amounting to approximately RMB144,118,000 (2024: RMB126,173,000) have been recognised. No deferred tax asset was recognised in respect of the remaining tax losses of approximately RMB153,467,000 (2024: RMB133,853,000) due to the unpredictability of future profit streams. The PRC tax losses of approximately RMB151,128,000 (2024: RMB131,733,000) will expire on various dates in the next five years. Other losses may be carried forward indefinitely.



31. CASH FLOW INFORMATION

(a) Cash generated from operations

	2025 RMB'000	2024 RMB'000
Profit before income tax	1,357,736	1,407,352
Adjustments for:		
– Finance costs	125,334	69,536
– Depreciation of property and equipment (Note 17)	23,102	22,904
– Depreciation of right-of-use assets (Note 29(a))	18,366	19,135
– Amortisation of other intangible assets (Note 18)	88,219	104,782
– Impairment losses on financial assets, net	151,289	130,890
– Loss on disposal of property and equipment	497	66
– Share of profits in associates	(14,782)	(10,519)
– Fair value change on contingent consideration payables	–	(2,753)
– Fair value change of investment properties	922	43
– Impairment loss recognised for goodwill and property management contracts and customer relationships	31,051	48,026
– Interest income	(19,069)	(16,573)
– Gain on disposal of financial assets at fair value through profit or loss	(1,539)	–
Changes in working capital		
– Trade and other receivables	(152,434)	225,441
– Contract liabilities	(131,317)	105,657
– Prepayment	31,028	(28,024)
– Trade and other payables	(220,312)	202,920
– Restricted cash	16,638	(11,882)
– Inventories	(1,359)	(2,259)
	1,303,370	2,264,742

31. CASH FLOW INFORMATION (continued)

(b) Net debt reconciliation

	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2024	120,516	120,516
Additions of leases	16,643	16,643
Accrued interest expenses	10,169	10,169
Termination	(3,155)	(3,155)
Cash flows	(49,047)	(49,047)
As at 31 December 2024	95,126	95,126
As at 1 January 2025	95,126	95,126
Additions of leases	43,573	43,573
Accrued interest expenses	2,720	2,720
Termination	(8,564)	(8,564)
Cash flows	(38,104)	(38,104)
As at 31 December 2025	94,751	94,751

32. OTHER LONG-TERM LIABILITIES

	2025 RMB'000	2024 RMB'000
Other payables	75,000	75,053

33. NON-CONTROLLING INTERESTS

The movements of non-controlling interests were as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	422,568	486,786
Profit for the year	22,573	11,038
Capital injection	480	1,254
Dividend distribution	(34,667)	(60,816)
Acquisition of additional interests in non-wholly owned subsidiaries	(64,718)	(15,694)
Others	(13)	–
At 31 December	346,223	422,568



33. NON-CONTROLLING INTERESTS (continued)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised statement of financial position	Wuhan JBL Property Management Co., Ltd.* (武漢傑佰利物業管理有限公司)		Ningbo Yatai Hotel Property Services Co., Ltd.* (寧波市雅太酒店物業服務有限公司)	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	67,804	80,819	1,039,823	907,260
Current liabilities	15,377	6,735	704,618	621,441
Net current assets	52,427	74,084	335,205	285,819
Non-current assets	87,140	103,337	341,216	370,328
Non-current liabilities	21,415	25,839	65,849	71,515
Net assets	118,152	151,582	610,572	584,632

Summarised statement of profit or loss and other comprehensive income	Wuhan JBL Property Management Co., Ltd.* (武漢傑佰利物業管理有限公司)		Ningbo Yatai Hotel Property Services Co., Ltd.* (寧波市雅太酒店物業服務有限公司)	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	174,446	157,818	2,377,999	2,291,435
Profit for the year	9,753	6,706	83,540	157,787

* English name for identification purpose only

34. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties.

	2025 RMB'000	2024 RMB'000
Revenue from rendering of services		
– Controlled by the Group's ultimate holding company	31,396	85,189
– Joint ventures of the Group's ultimate holding company	936	1,617
	32,332	86,806
Purchase of goods and services		
– Controlled by the Group's ultimate holding company	6,324	6,826
Leasing car parking spaces		
– Controlled by the Group's ultimate holding company	166,408	182,665
– Joint ventures of the Group's ultimate holding company	1,315	–
	167,723	182,665

The transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

As China Evergrande Group is being liquidated, the management of the Group expects the inflow of economic benefits from China Evergrande Group is not optimistic and exists high uncertain. Since the property services customers involve all the property owners and various aspects of the community, which has integrity and indivisibility as a whole, it is impracticable to exclude China Evergrande Group from the provision of property management services to those vacant properties. Hence, no additional costs have been incurred and the Group continues to provide property management services to China Evergrande Group. The Group estimates that the amount of the service income for the year ended 31 December 2025 to be approximately RMB510,060,000. No revenue is recognised in respect of such property management services delivered to, while the Group will endeavour to take reasonable measures to collect the receivables from the relevant parties in accordance with the relevant laws and applicable agreements to actively safeguard the interests of the Group.



34. RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties:

The Group had the following balances with related parties.

	2025 RMB'000	2024 RMB'000
Trade receivables		
– Controlled by the Group's ultimate holding company	1,994,910	2,004,388
– Joint ventures of the Group's ultimate holding company	202,120	200,649
	2,197,030	2,205,037
Less: allowances for impairment of trade receivables (charged to profit or loss)	(2,197,030)	(2,203,003)
	–	2,034
	2025 RMB'000	2024 RMB'000
Other receivables		
– Controlled by the Group's ultimate holding company	10,113	10,727
Less: allowances for impairment of other receivables (charged to profit or loss)	(7,023)	(7,188)
	3,090	3,539

34. RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties: (continued)

	2025 RMB'000	2024 RMB'000
Prepayments		
– Controlled by the Group's ultimate holding company	1,452	1,392
	2025 RMB'000	2024 RMB'000
Trade payables		
– Controlled by the Group's ultimate holding company	483,662	445,869
– Joint ventures of the Group's ultimate holding company	5,602	7,951
	489,264	453,820
	2025 RMB'000	2024 RMB'000
Other payables		
– Controlled by the Group's ultimate holding company	129,917	131,862
– Joint ventures of the Group's ultimate holding company	2,672	1,788
	132,589	133,650
	2025 RMB'000	2024 RMB'000
Contract liabilities		
– Controlled by the Group's ultimate holding company	6,079	6,263

(i) The above trade receivables, prepayments, trade payables and contract liabilities are trading nature, interest-free and repayable according to terms in contracts.



34. RELATED PARTY TRANSACTIONS (continued)

(c) Key management compensation

The number of key management personnel other than directors was 8 (2024: 5), and their compensations are set out below:

	2025 RMB'000	2024 RMB'000
Salaries, bonuses and other benefits	9,469	5,445
Contributions to pension scheme expenses	332	201
	9,801	5,646

35. EVENT AFTER REPORTING PERIOD

The Group has the following event subsequent to the end of the reporting period:

The joint and several liquidators of China Evergrande and CEG Holdings (BVI) Limited (in liquidation) (“**CEG Holdings**”) have been seeking opportunities to sell, among other things, the shares in the Company held by China Evergrande and CEG Holdings (the “**Potential Transaction**”). As of the date of annual report, the latest progress of the Potential Transaction is as follows: China Evergrande and CEG Holdings (collectively, the “**Potential Sellers**”) have entered into an exclusivity agreement with a selected bidder (the “**Potential Purchaser**”), pursuant to which the Potential Sellers and the Potential Purchaser have agreed to conduct exclusive negotiations in respect of the Potential Transaction for a period of 30 business days (unless otherwise agreed or determined under the exclusivity agreement). Currently, discussions between the Potential Sellers and the Potential Purchaser are ongoing, and the parties are negotiating the terms of the formal sale and purchase agreement in respect of the Potential Transaction. For details of the above matters, please refer to the Company’s announcements dated 11 September 2025, 15 October 2025, 14 November 2025, 19 December 2025, 13 January 2026, 6 February 2026, 11 March 2026, and 14 April 2026.

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 RMB'000	2024 RMB'000
Assets			
Non-current asset			
Investments in subsidiaries	(a)	1,603,637	–
Current assets			
Amount due from related parties		17,378	20,840
Other receivables		–	7,188
Prepayments		704	700
Cash and cash equivalents		2,652	2,603
Total current assets		20,734	31,331
Total assets		1,624,371	31,331
Equity			
Equity attributable to shareholders of the Company			
Share capital		7,060	7,060
Reserves	(b)	9,233,219	9,233,219
Accumulated losses		(7,653,550)	(9,235,447)
Total equity		1,586,729	4,832
Liabilities			
Non-current liabilities			
Loan from a subsidiary		30,322	22,448
Current liabilities			
Other payables and accruals		7,320	4,051
Total equity and liabilities		1,624,371	31,331

Notes:

- (a) As at 31 December 2025, investment in subsidiaries are carried at cost of approximately RMB9,102,506,000 (2024: RMB9,102,506,000), net of impairment loss of RMB7,498,869,000 (2024: RMB9,102,506,000) in respect of investment in subsidiaries.



36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Notes: (continued)

(b) Movement of reserve of the Company

	Share premium RMB'000	Recapitalisation premium reserves RMB'000	Total RMB'000
Balance as at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	5,944,185	3,289,034	9,233,219

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries of the Group as at 31 December 2025 and 2024 and as at date of this report, are set out as follows:

Company name	Place of incorporation/ registration and operation	Form of business structure	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company				Principal activities
				Direct		Indirect		
				2025	2024	2025	2024	
Eagle Investment (BVI) Limited	BVI	Limited liability Company	USD1	100%	100%	–	–	Investment holding
Knight Honour Global Limited	BVI	Limited liability Company	USD1	–	–	100%	100%	Investment holding
Oriental Joy Group Limited	BVI	Limited liability Company	USD1	–	–	100%	100%	Investment holding
Success Will Group Limited	Hong Kong	Limited liability Company	HKD1,000	–	–	100%	100%	Investment holding
Fortune Ascent Management Limited	Hong Kong	Limited liability Company	HKD1	–	–	100%	100%	Property management Services
Jinbi Property Management Co., Ltd.* (金碧物業有限公司)	PRC	Limited liability Company	RMB10,000,000,000	–	–	100%	100%	Property management Services
Fortune Prosper Property Management Limited	Hong Kong	Limited liability Company	HKD100	–	–	100%	100%	Investment holding

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Company name	Place of incorporation/ registration and operation	Form of business structure	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company				Principal activities
				Direct		Indirect		
				2025	2024	2025	2024	
Wuhan Jinbi Jiayuan Property Management Co., Ltd.* (武漢金碧嘉園物業管理有限公司)	PRC	Limited liability Company	RMB20,000,000	–	–	100%	100%	Property management Services
Guiyang Zhongyu Property Management Co., Ltd.* (貴陽中渝物業管理有限責任公司)	PRC	Limited liability Company	RMB3,000,000	–	–	100%	100%	Property management Services
Chongqing Tongjing Property Services Co., Ltd.* (重慶同景物業服務有限公司)	PRC	Limited liability Company	RMB5,000,000	–	–	100%	100%	Property management Services
Guiyang New Life Property Services Co., Ltd.* (貴陽新生活物業服務有限公司)	PRC	Limited liability Company	RMB5,010,000	–	–	100%	100%	Property management Services
Ningbo Yatai Hotel Property Services Co., Ltd. (寧波市雅太酒店物業服務有限公司)	PRC	Limited liability Company	RMB66,370,000	–	–	95%	80%	Property management Services
Shenzhen Futian Real Estate Development Co., Ltd.* (福田物業發展有限公司)	PRC	Limited liability Company	RMB60,000,000	–	–	100%	100%	Property management Services
Zhejiang Jindu Property Management Co., Ltd.* (浙江金都物業管理有限公司)	PRC	Limited liability Company	RMB60,000,000	–	–	100%	100%	Property management Services
Wuhan Jiebaill Property Management Co., Ltd.* (武漢傑佰利物業管理有限公司)	PRC	Limited liability Company	RMB40,000,000	–	–	51%	51%	Property management Services



37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Company name	Place of incorporation/ registration and operation	Form of business structure	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company				Principal activities
				Direct		Indirect		
				2025	2024	2025	2024	
Nanchang Tianxiang Property Management Co., Ltd.* (南昌市天翔物業管理有限公司)	PRC	Limited liability Company	RMB82,700,000	-	-	100%	100%	Property management Services
Taiyuan Lanjieshi Property Management Co., Ltd.* (太原藍潔仕物業管理有限公司)	PRC	Limited liability Company	RMB5,180,000	-	-	65%	65%	Property management Services
Chongqing Taiquang Property Management Co., Ltd.* (重慶泰廣物業管理有限公司)	PRC	Limited liability Company	RMB500,000	-	-	100%	100%	Property management Services
Evergrande Henggang Property Co. Ltd.* (恒大恒康物業有限公司)	PRC	Limited liability Company	RMB2,850,000,000	-	-	100%	100%	Property management Services
Guangzhou Jinbi Hengying Property Service Co., Ltd.* (廣州市金碧恒盈物業服務有限公司)	PRC	Limited liability Company	RMB1,010,000,000	-	-	100%	100%	Property management Services
Guangzhou Jinbi Shijia Property Co., Ltd.* (廣州市金碧世家物業服務有限公司)	PRC	Limited liability Company	RMB1,010,000,000	-	-	100%	100%	Property management Services
Guangzhou Jinbi Huafu Property Co., Ltd.* (廣州市金碧華府物業有限公司)	PRC	Limited liability Company	RMB1,010,000,000	-	-	100%	100%	Property management Services

* English name for identification only

38. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform with current year's presentation.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issued by the board of directors on 27 March 2026.

Five-year Financial Summary

Consolidated Results

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Revenue	13,193,464	11,809,176	12,486,544	12,756,687	13,677,623
Profit/(loss) before income tax	(218,904)	1,936,997	2,105,457	1,407,352	1,357,736
Income tax expense	(169,880)	(458,423)	(541,645)	(375,327)	(348,590)
Profit/(loss) for the year	(388,784)	1,478,574	1,563,812	1,032,025	1,009,146
Profit/(loss) attributable to:					
Shareholders of the Company	(316,294)	1,422,679	1,541,199	1,020,987	986,573
Non-controlling interests	(72,490)	55,895	22,613	11,038	22,573
	(388,784)	1,478,574	1,563,812	1,032,025	1,009,146
Earnings/(loss) per share for profit attributable to shareholders of the Company (Expressed in RMB per share)					
Basic	(0.03)	0.13	0.14	0.09	0.09
Diluted	(0.03)	0.13	0.14	0.09	0.09

Consolidated Financial Position

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Non-current assets	2,681,599	2,252,527	2,276,748	2,155,796	2,061,994
Current assets	3,920,529	4,895,244	5,969,668	6,554,547	7,552,628
Current liabilities	9,370,698	8,216,601	7,876,937	7,523,166	7,465,123
Net current assets/(liabilities)	(5,450,169)	(3,321,357)	(1,907,269)	(968,619)	87,505
Total assets less current liabilities	(2,768,570)	(1,068,830)	369,479	1,187,177	2,149,499
Non-current liabilities	733,960	443,935	350,268	210,003	199,639
Equity attributable to shareholders of the Company	(3,866,551)	(2,008,244)	(467,575)	554,606	1,603,637
Non-controlling interests	364,021	495,479	486,786	422,568	346,223
Total equity/(deficiency in equity)	(3,502,530)	(1,512,765)	19,211	977,174	1,949,860

